

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA
For Thursday, May 28th, 2020

- I. Call to Order** (5:00 p.m. Telephonic call-in 907-713-2140 PID #370829)
- II. Roll** (James Becker, Chris Dimond, Steven Guignon, James Houck, Mark Ridgway, Annette Smith, Bob Wostmann, Budd Simpson, and Don Etheridge)
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED.
- IV. Approval of minutes:**
 - 1. March 30th, 2020 Regular Board minutes
 - 2. April 15th, 2020 Special Board minutes
 - 3. April 22nd, 2020 Special Board minutes
 - 4. April 29th, 2020 Finance Sub-Committee minutes
- V. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time).
- VI. Consent Agenda – None**
- VII. Unfinished Business - None**
- VIII. New Business - None**
- IX. Items for Information/Discussion**
 - 1. Harbors Commercial WiFi Availability and Potential for Expansion
Presentation by Snow Cloud Services – Chris Ruschmann

Committee Questions/Public Comment
 - 2. Visitor Industry Task Force –DRAFT Taskforce Recommendations
Presentation by the Port Director

Committee Questions/Public Comment
- X. Committee and Member Reports**
 - 1. Operations/Planning Committee Meeting- Wednesday, May 20th, 2020.
 - 2. Member Reports
 - 3. Assembly Lands Committee Liaison Report

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REGULAR MEETING AGENDA (CONTINUED)
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4. Auke Bay Steering Committee Liaison Report

XI. Port Engineer's Report

XII. Harbormaster's Report

XIII. Port Director's Report

XIV. Assembly Liaison Report

XV. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday, June 17th at 5:00pm
- b. Board Meeting – Thursday, June 25th at 5:00pm
- c. Finance Sub-Committee Meeting Scheduling

XVI. Adjournment

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Monday, March 30, 2020

I. Call to Order

Mr. Etheridge called the Regular Board Meeting to order at 5:02pm in the Assembly Chambers

II. Roll Call

The following members were present via teleconference due to CONVID-19 Physical Distancing Protocols: Jim Becker, Chris Dimond, Steven Guignon, James Houck (6:20pm), Mark Ridgway, Annette Smith, Bob Wostmann, and Don Etheridge.

Absent: Budd Simpson

Also present were the following: Carl Uchtyl-Port Director, Erich Schaal- Port Engineer, Matt Creswell – Harbormaster, Alicia Hughes-Skandjis-Assembly Liason, and Teena Larson-Administrative Officer

III. Approval of Agenda – accepted as written.

Motion passed with no objection.

IV. Approval of February 27, 2020 Board Minutes.

February 27, 2020 Minutes accepted as written.

Approval of March 13, 2020 Special Board Minutes.

March 13, 2020 Minutes accepted as written.

V. Public Participation on Non-Agenda Items – None

VI. Consent Agenda – None

VII. Unfinished Business – None

VIII. New Business

1. Financial Relief to Permit Holders & Moorage Reservation Policy

Mr. Uchtyl gave an overview of page 17 of the agenda packet. He said the extent of today's action item is to give consideration to those involved in the tourist industry that have purchased permits including vendor booths and loading zone permit fees. Each of

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those types of permit fees within our ordinances are non-refundable. On page 17 of the agenda packet, it outlines the permits for tours sales, tour brokers and loading zones in Ordinance 05 CBJAC 10.030. The loading zone permit fees for 2020-2021 are a \$400 company fee plus \$9 for every seat and 5% sale tax. The tour sales permit ordinance is 05 CBJAC 10.040 and the fees for 2020-2021 is \$30,000 plus 5% sales tax. We have collected from all nine companies. Docks & Harbors require the vendor booths to pay this fee by mid-February. We have not collected any loading zone fees for 2020-2021. Lastly, on page 20 of the agenda packet is Ordinance 05 CBJAC 15.035 reservation charge policy for yachts larger than 65 feet and small cruise ships at the Intermediate Vessel Float and Statter Harbor Breakwater. The moorage rate for yachts and small cruise ships is \$2.50 per linear foot per day and a non-refundable deposit of the first day of moorage. They can book up to one year in advance. Mr. Uchtyl said that we have collected \$28K so far this season in non-refundable moorage deposits. Docks & Harbors also has a permit fee for use of the North Douglas Launch Ramp, which we have not collected fees for yet.

Mr. Uchtyl consulted with CBJ Law Department regarding the Docks and Harbors Board's authority in waiving or returning fees to the above mentioned permit holders. CBJ Law said per code CBJAC 85.02.060 the Board has the authority to adopt and enforce regulations and is responsible for carrying out the enforcement policies of the Board under CBJAC 85.02.090. The Assembly can approve or object the regulation but not enforce it or otherwise amend it. Mr. Uchtyl said the Board could tell him to return non-refundable fees under the code.

Committee Questions

Mr. Ridgway asked if the only options are to keep their money or return it all. Can we issue a credit for next year?

Mr. Uchtyl said he is not making recommendations to the Board but is providing background information on how we collect the money, what it is used for and information on regulations as well as what the Board can and cannot do.

Public Comment

Mr. Jeff Fanning of Juneau, AK thanked the Board for their consideration of refunds. He is the President of Liquid Alaska Tours and is a waterfront tours sales permit holder. Mr. Fanning asked the Board to consider refunding the \$31,500 that each vendor has paid. Each vendor is a small business and the potential of not having any cruise ships in this season presents a real cash flow problem. To refund in full would be extremely helpful to them. In a normal season, they only have six months to make their money and this year they are looking at the possibility of having eighteen months of pure expenses and no revenue. He would greatly appreciate the Board's consideration in refunding their money.

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Mr. Kirby Day, Juneau, AK, Tourism Best Management Practices (TBMP) said it is very important that the Board consider refunding or giving credit to the waterfront vendor booth permit holders. The cruise ship schedule will be changing daily and the bottom line is that we do not know when the season will start. All of the small business are going to have a very, very difficult time going forward. Mr. Day said that even if the season were to start in July it will be extremely difficult for all of them regardless of the size of their business. He advocated on behalf of all the businesses, which are TBMP members, that the Board consider refunding them. He gave a recap on what he currently knows regarding ship scheduling. Canada has closed all their ports to large cruise ships through June 30. The Port of Seattle closed their ports to cruise ships indefinitely. Cruise Line International Association (CLIA) suspended operations from all US Ports through April 14. Princes Cruises suspended all worldwide operations through May 10 and Carnival Cruise Lines extended their pause on all North America sailings until May 11. Holland America Line and Seabourn has extended their global stoppage through May 14. Royal Caribbean Cruise Line and Celebrity has suspended all Alaska and Canada sailing through June 30 and UnCruise has suspended service in Alaska until May 23 and has laid up two ships for the summer. That is what he knows today. It could change in the next couple of days or weeks. He believes Juneau will not see much profit here until July and a lot of that will be up to the state and CBJ. It will up to the lower 48 to determine when ships return to Alaska. Regardless of what happens, if there is no season or it starts in June or July all of our operators are going to have significant issues and significant problems in making it through the summer. He thanked the Board for considering this.

Mr. Chris Paulson, Juneau, AK and he has a small tourism business and a booth on the docks. Earlier he heard about the possibility of a refund or a credit of his vendor booth payment. He would like to state as a small business owner that if there is not a cruise ship season this year, they might not even be able to operate next year. Please take that in to consideration. Mr. Paulson said even if we have a cruise ship season this year it will be a short and the ships are not going to come in full or even close to full. The tour vendor booth operators will lose over half of their business and he asks that even if we have a partial season he would like a reduction in fees. He said if they receive a refund on their booths and there is no season, are they automatically put back in the booths for the 2021; or will they all have to go back into an outcry auction to get their spot back.

Committee Discussion/Action

Mr. Wostmann said this is a very significant issue and something that needs very careful attention to determine what is best for everyone. He recommended that the Board take this to the Finance Subcommittee and give them the mandate to sit down with staff and go through this in detail as to what the consequences of the options are. He is in full support of some form of accommodation; it is a huge financial impact to everyone and the Finance Subcommittee together with staff come back to the board with their recommendations in short order. We need to really focus on this and come up with a recommendation for the Board to act on.

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REGULAR BOARD MEETING MINUTES (CONTINUED)
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Mr. Dimond agreed with Mr. Wostmann and said it should be discussed in a Finance Subcommittee meeting as soon as possible. These issues are going to take some serious discussion, as they will have a big impact on the city and our vendors as a whole.

Mr. Ridgway said he also agreed with Mr. Wostmann and Mr. Dimond and that the Board should not make a decision tonight.

Revised MOTION by MR. WOSTMANN TO RECOMMEND THAT THE ISSUES OF REFUNDING FEES AND MAKING ACCOMODATIONS FOR THE LOSS OR PARTIAL LOSS OF THE UPCOMING CRUISE SEASON BE DEFERRED TO THE FINANCE SUBCOMMITTEE. THE FINANCE SUBCOMMITTEE SHOULD MEET EARLIER IN APRIL WITH INSTRUCTIONS THAT THEY RETURN WITH THEIR RECOMMENDATIONS TO THE FULL BOARD AT A SPECIAL BOARD MEETING AS SOON AS POSSIBLE.

Mr. Dimond objected to the original motion and asked if it should actually be addressed prior to the next scheduled Board meeting. He wanted it addressed sooner so the vendors and operators are not in limbo for the next month.

Mr. Etheridge agreed and said the Finance Subcommittee meeting needs to meet before the Board Meeting and they need it to happen sooner.

Mr. Uchytel said the Finance Subcommittee meeting is scheduled on April 29 and the Board meeting on April 30. He agrees that we should have special meeting for both.

Mr. Wostmann said we should call a special Finance Subcommittee meeting as soon as we can adhere with the public meeting process. Furthermore, when we are ready we should schedule a special Board meeting to address the recommendation of the Finance Subcommittee.

Mr. Dimond agrees with Mr. Wostmann and that is what he wanted to happen.

Mr. Etheridge said staff would figure out the scheduling of those meetings.

Mr. Dimond withdrew he objection and the revised motion was made with no objection.

2. Confirmation of completing FY20 & FY21 Construction Project and Studies

Mr. Schaal said that he wanted to give the Board an update on the current status of the construction projects. We currently have three active construction projects that we feel fall under the governor's mandate of critical infrastructure projects. We have been coordinating with the contractors to make sure they are addressing the COVID-19 Center for Diseases Control (CDC) recommendations to keep their people healthy and not to exacerbate a dangerous situation. Mr. Schaal gave background information on why the construction projects should continue. It is because of the permits revolve around these projects. The completion dates on some of the projects coincide with the beginning of

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the cruise season. The permits are very difficult to change and the fact that most of them revolve around and are related to marine mammals. We are very worried about when the whales will start showing up. Our preference is to continue to make progress with the aspects of construction that are covered by the permits. We are talking about pile driving at the Downtown Waterfront and drilling, blasting and excavating at Statter III (A). We are so close to finishing the cruise ship security checkpoints that the contractor has elected to continue with that project. They want to keep their people employed and it is important that we keep their people as safe as possible. The Douglas Harbor zinc anodes project was not going to start until early June and we need to decide what to do before the anodes come in. The Statter Phase III (B) is out to bid right now, which is the float installation in the dredge basin. That is scheduled to start in the fall. Several studies that we are currently working on is the Small Cruiseship Master Plan. PND Engineering is working on a high-level proposal for staff and the Board to look at, based on the market study. We should have some more information on the small cruise ship masterplan in the coming weeks. We also have the electrification study, which is still out as an RFP.

Mr. Uchtyl wanted to take the opportunity to make sure the Board is familiar with the Governor of Alaska's Mandate – Alaska Essential Services and Critical Workforce Infrastructure Order formerly "Attachment A". Docks & Harbors is considered essential infrastructure. The mandate reads: "Essential Infrastructure," including businesses providing any services or performing any work necessary to the operations and maintenance of services including, but not limited to, the Port of Alaska, public works construction, construction of housing, airport operations, water, sewer, gas, electrical, oil production, mining, logging, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems. We are interpreting the work that we do as public works construction. Mr. Uchtyl said we are in good hands with the work that we are doing.

Committee Questions

Ms. Smith asked if we have looked at the projects to see if there are any that may be set aside because of a real tight budget next year.

Mr. Uchtyl said for example Statter Phase III (B), which is the float installation, is $\frac{3}{4}$ quarters funded with head tax. That head tax is not going to be fungible to other projects. Docks and Harbors has invested \$1M of harbor money to that project. The Board could make a decision not to move forward with that project. The Small Cruise Ship Masterplan and Dock Electrification projects are funded with head tax. For the most part, we do not have a lot of harbor infrastructure projects planned right now. There is \$2M planned in the future for the north end of Aurora Harbor but without the Harbor Municipal Grant matching funds, we are looking at a case-by-case or year to year opportunity.

Mr. Etheridge stated that the zine anodes project is also matching grant funds that cannot be moved to another project.

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Mr. Ridgway asked if any of these funds could be saved and used for later projects.

Mr. Uchtyl said that projects funded through head tax can be used as defined in the settlement between Cruise Line Agencies of Alaska (CLAA) and the City and Borough of Juneau. The Board could say we are only going to dredge Statter Harbor and not build floats next year is an option.

Mr. Etheridge said the funds for building the floats cannot be moved around without Assembly approval.

Mr. Uchtyl said that right now there is money in a CIP for the Statter Phase III (B). If the Board elected not execute that \$4M project which \$3M of that is head tax. It is complicated but all actually all \$4M would be sourced through head tax. It could be moved to another project.

Mr. Ridgway said we have design costs already; do we still have an obligation to move forward with them?

Mr. Uchtyl said that if we advertise right now it would have a bid-opening day in April.

Mr. Wostmann asked Mr. Uchtyl would it be right to believe that we can cancel projects and free up head tax money and free up money to go to various capital improvement projects. We cannot use them for operations shortfalls.

Mr. Uchtyl said that is how he interprets head tax money. He reminded them that Docks Enterprise and Harbors Enterprise were combined into one pot of money. Dock & Harbors still has the settlement with CLAA would not allow us to say there are no boundary conditions to how we use head tax. Yes, it is possible, moving monies into a single basket. We still have the obligations under the CLAA lawsuit settlement to use monies in a manner appropriate for the source. There is marine passenger fees used by the city for general funds. It is audited as of this year which was an outcome of the lawsuit and the money is used for other services in the community that are effective by the impact of cruise passengers like Capital City Fire & Rescue and Juneau Police Department and the cost of allocating those funds. It is a difficult and complex question to answer how the money can be reallocated.

Mr. Etheridge said any reallocation still has to go through the Assembly to make that happen.

Mr. Guignon asked Mr. Uchtyl if there is a delay in the beginning of the cruise season, say July 1, is there any ongoing projects that will move faster without the interference.

Mr. Uchtyl said not really. Everything is moving as quickly as possible for the float installation. It takes four to five months just to get the floats manufactured down south. We do not know what the supply chain will look like in the Puget Sound area so there could be a delay. The contractors cannot start until October will the fisheries permit.

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Mr. Uchtyl said that Mr. Schaal did not mention that we are anticipating the City Manager allotting Marine Passenger Fees in FY21. There would be money available July 1, 2020. The \$1M would be money in hand which is for building a guardrail along the seawalk. The guardrail is necessary because the seawalk is no longer an active wharf and OSHA regulations require a guardrail. That will be another project that we will be executing assuming the Assembly appropriates that money as part of the finance process for the city. Mr. Uchtyl asked the Board to consider the contracts and most of the contractors that bid on our projects are local contractors. If we move forward with Statter Phase III (B), that project Trucano Construction, Western Marine Construction and Pacific Pile and Marine most likely will be bidding on. Two of the three are Juneau companies. These things are important that to consider. It would money flowing in the local community and economy.

Public Comment - None

Committee Discussion/Action

Mr. Wostmann said that the Finance Subcommittee needs to review the projects. He said they need to commit to the CIP Funds and keep projects going in town.

Mr. Ridgway said he disagrees with Mr. Wostmann and Mr. Uchtyl about keeping the projects going. Our direction in city code is to support the maritime industry and he does not believe that includes support to contractors. The world is so significantly different now than a month ago and Mr. Ridgway does not believe money is going to be easily come by in the near future. The head tax on the assessment for next year may be zero. Mr. Ridgway says the funds we have available are more important now than two months ago and if there is a better project to support our mission and the industry. He does not know the unknowns. The industry needs something different next year to get a kick-start, he would encourage staff to take a look at that before we spend the \$4M we have. We may not get any more head tax money for this year. Much more important to review that decision on a project in the hopper. That is his opinion. Does Docks & Harbors have the ability to move the money and spend to make sure that people are still around next year. Looking at 2021 he does not know that Statter Phase III is the most important investment that we can make.

Mr. Dimond wanted to verify what the question is. Are we talking about funding for future projects vs continuing funding for current projects?

Mr. Uchtyl said his thought is to give the Board the opportunity to give direction and take a stance on what we want to do with our current/future projects in light of the guidance of basically a stand down with the exception of the essential infrastructure. He feels good about our work being public works construction which serves the public transportation system. He wanted the Board to have input in the direction of what we are doing and moving forward. Completing projects that we currently have contracted with

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and are finishing up that we are pursuing and not taking our foot off the pedal for studies and that the CIP projects are scheduled to be awarded. Statter Phase III and zinc anodes projects should continue.

Mr. Etheridge believes the Board needs to move forward with what we have going on right now and keep an eye on it. The projects we have going right now need to continue looking at going forward and whatever bids might be out there could be very favorable at this point. Mr. Etheridge would hate to stop these projects as we would lose money and would get back pennies on the dollar and that is not a good idea with public money. He thinks we need to continue on until a future date and if things change we can always change it at the next meeting.

Mr. Ridgway agrees with Mr. Etheridge on existing contracts. He believes that Statter Phase III should be classified as a pending bid award. Getting pennies back on the dollar for awarded construction projects is a no brainer. That is not smart business. Mr. Ridgway urges the Board to take a beat before we spend any money and make sure they are absolutely the most critical projects and cruise ship, related that we should be spending money on.

Mr. Wostmann said wait on a motion and to continue with already committed projects and suspend decisions on projects not yet awarded until the Finance Subcommittee has had time to evaluate Docks & Harbors financial situation.

Mr. Etheridge said we would bring this up to the Finance Subcommittee meeting and not make a motion on this today.

Finance Subcommittee will meet prior to board meeting on April 30. The date to be determined.

Mr. Uchtyl asked Mr. Schaal when the bid-opening day is?

Mr. Schaal responded Statter Phase III (B) bid opening is April 21, 2020.

Mr. Ridgway asked if once the bids are open are we obligated to award.

Mr. Uchtyl said it is very bad form to open bids and expose them if we are not going to award them. Contractors spend a lot of money preparing a bid. We have an operating budget and we have CIP projects. CIP projects are already funded.

IX. Items for Information/Discussion

1. Status of COVID-19 Vessel Screening Task Force

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REGULAR BOARD MEETING MINUTES (CONTINUED)
For Monday, March 30, 2020

Mr. Creswell said at the last OPS/Planning Committee meeting he was directed to set up a vessel screening quarantine task force with himself, Mr. Wostmann, Mr. Simpson and Mr. Scott Hinton. The task force is in their twelfth day of operations. The task force has been providing information to boats arriving in Juneau and now to people arriving on the ferries. Docks & Harbors staff have done several things. We have posted lots of information in about twenty five locations throughout the harbor system. Mr. Wostmann and his staff have created a flow chart that helps anyone arriving in Juneau know which way to go and what to do. The task force created a 24-hour hotline for arriving vessels to call. We answer any questions they may have about where they have come from, who is on board and does anyone have any COVID symptoms. They are then referred to the right place for screening or direct them to stay on their vessel per the criteria. We are meeting each Alaska Marine Highway Ferry as it comes in to Juneau. We are providing passengers with information on the mobile screening site and the number to call to screen via phone. Mr. Hinton and Mr. Creswell are providing all the latest Governor mandates and basically a one on one contact with everyone that arrives in Juneau via ferry. The ferry captains are texting him and letting him know how many are on the boats so I know how many information packets to have. We anticipate starting to offer a verbal screening with these folks and offer temperature checks if they choose. We have set up a working in partnership with the Marine Exchange and we have watch zones in north and south end of the harbor systems, so Auke Bay and Downtown. The majority of the vessels seen so far are local Juneau vessels that are coming and going. Mr. Creswell confirmed with all the fuel terminals as well as Alaska Marine Lines to remind them that the tugboat crews stay on the tugboats whenever they come in to deliver. We have had several calls on the hotline for boats coming in and so far they are locals which we already knew about. Docks and Harbors has a place available downtown for vessel quarantines should a boat or boats come in from out of state or meeting criteria for COVID-19. We have a place for them to quarantine should they need somewhere if they are not a resident. If it becomes necessary, we can also set that up in Statter Harbor. Mr. Creswell and his staff are trying hard to keep up on all the changes and making sure the materials are current.

Mr. Wostmann said that Mr. Creswell covered everything. He thinks the taskforce is working very hard. Mr. Creswell has taken the lead and made things happen. We are in pretty good shape. Traffic in the harbors is very limited but we are ready for when it picks up.

Mr. Etheridge said he saw the signage and said it looks nice.

Ms. Alicia Hughes-Skandijs asked who is staffing the hotline.

Mr. Creswell said it is himself or Scott Hinton using a Harbor cell phone. It is posted on all the literature and it is forward to their phones depending on what day it is.

Committee Discussion/Public Comment

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Mr. Etheridge appointed Mr. Ridgway per his request, as an alternate on the Vessel Screening Task Force.

X. Committee and Member Reports

1. Member Reports – Mr. Ridgway said the Ops/Planning Committee Meeting met on March 18. They discussed COVID-19 and changes to the cruise ship season. Mr. Duvernay from Harri Marine discussed the failure of the sealift at the Auke Bay Boat Yard.

Mr. Etheridge said he has had several calls from stallholders looking for free moorage during the COVID-19 Pandemic. He would like this item added to the special Finance Subcommittee meeting agenda.

No objections to adding that to the Special Finance Subcommittee agenda.

2. Assembly Lands Committee Liaison Report – None.
3. Auke Bay Steering Committee Liaison Report
Mr. Wostmann said the meeting was cancelled.
4. South Douglas/West Juneau Planning Liaison Report - None.

Mr. Dimond said he forgot that he and Mr. Simpson were appointed to the committee.

XI. Port Engineer's Report

Mr. Schaal said that while everyone was talking about financial relief the second blast occurred at Statter Harbor. It went well. Pile driving is the focus at our downtown waterfront project. The security check point shelters are getting the panels installed this week and the crew is making good progress. They should be finished by April 1.

XII. Harbormaster's Report

Mr. Creswell said our seasonal staff return date was originally set for March 31 with fourteen seasonal staff returning. We decided to push that back to April 13. We are optimistic that we will be able to bring them back then. If not, we will reevaluate and bring them back when social distancing protocol can be followed. We have an extremely long list of projects. We have some large projects on hold, namely the Lumberman clean up and demolition at North Aurora Harbor. We will use staff for those projects when we bring them back for the season. Parking lot clean up with staff labor instead of hiring outside contractors. We are busy with the COVID-19. We are keeping track of expenditures for time and costs for reimbursements. There is minimal

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traffic in the harbors and trying to shelter in place at home and being careful at work. He is very pleased with where he is at with staff and supporting them throughout this.

XIII. Port Director's Report –

Teena Larson, Administrative Officer said that Docks and Harbors admin staff has extended our hours to accept afterhour's calls from 8:00am – 9:00pm and weekends 8:00am to 4:30pm. We have implemented bill pay for moorage payments. The on call person can look up the information and help people walk through their bill pay. Launch ramp purchase online continues to be very successful. We have a statement on our main webpage with our hours.

Mr. Uchtyl said that we are trying to brainstorm on how to protect employees and patrons with social distancing. We are allowing some staff to work from home. He reminded everyone that Wednesday is his presentation for the Assembly Finance Committee. Mr. Uchtyl said the power point he presented to the Board has been culled down at the request of the Finance Department. There is many unknowns in our budget so the one being presented is different from what you saw.

XIV. Assembly Liaison Report – none.

Ms. Hughes Skandjis said the Assembly has been staying very busy working through the COVID-19 situation. The Assembly is having regular Tuesday and Thursday special meetings right now. The Assembly is talking about refunding some city fees and extensions on tax payment deadlines. Asked that everyone stays home as much as possible.

XV. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday, April 22 at 5:00pm
- b. Finance Sub-Committee Meeting – April 29 at 3:00pm.
- c. Board Meeting – Thursday, April 30 at 5:00pm

All subject to change.

Mr. Uchtyl asked how the Finance Subcommittee wanted to meet for a special meeting in person or telecommute. Mr. Wostmann said he prefers to do meetings as telecommuting meetings. If possible, we should comply with the physical distancing. He asked Mr. Uchtyl to put out a doodle poll to determine meeting dates and times. Mr. Uchtyl said he will schedule the special meeting and will advised those members. The meetings need to be publicly noticed.

XVI. Adjournment - The meeting was adjourned at 6:29 p.m. with a motion by Mr. Becker.

Respectfully Submitted by Mary Wolf, Admin Assistant 1

CBJ DOCKS AND HARBORS BOARD
SPECIAL MEETING MINUTES
For Wednesday, April 15, 2020

I. Call to Order

Mr. Etheridge called the meeting to order at 3:08 pm at the Port Directors Office.

II. Roll

The following members were present via video and/or conference call: James Becker, Chris Dimond, Steven Guignon, James Houck, Mark Ridgway, Annette Smith, Bob Wostmann, Budd Simpson and Don Etheridge.

Absent: none

Also present were the following: Carl Uchytel – Port Director, Erich Schaal – Port Engineer, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer, Jennifer Sims, Administrative Assistant III, and Mary Wolf, Administrative Assistant 1

III. Approval of Agenda

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED.

Motion passed with no objection.

Approval of April 3rd, 2020 Finance Subcommittee Minutes.

Mr. Wostmann asked that the minutes be changed to say the Finance Subcommittee recommended and not decided, which is on the last page of the minutes.

Minutes approved with changes.

IV. Public Participation on Non-Agenda Items (not to exceed five minutes per person, or twenty minutes total time).

Mr. Kirby Day, Juneau, AK with Tourism Best Management Practices, Princess Cruise Line and Holland America Line said there were significant changes yesterday by Princess Cruise Line and Holland America Line. They announced they are pulling twelve of their sixteen cruise ships from the Alaska market this coming season. Additionally they are not going to open any of their lodges in the interior nor run any of their motor coaches or rail service for interior tours. This decision also eliminated all their cruise ship itineraries on their cross gulf trips. Holland American is keeping two ships in the market and offering seven day cruises sailing only in Southeast Alaska and departing and returning to Seattle and Vancouver. The two Holland America ships are the Eurodam – Seattle and the Koningsdam - Vancouver. Princess Cruise Lines will operate the Ruby Princess and the Emerald Princess on seven day trips to Southeast Alaska sailing roundtrip from and to Seattle. Startup dates are late summer when the no sail order is lifted. Once the Center for Disease Control gets posted, 100 days would start today or tomorrow which would bring us to July 23 or July 24. The probability is that Cruise Lines International Association (CLIA) will suspend service until June 30. Norwegian Cruise Lines

CBJ DOCKS AND HARBORS BOARD

SPECIAL MEETING MINUTES

For Wednesday, April 15, 2020

(NCL) cancelled the Norwegian Sun, and they have suspended service all of service only until May 10, which obviously will change to June 30. This means a loss until June 30 of over 700,000 beds of the 1.4 million anticipated. Once NCL adjusts their schedule, we will lose another 80,000 beds. The numbers would be if everyone started back to service July 1-5. We will lose almost 800,000 beds. That is his update.

Mr. Etheridge asked Mr. Day how the new Canada mandate to not allow any ships greater than twelve passengers.

Mr. Day said originally Canada has a no sail order until July 1 for all ships over 500 capacity. It may have effected some of the smaller ships like Lindblad there is no realistic way anyone will sail before then. Some of the American flagged ships could possible call before then.

VI. Unfinished Business

1. Board Decision on Refunding Waterfront Vendor Booth Permit Fee (05 CBJAC 10.040)

Mr. Wostmann said the Finance Subcommittee met on April 3 to address three issues: non-refundable fees for Docks & Harbors permittees, moorage relief for small boat harbors and support for Capital Improvement Projects (CIP). The committee had a long discussion specifically on the refunds of vendor booth permit fees. The committee also talked about moorage forgiveness in the small boat harbors and future CIP projects. They came up with recommendations for the Board for each of the above issues. The Committee asked Mr. Uchtyl and his staff to condense their recommendations to a written set of recommendations. The Subcommittee only addressed urgent matters.

Mr. Uchtyl said there are basically five items that came from the two and a half hours the Finance Subcommittee met. The Finance Subcommittee asked that their recommendation be put into motions for the Board. Mr. Uchtyl said what is on the agenda is staff drafted motions. If the Board wants to make changes, they have the right to do so. Specifically refunds for the vendor booth permits which nine companies paid \$30,000 for the right to sell their tours at three locations on the waterfront for this year. The intent for the Board is you can act in several different ways. The will of the Finance Subcommittee on April 3, was to return half of the collected money now and take a wait and see until we know what the remainder of the season will look like to return the other half or not. That is what is before the Board today. Mr. Wostmann and the Subcommittee felt that time was of the essence and that is why we are holding the Special Board meeting today. The Board today could act on the motion that was drafted, they could amend it or save the information and postpone a decision until an upcoming meeting. The Board could also determine whether or not to return the other half of the collected fees at that time knowing what the remainder of the season will look like.

Mr. Wostmann felt that time was of the essence. The Board could act on the motion, amend the motion or ask for more information.

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Board Questions

Ms. Smith said she is wondering why the Finance Subcommittee selected only the vendor booths to refund at this time. Are they the only ones who have paid upfront?

Mr. Etheredge said yes, they are the only ones who have paid up front.

Mr. Wostmann asked if Docks & Harbors has more knowledge regarding the cruise season. Does Mr. Uchytel have any more recommendations for a time frame in offering the second half of the refund?

Mr. Uchytel said not really. There is more and more information trickling in so at some point he suspects the Board will have to say if there a season or not. Do we return it all or keep a portion for next year. With Holland America and Princess Cruises only running four ships now, what does that look like? It is still vague.

Public Comment

Mr. Day said he is representing TBMP Members. All of the vendors are members of TBMP and members of the community. These businesses that are hurting. Right or wrong their business may take deposits to get them through the winter and now they have to give back these deposits. Mr. Day fully supports refunding their money. The season will not be much, from sixteen ships to four. Holland American Line and Princess Cruise Lines has the largest presence in Alaska. Even if the season starts the end of July Juneau may only see twenty five to forty percent of the passengers we would normally to see. The Board might consider just calling it what it is and refunding the money or give them the option of applying it towards next year. Mr. Day said that most of them would prefer a full refund.

Mariann Cummings of M & M Tours and a vendor booth owner. She asked that all the vendor booth fees be returned to the owners in light of the recent news of all the cruise ships that are not coming to Juneau. Even if the ships come, it will be a very light season. There may be companies that won't find it in their best interest financially to even operate. Those that don't operate, would have their money back to pay their bills and those that want to operate will. Ms. Cummings request is to have all of the money returned at this time and let them pay later if they operate when and if the ships come.

Mike Wallace with Alaska Travel Adventures (ATA) echoes Mariann Cummings comments as well as Kirby Day's.

Board Discussion/Action

Mr. Simpson spoke in favor of a refund of the entire of amount. He said he is afraid that Juneau is going to end up with less than half of a season. Those companies that want to operate for whatever season we have can come back later on, open up and pay a fair percentage. These local operators are going to need the refund money more than we are at Docks & Harbors. He supports a motion to return all the money to the vendors.

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Mr. Houck said the Board is focusing more on the time elements and not the effects. The vendors are counting on a glean of a percentage of each tour that they sell. Mr. Houck believes many companies are not even going to operate this summer. He is not operating his company this season at all. The number of sales and choices are reduced even more with only fifty percent of the season. Mr. Houck believes that seventy five percent of the people offering the tours will not be operating this summer. He supports a full refund.

Mr. Ridgway said the Finance Subcommittee was looking at trying to act as soon as possible on these issues while weighing the potential impacts to Docks & Harbors. Mr. Ridgway stated that he is in favor of refunding their money but not today.

Ms. Smith asked Mr. Houck if he could name some of the vendors that he knows that will not be operating this season.

Mr. Houck said he knows that many of the owners of the charter fishing trips are not operating and some of the coach charter busses are not bringing up their drivers. Knifeworks, a local business is not opening this summer. Mr. Houck said all of his advertisers on his pedicabs pulled out and many other businesses are putting holds on their orders because they don't have room for inventory.

Mr. Wostmann said the season is bleak. Is there any incentive for holding part of the fee so maybe some of the vendors will operate in the last part of the season? He is still undecided on his decision.

Mr. Becker said his first comment early on was to return all the money. He still supports returning all the money. Mr. Day's report kind of summed that up. It does not seem fair to hold back money and we should trust the vendors. Mr. Becker said if we do not make a decision today, we have another meeting coming up next week.

MOTION By MR. SIMPSON: THE DOCKS AND HARBORS BOARD DIRECTS THE PORT DIRECTOR TO RETURN ALL OF THE COLLECTED FEES AS SOON AS PRACTICABLE.

Objection by Mr. Ridgway.

Mr. Ridgway said he does not believe the motion gives enough clarity for the Port Director with the practicable. It does not give the Port Director clear direction from the Board.

Ms. Smith asked Mr. Etheridge is we refund all the fees and we end up with a partial season, will the vendors have to go through a lengthy process to get their booth back.

Mr. Uchtyl said his recommendation is that if the Board gives back all the money, the Board can reconvene and direct the Port Director on what to collect for the booths, if anything.

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Mr. Simpson said that was his intention when he made the motion that the vendors could come back to the department and we would figure out what a fair fee would be for the remainder of the season given both the time and amount of business.

Mr. Houck asked if the Port Director would be able to come up with an easy and quick option for the vendors to get their booths up and running should there be a season.

Mr. Uchtyl said what is fair is that the same nine vendors would be the only ones eligible for a late season. It would be the same nine. The question is what would be a reasonable fee at that time.

Mr. Etheridge asked for a roll call vote.

Mr. Becker, Mr. Dimond, Mr. Guignon, Mr. Houck, Mr. Wostmann, Mr. Simpson and Mr. Etheridge were all in favor.

Mr. Ridgway and Ms. Smith opposed.

The Motion passed 7-2.

2. Board Decision on refunding moorage reservations (05.CBJAC 15.035).

Mr. Uchtyl said that refunding reserved moorage fees were discussed by the Finance Subcommittee. This item has to do with yachts and some small cruise ship companies that make reservations for the Inner Cruise Terminal, Intermediate Vessel Float and the Statter Harbor breakwater. These vessels pay \$2.50 per linear foot per twenty four hour reservations. The regulation says the first night deposit is non-refundable. Docks & Harbors has collected about \$8000 in reservation deposits which is non-refundable for FY20 and \$19,000 in FY21 also nonrefundable. The discussion at the Finance Subcommittee meeting was requesting we return the funds if the owner can demonstrate the need for a refund. This motion applies to the Inner Cruise Terminal, Intermediate Vessel Float and Statter Harbor breakwater only.

Board Questions

Mr. Simpson asked Mr. Uchtyl what he envisions as a demonstration of need.

Mr. Uchtyl said he was thinking of an application where the company has to make the ask for the money. The bar would not be set high. The Finance Subcommittee did not want a blanket refund if the Board approves the refunds.

Public Comment – none.

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Board Discussion/Action

Mr. Simpson said he is in favor of the refunds, with the recommendation to strike the last line regarding demonstration the need for a refund. The owners or managers of the vessels must still make a written request for a refund. Mr. Simpson does not like the idea that they have to qualify.

Mr. Ridgway said he agrees with Mr. Simpson and it makes it a simpler motion.

Mr. Wostmann said he was wondering would it be appropriate to add to the motion that they can apply for the refund or request that it be apply towards next year reservations.

Mr. Etheridge said that yes it could be part of the motion

Mr. Wostmann said he would recommend that be added to the motion

Ms. Smith said it seems to her that if the Board is going to be refunding all the prepaid fees then we should do so without the operators having to make the requests.

MOTION by MR WOSTMANN: THAT DOCKS AND HARBORS BOARD DIRECTS THE PORT DIRECTOR TO RETURN NON-REFUNDABLE FEES COLLECTED UNDER CBJAC 15.035 ONLY IF THE APPLICANT APPLIES IN WRITING TO THE PORT DIRECTOR. THE REQUEST CAN BE FOR A REFUND OR CHANGE OF DATE(S) FOR A NEW RESERVATION.

Mr. Etheridge asked for a vote. Mr. Becker, Mr. Dimond, Mr. Guignon, Mr. Houck, Mr. Ridgway, Mr. Wostmann, Mr. Simpson and Mr. Etheridge were all in favor.

Ms. Smith opposed.

The motion passed 8-1.

3. Board Decision on moratorium on impounding vessels (CBJ 85.25.180)

Mr. Uchytel said the intent of this motion is for the Board to provide policy direction to him on what to do with those that are struggling to pay their moorage fees. This is a lengthy motion but it give guidance from what Mr. Uchytel took from Mr. Etheridge. It was from the legislature on a non-evict clause for those that cannot pay rent. A lot of the language we can follow in managing the harbors for moorage. It gives latitude to the Port Director to work with the Harbormaster and staff so as to not impound a bunch of vessels because of the hardships of COVID-19.

Mr. Simpsons asked Mr. Uchytel if the language is such as the moratorium applies for non-refundable fees. Can we still exempt or impound for other issues in our other regulations?

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Mr. Uchytel said the language of the state talks about criminal activities as being exempt. For example we have an upcoming abandoned vessel for impoundment and we will go forward with that. The motion gives the guidance of kindness during this emergency and not impound if at all possible. No pass for criminals.

Board Questions – none.

Public Comment - none

Board Discussion/Action

MOTION by: MR. RIDGWAY THE PORT DIRECTOR SHALL BE GUIDED BY GOVERNOR'S PUBLIC HEALTH DISASTER EMERGENCY WHICH PROVIDES STATUTORY PROTECTION TO PREVENT EVICTION OR OTHERWISE EJECT A PERSON WHO IS A RESIDENTIAL TENANT FOR NONPAYMENT OF RENT. THE PORT DIRECTOR IS DIRECTED TO SUSPEND IMPOUND OF VESSELS AS IT APPLIES TO LIVE ABOARD PATRONS EXPERIENCING FINANCIAL HARDSHIP RELATED TO THE COVID-19 PUBLIC HEALTH DISASTER EMERGENCY. ANY PERSON SEEKING PROTECTION UNDER THIS MOTION SHALL PROVIDE TO THE PORT DIRECTOR A SIGNED STATEMENT, SWORN UNDER PENALTY OF PERJURY, THAT THE PERSON IS EXPERIENCING FINANCIAL HARDSHIP RELATED TO THE COVID-19 PUBLIC HEALTH DISASTER EMERGENCY. THIS ORDER IS EFFECTIVE FOR APRIL, MAY AND JUNE 2020. ASK FOR UNANIMOUS CONSENT.

No objections.

4. Board Decision on moorage forgiveness within the CBJ small boat harbors (CBJ Title 85.20)

Mr. Uchytel said this came up again at the Special Finance Committee meeting. The board has received emails from a certain individuals that we should forgive all moorage fees or provide free launch ramp permits or offer deeply discounted rates. This item helps provide clarity and policy to the public on what are our intentions.

Board Questions

Mr. Ridgway asked if any staff has been approached by charter services that make money during the cruise season.

Mr. Uchytel said the best example he can give was from a whale watch charter company that pays year round moorage. This company will not operate this year. They have their vessel pulled out of the water and we are not berthing his slip. The person who pulled their vessel is asking for consideration from our normal rules or the original slip renter to not pay moorage.

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Mr. Creswell said some of the charter boats that go to Tracy Arm stay in the harbor year round. We have not received any thing from them regarding moorage relief.

Mr. Ridgway asked if under the permits are those business all local Juneau businesses.

Mr. Uchytel said it's complicated. They are required to have a local address and as a general rule each one meets that requirement.

Ms. Smith said the example was a person on the B float and her understanding is if he wants to release his stall for hot berthing, but retain the stall when he needs it back, he needs to continue to pay his stall fee as well. Is it possible to just let him retain the stall while hot berthing and not pay his stall fee?

Mr. Uchytel said not in the existing regulations. The item that we are talking about right now is that we are going to maintain all the regulations that currently exist.

Mr. Ridgway said that excludes the regulation to refund the permit fees though under CBJ code we are not legally obliged to. Are we sticking to our regulations?

Mr. Uchytel asked Mr. Ridgway if he was asking if the Board can change the regulation for certain individuals.

Mr. Ridgway said his question is that this motion as written says we are going to stick to our regulation and continue to bill unless our regulations change.

Mr. Simpson said it seems by this motion we are giving the Port Director a certain amount of discretion to work with individuals on a case by case basis. We are saying that those regulations do not work under the present circumstances and we want the Port Director to have the flexibility to work with each individual. Mr. Simpson said we should not interpret every regulations literally in every case.

Mr. Uchytel said Mr. Simpson is probably correct. He was fixated to not reduce the moorage for this year. The Finance Subcommittee could have recommended that the automatic Consumer Price Index (CPI) would not kick in. That Committee did not want to do that. We are maintaining the moorage fees moving forward. Mr. Uchytel is asking for wide latitude on case by case basis to work with individuals that are adversely affected by COVID-19. Mr. Simpson is correct regarding the language giving the Port Director broad authority.

Mr. Ridgway said the way it is currently drafted. Year round moorage company boat that works solely in tourism were to approach you should we pass can he do anything to help them other than defer their moorage fees. In the first agenda item motion we gave back every cent. He is trying to weigh this motion against the first agenda item.

Ms. Smith thinks that if we have a small Juneau business relying on tourism income we should help. But for general patrons, she is not sure about refunding launch ramp fees and moorage.

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Mr. Houck asked Mr. Uchytel it is not very long range planning with the fisheries markets around the world collapsing. There will be lots of fishing boats tied up and not paying fees. Do most of them pay annually? Does this open us up to having to give them their moorage fees back as well?

Mr. Uchytel said in regards to commercial fishing vessels yearly moorage, Ms. Sims can answer that question.

Ms. Sims said maybe twenty percent pay annually. Most of them and other patrons pay monthly basis.

Mr. Uchytel said that there are more and more vessels fishing the North Lynn Canal. He doesn't have a number how much we are exposed if we open working with everyone effected by COVID. The restaurants are closed and there is no market. The charter operator out of Statter still wants to maintain their slips for next year we need to be very careful how we manage that so we remain fair across the board.

Mr. Becker is looking at the crash of the fishing industry. It is a little premature to know what's going on. Who knows if they fish are going to come back? He remains hopeful for a strong season.

Public Comment

Mr. Dennis Watson he said he agrees with Mr. Uchytel and said it is a slippery slope. Juneau has a lot of people directly affect by the COVID-19 virus and have been laid off. Many of them have boats in the harbors. Mr. Watson is concerned that we may be trying to do things that may put us in a situation and could start compromising the harbors. He agrees with tourism but he does not necessarily agree with the policy of hot berthing. If we have a policy in place then it should apply to every boat owner regardless if they are a tourism, commercial or a recreational boat in the harbor. Everyone must continue to pay their monthly fees.

Board Discussion/Action

Mr. Simpson said this motion as it is presently written starts out with the restatement of the policy that it is not our policy to forgive moorage fees. If they would be deferred and no action taken right away to collect fees that are delinquent it is giving them a break that way. Mr. Simpson said we should not waive fees.

Mr. Ridgway said general discussion points. He does not understand why we are not considering long time tenants in our harbors who rely on the tourism trade to pay their moorage. Its seems like it is not equitable. He agrees with the public comment that they can move their boat. It does not seem we are being fair dealers if we are not fully refunding all permit fees. Mr. Ridgway said the Committee is not considering the people who for years have paid moorage on forty, fifty, sixty foot vessels that solely deal in the tourism in the charter industry.

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Mr. Wostmann said the Finance Subcommittee discussed moorage forgiveness or deferment at their meeting. There is not a straight-line comparison between vendor permits and the boaters. If we give an extra break to certain groups within the harbors, he thinks we will get in trouble. Almost everyone is effected somehow. It was felt that rather than try to make a specific motion on who does and does not get a break is left to the harbormaster on an equitable case by case basis. Additionally, this is a sustaining income base for the harbors and we cannot afford to give most of it a way. Vessel owners could defer or whatever is a reasonable solution. Forgiveness did not seem like it could be done in any equitable manner.

Mr. Simpson agreed with Mr. Wostmann's comments that the vendor booth operators are all in the same situation and they cannot operate if the cruise ships do not come in. They would receive nothing for the fees they paid. In the case of the boat harbors, everyone gets a place to moor their boat, so they are getting a service even if their income stream is interrupted. Mr. Simpson sees an operable difference there and he supports this motion.

Ms. Smith said she thinks when we looked at refunding the vendor fees, we were looking at businesses who are affected directly by tourism. She said to be fair and are equitable we also need to look at people in our harbors who are directly affected by tourism. It should not include people like her who don't have a job for the summer. If we are going to refund money to some businesses that are directly affected by tourism, then it should be carried over to businesses that use the harbors and to businesses effect by tourism.

MOTION by MR. SIMPSON: IT IS THE POLICY OF THE BOARD NOT TO FORGIVE MOORAGE FEES. THE PORT DIRECTOR IS GIVEN DISCRETION TO WORK WITH INDIVIDUALS ON A CASE BY CASE BASIS TO EXTEND PAYMENTS OF MOORAGE FEES NECESSARY TO KEEP THE INDIVIDUAL'S ACCOUNT IN GOOD STANDING. THIS ORDER IS EFFECTIVE FOR APRIL, MAY AND JUNE 2020.

Mr. Etheridge asked for a vote. Mr. Becker, Mr. Dimond, Mr. Guignon, Mr. Houck, Mr. Wostmann, Mr. Simpson and Mr. Etheridge were all in favor.

Mr. Ridgway and Ms. Smith were opposed.

Motion passed 7-2.

5. Board Decision on daily moorage fee (05 CBJAC 20.030)

Mr. Uchtyl said that daily moorage fees were also discussed at the April 3 Finance Subcommittee meeting. The harbors have a handful of people in the harbor system who do not have the means to be considered for monthly payments. They end up paying a daily rate. The difference between daily rates and monthly rates is substantial. If you can pay ahead (one month in advance) the rate is \$4.40 per linear foot for the downtown harbors and \$7.30 a linear foot at Statter Harbor. The daily rate is 57 cents per linear foot per day. If they cannot pay in advance, they end up paying triple what they would if they could be moved to

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monthly. This motion puts everyone on a monthly rate for three months only. He asked Ms. Sims to elaborate on the number of patrons this would affect.

Ms. Sims said usually by then end of the month, we have eight to ten patrons who cannot get caught up to pay monthly. Moorage is due by the first of the month if they want the monthly rate. If they pay by the fifth of the month, the daily charges can be removed and they go to a monthly rate for that month. There is a lot of flexing that happens.

Mr. Uchytel said about ten patrons a month would benefit from this. This shows good will and helps those that need the help because they are strapped for cash.

Ms. Sims said she has also heard from several harbor customers in the last month or so who are waiting on their unemployment checks and do not have the money right now and are waiting to pay when their checks start coming in. The discretion to work individually would really help them and allow time for their unemployment benefits to kick in.

Board Questions

Mr. Etheridge asked if some patrons have been delinquent for month and months and months. Would this affect them?

Mr. Uchytel said yes, it would probably affect them.

Ms. Smith said if we already are flexible, do we really need to have this motion.

Mr. Etheridge said it changes the rate on them and holds the moorage rate at a separate rate.

Ms. Smith said she understands it, but we are already working with them. Do we really want to put everyone on a monthly rate and continuing working with them as we have as an option?

Ms. Sims said it is our policy to never let anyone have the monthly rate after the month is over. So if a patron gets into May and they have not paid for April there is nothing we can do about their April rate. They would have to pay the daily rate for the entire month of April before they would be allowed to pay the monthly rate for May. So if this is in effect for April, May and June they can pay the monthly rate for April as late as June or however long it takes them to get caught up. This is a major difference from how we are operating now.

Mr. Houck said he has friends who have a number from the unemployment office with the state applying for applying for assistance and they have been in line for nine to ten days. This would give them the opportunity to catch up when they get their funds. Unemployment rates seem to hit Alaska a little harder than the rest of the world. Will this motion only apply to live aboards? To clarify there are cases that only the daily rate would apply to like overnight stall use or less than so many days. I just want to be sure I understand the motion.

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Ms. Sims said if they have more than seven days is a downtown harbor, it is less expensive to pay a monthly rate and it is thirteen days in Statter Harbor to meet the less expensive monthly rate. The daily rate will still be available for short term use. This is providing a discount to those than cannot pay ahead. This rate is not exclusive to live aboards.

Public Comment – none

Board Discussion/Action

MOTION by MR. WOSTMANN: THE DOCKS AND HARBORS BOARD, TO PROVIDED RELIEF TO DAILY MOORAGE PATRONS, DIRECTS THE PORT DIRECTOR TO APPLY MONTHLY CHARGES TO THOSE WHO DO NOT MEET THE REQUIRMENTS TO BE CONSIDERED FOR MONTHLY PAYMENT. THIS ORDER IS EFFECTIVE FOR APRIL, MAY AND JUNE 2020 AND ASK UNANIMOUS CONSENT.

No objections.

VI. Staff or Member Reports

Mr. Uchytel said we are planning on holding the normal Operation/Planning Committee Meeting next Wednesday. The five items we talked about today were timely. The other fees did not have a tight timeline. Other fees for loading zones and passenger for hire will be on the next Operations/Planning Committee agenda. Mr. Uchytel said he would like to inform the Board about a Special Board Meeting April 22. The special meeting is to approve the bid opening results from April 21 for Statter Harbor Phase III(B). The Committee and staff will also talk more about the budget and how we are going to navigate that.

Mr. Creswell said he has nothing pressing. Spring cleanup has started with limited in-house staff that normally would be contracted out like sweeping the parking lot to name one. We are selling lots of launch ramp permits. The online launch ramp purchase is going really well. Two public auctions closed on impounded vessels that resulted in one selling for \$17K and the other for over \$2K. The vessels were the Bitters and Twenty Grand.

Mr. Simpson's recommendation to staff is that we just pasted five motions that give citizens relief and he wants to be sure the public and the Assembly knows that the Docks & Harbors Board has taken these steps. Mr. Wostmann wants to see the refunds done in a very timely manner and also to make sure everyone gets this message.

Mr. Etheridge said one incident in Douglas vandalism. We are making progress.

VII. Adjournment – The meeting adjourned at 4:38pm with a motion by Mr. Simpson.

Respectfully submitted by Mary Wolf, Administrative Assistant 1.

CBJ DOCKS AND HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, April 22, 2020

I. Call to Order

Mr. Etheridge called the meeting to order at 5:00 p.m. in the Port Director's Office.

II. Roll Call

The following members were present by phone due to the COVID-19 Pandemic Social Distancing Mandates: James Becker, Chris Dimond, Steven Guignon, James Houck, Mark Ridgway, Annette Smith, Bob Wostmann, Budd Simpson and Don Etheridge.

Absent: none

Also present were the following: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Erich Schaal - Port Engineer, Teena Larson - Administrative Officer and Mary Wolf - Administrative Assistant 1.

III. Approval of Agenda

MOTION By MR. RIDGEWAY TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

IV. Public Participation on Non-Agenda Items (not to exceed five minutes per person, or twenty minutes total time). - None

V. New Business

1. Close Out Fund of CIP H51-117 (Auke Bay Marine Station – Acquisition)
Presentation by the Port Director

Mr. Uchtyl said the three items in new business are all related. Yesterday was the bid opening for Statter Harbor Phase III (B) which is the float installation at Statter Harbor. Trucano Construction had the lowest bid at \$4.2M. The engineers estimate was \$3.9M, which put the low bid award about nine percent above the engineers estimate. Mr. Uchtyl wanted to make it clear that we have enough money in the CIP to award Statter Phase III (B) as well as finish Statter Phase III (A), which is the dredging project, to go forward. What we do not have is money for construction contingency, construction administration costs, protected species observers and City and Borough of Juneau (CBJ) salaries. All total of that is about \$600K.

Mr. Uchtyl said the easy way of funding the construction contingency would be to close out one project and the match from Archipelago Project. This is the broad discussion of how each of these three items relate with each other. Docks & Harbors did have a commitment from the City Manager for approximately \$3.2M from FY21 Marine Passenger Fees and State Marine Passenger Fees for the Statter Harbor Phase III project. We were expecting in July to have \$3.2M. The City Manager is not planning on funding that with the demise of this year's cruise season. We would not be expending any of these funds until late July, assuming the Board wants to approve Statter Phase III (B). The first time we need any administrative costs would be three or four months from today.

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SPECIAL BOARD MEETING MINUTES (Continued)
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Board Questions

Mr. Simpson asked Mr. Uchtyl while we would not be getting Marine Passenger Fees and related funding for FY21, is there a chance that the funding would still be available or allocated to the same project as a payback in a later year?

Mr. Uchtyl said to answer Mr. Simpson's question, he thinks there is a high probability that will happen. There is a great deal of support for this project. In the Cruise Line Agencies of Alaska (CLAA) lawsuit settlement they indicated their support for this project. The caveat to that settlement is that they are wanting to put head tax money towards the project in the amount of three quarters support with the idea that there would be a local buy in of twenty-five percent. That was the tradeoff. The City Manager is supportive of the project.

Mr. Uchtyl continued saying for item one to Close Out Fund of CIP H51-117 (Auke Bay Marine Station – Acquisition), we acquired the two acres with the ABMS in January 2018. To secure that property we had harbor enterprise money moved into the project so we could do some studies and surveying. We also added a hundred foot anchored float. We have had money in this Auke Bay Marine Station project just sitting there, so we can easily close it out. All the work that needs to be done is done at the ABMS. We used some of that money for some minor repairs, alarms and replacement of a lift station. Mr. Uchtyl said in his mind he was saving for leveraging of an Army Corps of Engineers project that will hopefully come someday. At this point given everything, it is fairly safe to close out this project and move this money into Statter Harbor Phase III (B) Project with the expectation that we get the match money from the downtown waterfront improvement project-Archipelago Project. Mr. Uchtyl said that \$222K of harbor money we will leverage into approximately \$800K that will be used for Statter Harbor Phase III Project.

Board Questions

Mr. Ridgway asked Mr. Uchtyl when he says when you think everything that needs to be done is done at Auke Bay Marine Station (ABMS) is there nothing left to be done or improved?

Mr. Uchtyl said we are always going to have maintenance issues at ABMS like pilings and roofs, but nothing that needs to be done now. We have been courting State Wildlife Troopers to lease the building and there may be some negotiating done with improvements, but there is nothing right now that needs to be done at the ABMS.

Mr. Wostmann asked what will happen if we need money for improvements if the State Wildlife Troopers want to make the move into the ABMS? If we drain this fund do we have another source of funds to make upgrades or modifications to make the lease attractive?

Mr. Uchtyl said the honest answer is no. We have about \$600K in CIP Project money for Aurora Phase III and we really do not have any other harbor monies out there. We have

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whatever we have in our operating funds for projects here and there. We do not have another pot of money to draw from.

Mr. Wostmann said on the next motion you are going to be proposing \$666K from the Archipelago Project. The last time we looked at that there was considerably more money in that fund (CIP H51-116). At the CIP Committee meeting, the table we looked at, there was \$2.4M in that project for Phase II that is currently on hold. Would it be possible to leave a remaining balance in CIP H51-117 that we can use to make the lease attractive and take a little more out of CIP H51-116?

Mr. Uchytel said the issue is the match money. The money that is at the ABMS is harbor enterprise money and we can leverage as much or as little of that money with the money that is at the Archipelago project which is all head tax. The issue is trying to follow the direction of the CLAA lawsuit that says they are supportive of the Statter project in three quarters money from head tax and one quarter coming from harbor money.

Ms. Smith said in this moment in time do we need to do this project right now. If we do have a cruise season it will hardly be used. We do not know what the season will be next year.

Mr. Uchytel said he would argue if it is not done now with these permits that require us to start in October, we will have to start over. It took us between eighteen months and two years to get the permits and they are only good for one year. If we do not award this at the appropriate time we will have to go through the very onerous National Marine Fisheries Service permitting process again. If we do not do it, we have dug a hole and we would look silly not moving forward doing the next phase. The project is virtually all head tax funded. We have a \$1M match from Statter Phase III (B) which is actually money considered a local match with the downtown Archipelago Project. The match money we agreed to was local money that was secured through non-cruise ship secured money. There is very little harbor money with the exception of what is being proposed today for the next phase.

Mr. Etheridge said if we do award it now it will not be ready for service for next year but the following year. If we have to go back through the permitting processes it will be two to three years before it can be built.

Ms. Smith said again, where are we going to pull contingency money from?

Mr. Uchytel said that is what we are talking about right now. The contingencies for the marine mammal or protected species observers and how to fund those administrative costs that support the construction costs plus contingency. We would use the money from the ABMS that would be leverage with money from the Archipelago Project for that cushion.

Mr. Ridgway said if we move forward with the float. Are there elements in the project that don't involve the permits and would we still get us what we want that could be carved out? Is the parking lot part of that project?

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Mr. Uchtyl said the parking lot is the next phase. The Statter Phase III (B) is only the float system, electrical, pump out, a retaining wall, the abutment for the gangway to the float. There is no uplands other than building the wall. There is not a whole lot of fluff that can be de-scoped.

Public Comment –

Mr. Paul Swanson, Juneau, AK said he was curious about the \$666K. Are we going to have to come back and ask for that money to complete the Archipelago Project?

Mr. Uchtyl said basically the downtown Archipelago Project is on an indefinite hold pending direction from the City Manager. Mr. Uchtyl spoke with the City Manager today and he is aware of this plan as well as what his vision is for the museum. Docks & Harbors were moving towards a Phase 1 and Phase 2 of the Archipelago Project until the City Manager asked us to take a pause because he wants to look at moving the Juneau Douglas Museum along the waterfront. It is now a wait and see. Regardless of what happens at the Archipelago, this money we are going to talk about on the next item, is not going to impact what we do in the next phase of Archipelago.

Mr. Watson, Juneau, AK asked to go back to \$621K, is that coming out of the funds or the ABMS.

Mr. Etheridge said that the \$621K is coming out of the Archipelago fund and \$221K is the next item and would come out of the ABMS fund.

Mr. Watson, Juneau, AK said the ABMS is largely unleased, how do we make improvements to get it leased? Usually the landlord has to put improvements into the building and not expect the tenant to do those improvements. You end up with a lower lease rate without improvements. His question is if we had a tenant and had to do \$75K in improvements, where is that money going to be pulled from?

Mr. Uchtyl said that any improvements would fall to the new tenant.

Board Discussion/Action

Mr. Wostmann would like to comment that he understands Mr. Watson's point of view and concern. Mr. Wostmann says that the Statter Phase III project is more important than possible improvements at the ABMS.

MOTION by MR. RIDGWAY: TO RECOMMEND THE CBJ ASSEMBLY APPROVE A TRANSFER OF \$221,635.69 FROM PROJECT H51-117 (ABMS ACQUISITION) TO PROJECT H51-108 (STATTER HARBOR IMPROVEMENT PHASE III AND ASK UNANIMOUS CONSENT.

Motion passed no objections.

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2. Transfer \$666,000 from CIP H51-116 (Archipelago) to CIP H51-108 (Statter Harbor Improvement Phase III)
Presentation by the Port Director

Mr. Uchytel gave more details on the Archipelago Project which awarded \$12.4M to Trucano. They are making good progress. The project completion should be in November 2020. There is \$2.4M in the CIP that is not being used and not committed. Phase II would have been to add a covered shelter with restrooms and a waiting area adjacent to the bus staging area. Mr. Uchytel said Phase II has been put on hold pending the review from the City Manager. The \$12.4M award, because of this potential museum, we are negotiating a de-scoping with Trucano Construction and we will receive additional de-scoping funds. This transfer of \$666K is just triple of what we have in the first motion. It does not effect what we need to do at Archipelago. Mr. Uchytel said there is a commitment from the City Manager and The Assembly at some point Docks & Harbors will come back and ask for more money. When we were teeing up this project we were asking for \$22M and they have appropriated approximate \$16M. Transferring this money will not affect the long term plan we have at Archipelago. It gives an opportunity to leverage our funds in a beneficial way at Statter Harbor.

Board Questions

Mr. Ridgway did not understand what Mr. Uchytel was saying and asked if the \$666K does not require a deduct from the contract. Does it represent actual work that will not be completed?

Mr. Uchytel said we always told the City Manager and the Assembly that we would be coming back for more money to finish off Phase II. Since we are not moving forward with Phase II at this point, this is just a transfer of money from that CIP. Archipelago Phase II was developed to ninety five percent and we are holding it in advance, awaiting further direction from the City Manager.

Public Comment - none

Board Discussion/Action

MOTION by MR. RIDGWAY TO RECOMMEND THE ASSEMBLY APPROVE A TRANSFER OF \$666,000 FROM PROJECT H51-116 (ARCHIPELAGO) TO PROJECT H51-108 (STATTER HARBOR IMPROVEMENT PHASE III) AND ASK UNANIMOUS CONSENT.

Motion passed no objection.

3. Bid Award – Statter Harbor Improvements Phase III(B) (DH20-021)
Presentation by the Port Director

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Mr. Uchytel said we opened the bids on April 21, 2020 with three bidders: Trucano Construction, Western Marine Construction and Pacific Pile & Marine. The three bids exact breakdown is on page four of the packet. Trucano Construction is the apparent low bidder at \$4.2M. That is about nine percent above the engineer's estimate of \$3.9M. Mr. Uchytel said he suspects the reason the bids came in higher is that we are in the middle of a pandemic and the contractors probably have some uncertainty with their suppliers and what the future is going to be. We have not spoken to Trucano yet about the numbers. Our process on sealed bids is we award the contract to the lowest qualified bidder which in the case is Trucano Construction.

Board Questions

Mr. Dimond asked if we know if there will be any delays in regards to materials with supplier being temporarily shut down right now.

Mr. Uchytel said there are provisions in the standard specs for delays, but we have no caveats to our bid specs that says we anticipate this or that. There are standards, Act of God specs in our boiler plate, but nothing specific to what is ongoing right now. There is too much unknowns on our behalf to make any major changes to our standard specs.

Mr. Ridgway said on the division one specs Act of God, if they are submitting their proposal after COVID-19 has been around for two months, how does Mr. Uchytel see how that would apply to them not meeting their schedule that is in their contract. What is the creative performance in the contract and if they were to apply to us if COVID-19 is affecting their suppliers who have already been affected. Is that relevant to the Act of God.

Mr. Uchytel said an Act of God or if there is a second wave of COVID-19 that would shut down the entire country again that could come in to play. If there is a second wave in China that could affect our steel piles. We do not have a buy in America Act. Something like this could happen. The contractor would have to show his inability because of an Act of God.

Mr. Ridgway said that is exactly what he was asking. If we award to Trucano and they say our supplier cannot deliver and we need more time and or more money, would you anticipate any type of protest from the other bidders?

Mr. Uchytel said the way our City Code works is you have until 5:00pm the day after the bid opening to protest. So there is no bid protest. Perhaps you are surmising, if we were in October and gave the contractor an additional three months, or we gave more for the steel because of the situation, one of the other competitors could complain but they could not file a protest. Protest as a legal term has already passed.

Mr. Dimond said say in six months Trucano is having trouble getting steel or the floats due to supplies and costs expeditiously go up. Does that fall at the feet of Trucano or to us to make up that funding?

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Mr. Uchytel said Trucano would have to be able to show damage or show that things that are outside of his control. So tomorrow or within four days of the bid award he has to provide his list of subcontractors not his suppliers. Trucano is held to the bid. So say he got steel from xyz supplier and they went under. We are not obligated to tell Trucano Construction to go to another supplier and now you are eligible for additional money. That is not in the contract.

Mr. Schaal said the construction of this phase is less disruptive to the harbor as in removal and replacement would be. This is adding capacity. So if worse came to worse, and after Trucano was certified as the low bidder, and they have the contract, if they are delayed for some reason, the impact to continue construction in the summer when we don't want to be, would be permit related and it would not directly affect the harbor. We have some comfort in knowing that this is expanding the harbor versus tearing it out and losing capacity and then trying to replace in time during the winter. Mr. Schaal said he thinks there is some flexibility to respond to the unknown of another wave of the COVID-19 happens and Trucano cannot meet the schedule.

Mr. Ridgway said do they provide you a fairly detailed bid breakdown? What were the big deltas between the government estimate, the proposal and the bids? Were there any areas that stuck out between the admin, the overhead and contingency fees?

Mr. Schaal said they do provide a breakdown based on the bid items. We have not digested it yet as it took all day because Pacific Pile & Marine submitted seven bid modifications, that included almost all of the bid tabs. This made the posting notice very long. Mr. Schaal said he does not have the delta between the engineers estimate and Trucano's bid.

Public Comment – none

Board Discussion/Action

Mr. Wostmann said the Finance Subcommittee discussed this at their meeting a couple of weeks back. Based on the value to the community of this improvement, the jobs it would create, support for locals, the risk of permit loss and the anticipation that eventually the cruise industry will recover, this project will greatly reduce the congestion in Statter Harbor. The Finance Subcommittee recommends that we proceed with this project.

MOTION by MR. RIDGWAY: TO RECOMMEND THE ASSEMBLY APPROVE AN AWARD TO TRUCANO CONSTRUCTION COMPANY FOR \$4,235,140 FOR STATTER HARBOR IMPROVEMENTS PHASE III (B) (PROJECT DH20-021) AND ASK UNANIMOUS CONSENT.

Motion passed no objections

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VI. Staff or Member Reports – none

VII Adjournment at 5:46 p.m. motion by Mr. Ridgway.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

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- I. Call to Order** – Mr. Wostmann called the April 29th, 2020, Finance Sub-Committee meeting to order at 3:05 pm on Cloud Conferencing. The call in information was 713-2140 with PID# 370829, others were present at the Port Director's Office.

II. Roll Call

The following members were present telephonically: James Becker, Chris Dimond, Mark Ridgway and Bob Wostmann.

Also present were the following: Carl Uchtyl – Port Director, Matt Creswell – Harbormaster, Erich Schaal – Port Engineer, Teena Larson – Administrative Officer, Don Etheridge – Board Chair, and Budd Simpson(telephonically) – Board Member.

III. Approval of Agenda-

The agenda was approved as presented.

IV. Participation on Non-Agenda Items - None

V. Items for Information/Discussion

Mr. Wostmann said he asked to have the below items on the agenda. At our last meeting, the CIP projects were rushed at the end due to other time sensitive items on the agenda so he wanted to have this on the agenda again to give the committee more time to ask questions and discuss. He also wanted an update on the FY20 budget numbers.

1. Support for Capital Improvement Projects (CIP)

Mr. Uchtyl said in the packet is a list of CIP projects. The lined out items are projects already completed, projects not executed by Docks & Harbors, or the tug assist which is listed as a CIP project. These are all of the Docks and Harbors CIP projects approved by the Assembly. Mr. Uchtyl went over the list and explained the individual CIP's funding. The purpose to identify the funding was in the event Docks or Harbors became cash strapped. Are there certain projects that could be de-scoped or cancelled and be able to move money around to meet our obligation.

Mr. Uchtyl explained the column labels, budget (money set aside for the project), commitments (money committed for the project not spent out yet), actuals (money spent so far on the project), and funds available (money left to still spend on the project).

He went over the list of projects below.

Statter Improvements - Phase III- This project is the for-hire floats. Of the funds available, \$4,533,061 is primarily head tax money consisting of marine passenger



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fees and state marine passenger fees which are non-generated harbor funds. Last week the Assembly approved moving money from the ABMS project into this project but those funds have not been moved yet.

Downtown Restroom Location/Destination – This has \$573,157 funds available. It is all marine passenger fee money with no harbor generated money. The vision for these funds was to add into the Archipelago project at the appropriate time.

MP to Taku Upland Improvements/Archipelago – This is the Archipelago project and we have \$2,423,069 funds available. These funds are marine passenger fees and state passenger fees.

ABMS Maintenance & Improvements – The fund balance from this project will be moved to the Statter Improvements project. This transfer has already been approved by the Assembly.

Small Cruise ship Moorage – This project has a fund balance of \$17,631 which is all marine passenger fee money. This was awarded to PND and is looking for small cruise ship infrastructure locations in the downtown area. The study will be brought forward to the full Board hopefully in May.

Pile Anode Installation – These projects extend the service life of our facilities. The budget of \$403,163 in this CIP includes funds for Aurora Harbor anodes and Douglas Harbor anodes. ADOT has informed Docks & Harbors we have been awarded the 50/50 matching grant for Harris Harbor but we have not brought it to the Assembly for approval. We will receive those funds after Assembly approval. The funds available of \$216,567 is half harbor generated money and half ADOT commitment funds.

Dock Security Stations – These are the new queing stations at the Alaska Steamship Wharf and Cruise Ship Terminal. The funds available of \$27,217 are marine passenger fees. This project will be closed out in the next couple months.

Weather Monitor & Communication – This is real time weather and current sensors. at three downtown locations, AJ Dock, CT Dock, and AS Dock. These funds are local marine passenger fees.

Large Berth Shore Power Design – This is local marine passenger fees of \$300,000.



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Aurora Harbor Improvements – The funds available of \$609,221 is the match money for the next phase of Aurora Harbor and this is all harbor money.

Mr. Uchtyl said the vast majority of the CIP funds are local or state marine passenger fees with some harbor money. The CIP funds are set aside and different from the operating budget. However, much of our operating funds go into our fund balance which then feeds our CIP projects. The projects listed below are other projects that never make it to the list because we do not have money available;

- The Small Cruise Ship development
- The Wave Attenuator at Statter Harbor
- North Douglas Launch Ramp expansion
- Marine Services Facility – this is the area by Aurora Harbor
- Statter Harbor Baywalk. – this would link the Auke Bay Marine Station to the Statter Harbor office.

The only project that could be de-scoped to fund our harbor operations would be the Aurora Harbor Improvements.

Committee questions –

Mr. Ridgway asked if the downtown restroom project on the list is a new project?

Mr. Uchtyl said that has been on the list for a long time.

Mr. Ridgway asked if the small cruise ship moorage project was looking at the area at the north end of Aurora as a possible location?

Mr. Uchtyl said not really because the bridge is an impediment to small cruise ships.

Mr. Wostmann asked which of the CIP projects are in a hold status?

Mr. Uchtyl said the downtown restroom (H51-112), and MP to Taku uplands (H51-116), but everything else is moving forward.

Mr. Wostmann asked about the Aurora Harbor Improvements project?



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Mr. Uchytel said what doesn't show in the Aurora Harbor is the \$1.5M commitment from the Finance Department. With our \$500,000 and the \$1.5M is our \$2M match for a ADOT harbor grant. This would give us \$4M for the north end of Aurora.

Mr. Wostmann asked when something is identified as marine passenger money, can those funds be reallocated to a harbor project if the Board wanted to?

Mr. Uchytel said as a general rule money collected from cruise ships directly need to be used for like services or projects. What we have done recently is looked at the money generated from the loading zone permits and vendor booth permits and said those are not directly attributable to the cruise ships and can be used as harbor funds. He said money allocated through the marine passenger fee, the port development fee and the state marine passenger fees were the main reason for the lawsuit with CLIAA. After the lawsuit, there was an agreement that said CLIAA would not protest monies used at Statter Harbor. Staff needs to be careful how these funds are used and track appropriately.

Mr. Wostmann asked for clarification if the marine passenger fee and state marine passenger fee were both under the CLIAA lawsuit agreement?

Mr. Uchytel said CLIAA sued over the marine passenger fee and the port development fee.

Mr. Wostmann asked of the CIP funds available, how much is unencumbered that the City could spend at its discretion?

Mr. Uchytel went over the list for funds available;

- We have not signed the agreement for Statter Harbor phase III- approximately \$300,000 from this project
- The downtown restroom - \$573,000
- The MP to Taku uplands - \$1.8M in this project
- The small cruise ship moorage - \$17,000 is marine passenger fees that could be used somewhere else.
- The pile anode project there may be some money unencumbered after the last award.
- The security station project and weather monitoring could have a small amount.



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- The funds for the shore power design could be available.
- The Aurora Harbor Improvement funds could all be used however the Board wants to use them.

Mr. Wostmann asked Mr. Uchytel to add up all the unencumbered funds and bring to the Board for a future meeting. If Docks & Harbors has shortfalls, what are the funds the Board could decide to use elsewhere? Any funds for projects already awarded should not be included in the total. He wants to know what funds the Board can move at their discretion from the projects currently on hold for either putting the project on hold or insufficient funds to proceed. He said he does not have a good sense with the CIP funds flexibility to move around for operational shortfalls.

Mr. Etheridge said a lot of the CIP funds are the passenger fee funds that are not allowed to move for operational shortfalls.

Mr. Uchytel said he will go back and get a legal reading for the funds. From the list, the big money is in the Archipelago phase II project which is the covered shelter. If the project is funded with local marine passenger fees, and we are currently on hold with this project pending the museum decision, staff could go to the assembly to ask these funds be transferred to the Docks operating funds. We do receive marine passenger fees for Docks operations currently. If the money for the Archipelago came from the state marine passenger fees, he would have to look to see if it could be used for operations or are these funds limited to projects. He said that is the intent of the use for the state marine passenger fees. He will get a legal review for the next meeting.

Mr. Wostmann said he would like these numbers so the Board knows what we can fall back on.

Mr. Etheridge asked if any of the CIP fees could be used on Harbors operations?

Mr. Uchytel said not using marine passenger fees on harbor operations is how we have treated those fees in the past. A new way of thinking has been, “does Docks and Harbors need to keep their operational budgets separate”. With that thought, staff started intertwining the two with moving the vendor and loading zone permit fees into harbors revenue. The reason for changing our thinking on our operations is that Docks and Harbors manages mooring whether the stall is a 24’ stall or a 1000’ space



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along the seawalk. It is all considered moorage so why can't Docks and Harbors be treated the same.

Mr. Etheridge said that is with the moorage fees. What about the marine passenger fees and port development fees in the lawsuit?

Mr. Uchytel said Docks & Harbors still needs to be very careful with both of those fees and follow the settlement agreement from the lawsuit. The marine passenger fees are distributed from the City Manager, and he decides what is funded with those fees. The majority of the port development fees are used to pay off the revenue bonds.

Mr. Uchytel said he will review the CIP funds to see where the funds could be used if Docks and Harbors has shortfalls.

Mr. Ridgway asked if the CIP project priorities changed due to the financial outlook?

Mr. Uchytel said staff's approach is we chase projects that have the best opportunity to be funded. Today maybe the zinc anodes project is not the top priority, but three years ago it was a top priority by the Board in our strategic planning (long term maintenance of our facilities). The issue with the zinc anodes project is that this is a ADOT grant that is to be used within two years of receiving. The Douglas Harbor zinc anode project will need to be finished because the two years is almost expired and Harris Harbor will need to be completed in the next fiscal year. Another reason we are moving forward on some projects is that they are funded with marine passenger fees. Some Board members might say the Archipelago project (funded with marine passenger fees) is not a high priority but we have the funds to move forward with it. Staff will apply for the BUILD grants that are due May 18th and apply for a ADOT municipal harbor grant for the north end of Aurora Harbor. A top priority for the Board may be the North Douglas launch ramp, but there is no way to get money for this project.

Mr. Ridgway said he hears that Mr. Uchytel proceeds with CIP projects that are;

- A. needed,
- B. funded, and
- C. staff looks to the Board to assist with prioritization



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2. FY20 Budget Outlook

Mr. Uchtyl said at this time, the Finance Department is not looking to update FY21 or FY22. The FY20 budget in the packet just shows the updated revenue. Docks revenue projection today is at \$1.554M and staff is not expecting any revenue in April, May or June. Docks expense projection to the end of June is \$1.348M. It appears Docks will run a surplus even with no cruise ships through June. Our expenditures have been reduced by not bringing back our seasonal personnel as well as many other expenses that will be decreased due to no cruise ships. Mr. Uchtyl said a lot of our interdepartmental fees and set fees are front loaded in July.

Mr. Wostmann said he would like to look at the categories of expense at some point to find possible cost reductions for FY21.

Mr. Uchtyl said he can provide a snap shot of Docks and Harbors expenditures. When you add up all our expenditures, about three quarters of them are fixed costs. The remaining quarter are contractual service, repairs, materials and commodities, and that is where there could be potential budget cuts.

Mr. Wostmann said at some point, any enterprise has to live within their means. What we can see at this point for the rest of this year and the potential issues for next year, he believes the Committee will need to go through an exercise of going over every expense given the best guess for our revenues and funding for our activities at this time. What are the most critical activities and what can we reduce, eliminate, or do in house? He asked Mr. Uchtyl when a good time would be to start having this discussion?

Mr. Uchtyl said he believes the City Manager is still funding the Docks Enterprise of approximately \$450,000 from the marine passenger fees for FY21. He said Docks should be okay.

Mr. Uchtyl said for harbors budget, he is optimistic that our expense and revenue will be close. He said he does not know of anything else staff can do in FY20 for cost saving measures. We did not bring back seasonal employees and we have not staffed empty positions. There are other savings starting FY21 of no landscaping, less port-a-potties, and just a natural rhythm to reduce our expenditures.



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Mr. Wostmann wanted to start this discussion to have everyone start thinking of cost savings and when a good time to meet would be.

Mr. Uchytel went over the updated harbors revenue for FY20. On the last page of the packet is the best guess to date of \$3.9M in revenue. This also includes the deduction of the vendor fees and pulling some of the anticipated moorage from charter operators. We have two months left in this fiscal year but harbors should be okay. The harbors expenses are anticipated to be \$3.978 which is slightly above our revenue. This includes no seasonal employees and not filling the deputy harbor master position. However, the best estimate does not take into account the decrease in port-a-potties and other expenses due to no cruise ships. Staff has taken on cleaning the Lumberman but other than those additional fees we have cut back.

Mr. Wostmann noted that we are well below our balance reserve and asked if there will be any issue with that.

Mr. Uchytel said no, the money is set aside in a fund balance reserve. He said another thing Docks and Harbors does is puts money in a fleet replacement fund to replace vehicles and equipment when needed. Harbors adds \$20,000 every year and Docks adds \$10,000 every year with approximately \$70,000 in both accounts. There is a potential to have that transferred if needed. Other funds added to this account are the public surplus items sold. There is approximately \$30,000 in surplus sales for FY20 in harbors.

VI. Next Meetings –

Mr. Uchytel recommended to bring the budget update to the OPS Committee meeting and if more needs to be discussed to schedule a Finance Sub-Committee meeting at that time.

Mr. Wostmann agreed and asked Mr. Ridgway to put this item on the Ops agenda.

Mr. Ridgway agreed to have it on the agenda.

VII. Adjournment – The Finance Sub-Committee Meeting adjourned at 4:13 pm



MEMORANDUM

DATE: April 27, 2020

TO: Visitor Industry Task Force

FROM: Staff

SUBJECT: DRAFT Taskforce Recommendations

Note to the Visitor Industry Task Force

These Draft Recommendations are based on the Task Force discussions and written comments received. The goal of this draft is to encompass the key points that the Visitor Industry Task Force (VITF) may wish to forward to the CBJ Assembly.

Visitor Industry Task Force

The Visitor Industry Taskforce held a number of public meetings between October of 2019 and February of 2020 to advise the CBJ Assembly and advance community thinking on a range of visitor industry topics.

The VITF took public testimony on January 11, 2020 and February 1, 2020 and received 43 spoken comments and 156 written comments. The testimony reflected a diverse range of viewpoints in the community and generally provided nuanced views of the benefits and impacts of tourism.

The relationship between CBJ and the visitor industry has evolved over the past two decades. Through investments in infrastructure, management tools, and in programs like Tourism Best Management Practices (TBMP), Juneau has effectively managed tourism growth. While CBJ and the visitor industry should be proud of the success of their efforts, we have reached a point where we need to work together to develop proactive tools and strategies for tourism management over the coming years.

The VITF recognizes the work done by the community and CBJ in early 2000's that resulted in the Tourism Management Plan and the subsequent Resolution 2170. Many of the findings and recommendations in the report are still applicable today and should be considered along with this report. The vision established in the Resolution continues to guide the efforts of this committee and should guide future policy decisions:

CBJ seeks a healthy and vibrant tourism sector generating business opportunities and employment for Juneau citizens, protecting Juneau's heritage and cultural values and its natural resources, and making a positive contribution to the community's quality of life.

The VITF met during the winter and spring of 2019 and 2020 in anticipation of establishing some short-term actions for the 2020 cruise season. The task force had nearly completed its report when industry impacts and public health mandates related to COVID-19 derailed the process. This submission represents the VITF's work to date. The group may reconvene in fall of 2020 or later to discuss changes to the industry and planning for the 2021 cruise season.

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

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

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

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

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

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

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

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

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

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

2. Docks & Harbors Waterfront Management
 - a. Commercial Use Permitting of Docks and Harbors
 - b. Dock Maintenance
 - c. Seawalk Maintenance
3. Docks & Harbors / CBJ Assembly
 - a. Tidelands management
4. Parks & Recreation Management
 - a. Commercial Use Permitting of Parklands and Facilities
 - b. Seawalk Maintenance
 - c. Parks Management and Maintenance
5. Community Development Department Land Use Permits (including Planning Commission reviews)
6. Engineering/Public Works Right-of-Way Management
7. DOT Management of South Franklin Street – The roadway from Main Street to the Rock Dump is owned and managed by State DOT (Marine Way and South Franklin Street). However, for over 30 years, CBJ has taken the lead on roadway improvements.
8. Tourism Best Management Practices (TBMP) – Annual funding provided by CBJ from Marine Passenger Fees; the program is operated voluntarily by tourism operators and also manages the crossing guard program which is funded by Marine Passenger Fees.

Recommendations

1. CBJ should establish a centralized tourism management function funded by CBJ with full-time staff to guide implementation of the 2002 Tourism Management Plan (TMP) where applicable. The TMP provides an example of how this could function.
2. CBJ should determine community goals (emissions, shore power, congestion mitigation, etc.) and develop and implement an action plan to achieve these goals.
 - a. Complete the Blueprint Downtown sub-area plan and address land use and zoning, as well as incentivizing local business development in the downtown core.
3. The TBMP program should be augmented and supported by CBJ. TBMP remains an industry driven and operated program. As an industry program, peer and industry pressure achieves compliance that would be difficult to obtain under a regulatory regime.
4. CBJ should adopt ordinances and regulations to establish consistent management of commercial tour use on all lands, including parks, docks and harbors, right-of-ways, and other lands owned by the CBJ. Management considerations should include:

- a. Continue to charge fees to fund required services and mitigate impacts. Review and revise fee schedule to ensure fees are appropriate.
 - b. Consider whether there should be commercial tour permitting on city streets and sidewalks for commercial tours such as guided hikes or guided micromobility tours; and if so, regulations should be developed in the same way that CBJ regulates parks and trails, to determine impacts, including days, times and capacity.
 - c. Limit Parks & Recreation commercial use permits to determine facility capacity and impacts (including hours and days). This may include some areas with higher visitation and some areas with lower or no visitation.
 - d. Require all tourism operators receiving Commercial Use Permits to be active members in good standing of TBMP and comply with TBMP guidelines, and where applicable, also be active members in good standing with WhaleSENSE and comply with WhaleSENSE guidelines.
 - e. Work with related agencies and partners, such as NOAA, on reducing speed and wakes from whale watching vessels in Statter Harbor, Auke Bay and other impacted areas.
 - f. Consider researching and implementing a permitting system for whale watching operators.
 - g. Recognize operators participating in the Alaska Travel Industry Association (ATIA), program “Adventure Green Alaska”, to encourage sustainability practices.
 - h. Incentivize operators to adopt environmental best management practices through local award programs, such as a Juneau Commission on Sustainability award.
 - i. Recommend operators/cruise lines adopt Travel Juneau “Juneau Pledge” and ATIA “Alaska” pledge. Cruise lines may also create their own “Alaska” pledge through CLIA (a creative method to encourage guests from around the world to embrace community respect and positive visitor behavior).
5. CBJ should require Cruise Lines International Association (CLIA) member cruise lines to operate in the following manner:
- a. In 2020 and going forward, minimize cruise ship waste in the landfill and prohibit ships from off-loading furniture, bedding, pillows, mattresses, electronics and other similar bulky items as garbage into the Juneau landfill. Coordinate with the landfill, CLIA and CLAA to implement this recommendation and as CLAA receives notifications and picks up the offloads, ask them to assist with not accepting these items. By 2021, consider prohibiting any cruise ship waste offloads into the landfill.
 - b. Maximize use of shore power by all cruise lines by requiring CLAA to assign shore power configured ships to electrified docks once additional shore power infrastructure is in place.
 - c. Limit water usage by ships in periods of drought.
 - d. Turn off large LED screens while in port in coordination with CLIA and TBMP
 - e. Maximize “localism”
 - i. Encourage cruise lines to maximize partnerships with locally owned businesses.
 - ii. Continue to support and direct cruise ship passengers to local businesses.
 - f. Coordinate with CLIA and CLAA on ship scheduling and berthing to minimize congestion at all docks. These recommendations should be implemented over the next three years based on feasibility and need. In 2020, strategically assign ships based on size with the goal of reducing traffic congestion downtown

- i. In 2020 and going forward, work with CLAA and CLIA to provide more transparency and visibility for schedules and projected passenger counts, two years in advance or upon creation.
 - ii. In 2020 and going forward, should a ship wish to call in Juneau at CBJ operated facilities on a day other than what was originally scheduled due to weather or other factors, CLAA should review this request with CBJ prior to confirming this call in order to evaluate how the change affects congestion and other impacts to the community.
 - iii. In 2021, stagger arrival times of ships by 30 minutes.
 - iv. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.
- 6. CBJ should clearly establish guidelines and goals for the scheduling/assigning of **municipal** docks. These recommendations should be implemented over the next three years based on feasibility and need.
 - a. In 2020 and going forward, prohibit docking or anchoring of passenger cruise ships of any size in Auke Bay, specifically Statter Harbor, except for emergency purposes.
 - b. In 2020 and going forward, work with CLAA and CLIA to provide more transparency and visibility for schedules and projected passenger counts, two years in advance or upon creation.
 - c. In 2021, stagger arrival times of ships by 30 minutes.
 - d. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.
 - e. Prioritize berthing for shore power configured ships once additional shore power infrastructure is in place.
- 7. Incentivize Juneau as a turn port for smaller ships.
- 8. Juneau should establish a marketing identity through their destination marketing organization, Travel Juneau. Integrate this marketing identity across the community (conceptual draft – Juneau is proud of its cultural heritage, support of the arts, love of the natural environment, and finds its identity as an ocean and mountain town).

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

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

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

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

Recommendations

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

2. Research and develop efforts to move people on and off the right-of-way, including circulators, electric ferries, Seawalk extension, connections between S. Franklin Street with the Seawalk, and other alternative pedestrian routes.
3. Prioritize dock electrification and continue to work with the electrical utility to monitor electrical capacity available for purchase on either an interruptible or firm basis.
4. Limit expansion of downtown dock infrastructure to allow for no more than one additional larger cruise ship.
5. Wastewater, water, and air quality should continue to be evaluated by the City and State to reduce impacts on the health of the community and environment. Responsible agencies should evaluate and plan to analyze capacity and impacts of increased cruise ship visitation. Air quality should be monitored regularly for adherence to strict standards, including compliance with the Marine Vessel Visible Standards (18 AC 50-.070) and all available and reasonable steps to minimize visible stack emissions while in port should be taken.
6. Plans for infrastructure development including design standards and analysis of growth and impacts should be completed for other areas outside of the downtown waterfront where tourism growth is occurring or could occur, such as Auke Bay and North Douglas (Eaglecrest).
7. Support public and private development ventures that alleviate pressure on existing infrastructure.
8. Ensure recreational facilities such as trails for hiking and biking are developed to maintain Juneau as a top recreational place to live and visit.
9. Recognize the contributions of Native Alaska organizations to the downtown core and support continued growth of cultural tourism and installation of Native Alaska art in public spaces.

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

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

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

Pros

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

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

Cons

1. The effort and cost of the LRWP was very high.
2. It is uncertain whether the community has the capacity to focus on a yearlong waterfront planning process.
3. The current plan is still functional and valid for the waterfront area.
4. There are many neighborhood, harbor, and park plans that inform zoning and infrastructure development.

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

1. The LRWP horizon extends to 2026. Currently, the concept design approaches and recommendations within the plan are still valid and can be used as a foundation for continued development along the downtown waterfront. Approximately 50% of the tasks outlined in the LRWP are complete; progress should continue to complete the remaining viable tasks by 2026.
2. Updates on completed projects along the downtown waterfront should be made and communicated to the public through a conceptual five-year Capital Improvement Program (CIP).
3. Regarding considerations of policy and operational issues, recommendations in Task Force charging question #1 respond to this need.

Recommendations

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

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

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

3. Consider whether changes to ship scheduling (daily arrivals and departures) might address community concerns and impacts.
4. Consider the pros and cons of CBJ becoming involved in dock scheduling.

Legal Considerations

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

Practical Considerations

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

1. Limit by Infrastructure

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

2. Limits on Ship Scheduling

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

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

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

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

3. Limit by Negotiation

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

4. Financial Incentives/Disincentives

Different ship berthing protocols can result in less congestion, but there are barriers to adjustments to the assigned berthing locations. Issues include cruise lines’ historical preference

and the economic disparity between the rates charged at less expensive CBJ facilities and the costlier private berth options.

Recommendations

1. At this time, the CBJ should not pursue a hard numerical “cap” on numbers of visitors because it is legally questionable and logistically impractical. Limitations can be achieved through other measures, including port infrastructure capacity to better manage the impacts of visitors.
2. Request CBJ Law to research how other U.S. communities have instituted a numerical visitor cap and /or other possible methods of limitations.
3. CBJ has traditionally left scheduling of the port and assigning of the City docks to CLAA, but should take a more active role to achieve its management goals. See section 1a of this report for specific recommendations.
4. CBJ should negotiate changes that would promote more efficient ship scheduling, berthing and managing congestion, such as assigning larger capacity ships to the City docks and reducing traffic on South Franklin.
5. By 2023, CBJ should negotiate a formal agreement with the industry to limit the number of ships to five larger ships per day, one ship at each dock or four ships at docks and one at anchor (if the fifth dock is not built or if a fifth ship chooses to anchor instead of dock). This would give the industry time to adjust to recommendations.
6. CBJ should work with cruise lines to attempt to “get the peak out of the week” and balance the numbers of visitors across days of the week. There are more docks being constructed throughout Southeast; CBJ and other Southeast communities should work with the cruise lines to manage visitation throughout the region.
7. CBJ should work with the various agencies including CLAA, CLIA and individual ship lines to discourage or prohibit anchoring and lightering by larger ships if an additional dock is constructed. If a Subport dock is constructed, the CBJ should more thoroughly investigate and completely understand under what circumstances the USCG would remove or restrict the current anchorage.
8. The Visitor Industry Task Force did not reach consensus on the issue of a ship free day or “no ship days” at one CBJ dock per day. One option could be instructing CLAA to cease assigning one of the city docks on certain Saturdays, alternating between Alaska Steamship Dock and Cruise Ship Terminal. Issues discussed included:
 - a. Economic impacts
 - b. Region-wide scheduling considerations
 - c. Inability to control assigning of private docks
 - d. Legal and debt service concerns (16B docks)

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

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

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

Recommendations

1. Engage a third party contractor to complete a public opinion survey of Juneau residents at the end of the 2021 cruise season.
2. Depending on the utility of a survey, additional surveys should be planned to gauge how management strategies are influencing public perception.
3. Consider collecting data on the effects of hot berthing.

Additional Task Force Discussion Issues

Subport Development/Upcoming Norwegian Cruise Line Dock Proposal

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

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

1. Seawalk
2. Small Boat Harbor
3. Ocean Center

4. Berthing for small cruise ships (The Task Force does not yet have an accepted definition of “smaller ships”)
5. Homeporting of “small ships”
6. Economic and/or Housing Development
7. Pedestrian management such as a walkway crossing over Egan
8. Reducing vehicle congestion on S. Franklin Street

Recommendation

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

1. One larger ship per day using one side of the facility;
2. Maximum of five larger ships in port per day;
3. No hot berthing at the new facility;
4. No larger ships allowed to anchor as the sixth ship in town. Larger ships may anchor but the number of larger ships in port would still be limited to five (CBJ to consider legal ramifications of limiting size of ships at anchor);
5. High quality uplands development for community and visitors;
6. Year round development orientation;
7. CBJ manages dock to some extent through a public private partnership or management agreement;
8. Dock is electrified.

Cruise Ship Size Discussion

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

1. The length of a ship does not necessarily determine the number of passengers.
2. Limiting ships by number of passengers may require additional legal analysis.
3. The concern on ship size is related generally to the amount of impacts it creates in the community on the environment, traffic and congestion, and infrastructure.

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