

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING AGENDA
For Wednesday, December 9th, 2020

Zoom Meeting
<https://bit.ly/34F0Ydv>
or via Phone 1-253-215-8782
Meeting ID: 928 7760 1021
Passcode: 766494

- I. Call to Order** (5:00 p.m. via Zoom)
- II. Roll Call** (James Becker, Chris Dimond, Don Etheridge, James Houck, David Larkin, Annette Smith, Bob Wostmann and Mark Ridgway).
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED
- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)
- V. Approval of Thursday, November 12th, 2020 Operations/Planning Meetings Minutes**
- VI. Consent Agenda** - None
- VII. Unfinished Business** - None
- VIII. New Business**

- 1. Regulation Change to 05 CBJAC 10.010 – “B Zone” Vehicle Description
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO PROCEED WITH A REGULATION CHANGE REFINING “B ZONE” VEHICLE TO 25 FEET OVERALL FROM VEHICLE WITH LESS THAN 18 PASSENGERS.

- 2. Auke Bay Loading Facility – ROW Encroachment Permit
Presentation by the Port Director

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Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TO PROCEED WITH FILING AN ENCROACHMENT PERMIT FOR
ADOT RIGHT-OF-WAY AT THE AUKE BAY LOADING FACILITY.**

3. Marine Passenger Fee – FY22 Project Request
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TBD

IX. Items for Information/Discussion

1. Visitor Industry Task Force DRAFT Recommendations
Presentation by the Port Director

Committee Discussion/Public Comment

2. Statter For-Hire-Floats Management Plan
Presentation by the Harbormaster

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting-**Wednesday, January 20th, 2021.**

XII. Adjournment

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- I. Call to Order** Mr. Ridgway called the meeting to order at 5:03 p.m. in a Zoom meeting at the Port Directors Office.

II. Roll Call

The following members were present in person or on the Zoom meeting: Jim Becker (in person), Chris Dimond, Don Etheridge (in person), James Houck, David Larkin, Annette Smith and Mark Ridgway (in person).

Absent: Steve Guignon and Bob Wostmann

Also, present at the Port Directors Office (Seadrome Bldg.): Carl Uchytel – Port Director, Erich Schaal – Port Engineer, Matthew Creswell –Harbormaster, Teena Larson – Administrative Officer and Mary Wolf – Administrative Assistant 1.

III. Approval of Agenda

MOTION by MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion approved with no objection

IV. Public Participation on Non-Agenda Items - None

V. Approval of Thursday, October 21st, 2020 Operations/Planning Meeting Minutes

Minutes of October 21st, 2020 were approved as presented.

VI. Consent Agenda – None.

VII. Unfinished Business –

1. Reservation Agreement with Goldbelt, Inc. for Seadrome Dock and the Merchant's Wharf Float

Mr. Uchytel said this is a repeat of what we started pre-COVID-19 with Mr. McHugh Pierre, President and CEO of Goldbelt, Inc. We discussed working together to better serve yacht reservations in downtown Juneau. In February of 2020, we discussed using Docks & Harbors Admin Staff to make reservations on behalf of the Seadrome Dock, which Goldbelt manages. With COVID-19 causing interruption of normal operations, we ran out of time with the Assembly to get their approval on an ordinance change, even a temporary or beta test of this reservation system, it requires two Assembly meetings to make that ordinance change. The timeframe put us into August, which was just too late to move forward. This is a restart in making an appropriate ordinance change for 2021, which would allow us to manage the reservations system for the downtown Port of Juneau yacht reservations.

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Mr. Larkin asked if there is any liability to the City if we are making reservations for a dock we do not own or manage.

Mr. Uchytel said staff is not managing any of the infrastructure Goldbelt owns; we are managing the reservations for the Seadrome Dock and Merchants Wharf Float. We have developed a great working relationship with Goldbelt and this plan is for one year to see if we can improve the number of reservations at the Seadrome Dock. Docks & Harbors turns large yachts away because we do not have enough room at our facilities, and we thought there could be some synergy obtained in doing this. The risk is low because of the good relationship we have formed with Goldbelt over the years.

Mr. Larkin said he supports this idea.

Mr. Ridgway asked Mr. Uchytel what his opinion is on what will and will not work with Goldbelt?

Mr. Uchytel said he and Mr. McHugh Pierre would sit down and discuss what worked and did not work for both. Did Docks & Harbors offer better customer service with Docks & Harbors managing all of the yacht reservations downtown? Was there anything that just did not work out? It is just a matter of a business proposition where we will see if it works or not. He said Mr. Pierre is online attending this meeting today. Mr. Uchytel said he received an email today from Mr. Pierre and we are still in the process of determining what the compensation may be and how we would manage it. There are still some details to work out and we have some new ideas on how to manage the reservations. It is Goldbelt's intent to move forward with this arrangement. In Title 85, we only have authority to manage municipal owned facilities.

Mr. Ridgway asked if staff time dedicated to these reservations are measureable and will staff use our FSM reservation system to manage the Goldbelt reservations.

Mr. Uchytel said we use a ledger system in booking the yacht reservations at the IVF. It is a simple but efficient system for reservations. Staff makes reservations at the IVF and/or the Statter Breakwater as part of their normal administrative duties. It would be burdensome to ask staff to keep track of the time they spend on this endeavor.

Mr. Becker asked Mr. Uchytel if Goldbelt would be able to track their bookings or are they going to rely solely on Docks and Harbors.

Mr. Uchytel said that has yet to be determined. As soon as we get the approval from the Assembly for the first year, we will have a lot of coordination to do with Goldbelt. They already have contracts/agreements in place with several companies including UnCruise, and Allen Marine. The vision of what we will be doing to taking reservations for the intake reservation center for all yachts seeking reservations based on their request and availability at each dock. We do not want to compete with the contracts that Goldbelt already has in place. It is just a matter of how we book the openings and how they compensate our efforts.

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Mr. Ridgway asked if we have already brought this to the Assembly, and could this affect relationships with others private harbors or businesses.

Mr. Uchytel said the Assembly has heard about this through one of their Committee Meetings. CBJ Law was preparing an Ordinance change in their packet for last summer. The Assembly only meets once in July and August and by the time it would have made it through it would have been too late in the season to be affective. We are re-racking this for the 2021 season. Mr. Uchytel said we are always very careful with what we do. Beyond getting the approval from the Assembly for this endeavor, it will not lead to other reservation requests.

Mr. Ridgway thanked Mr. Pierre for attending the meeting. The Board looks forward to working with him.

Committee Questions

Mr. Houck asked if when we put in a reservation in their system, are we sure; it will be fair with all the reservations. He asked why we are pursuing this. Is it because a yacht would call us requesting reservations at the Seadrome Dock assuming that we took care of those reservations, or they called the Seadrome Office and there was no response, so they called us. Are we sure, when staff is taking a reservation request in their reservations system that we give it the same weight as if taking a reservation for the IVF or Breakwater? In other words, is there any danger that staff takes a reservation on their behalf and it be overwritten once it is in the system?

Mr. Uchytel said we still have details to work out with Goldbelt. Our intentions are that we can collect money for the Seadrome reservations and have a separate account. The Admin Staff is very good at making many reservations and managing the floats. The reservation system for the IVF/Breakwater is a basic ledger/calendar type of reservation system. We manage their arrivals and departures based on reservations and what we are currently using works very well.

Public Comment-

Mr. McHugh Pierre, President/CEO of Goldbelt, Inc. Juneau, AK said this idea came about in a discussion he had with Mr. Uchytel about the need to better manage the small yacht reservations in downtown Juneau Monday – Thursday at the Seadrome Dock. It appeared to Mr. Uchytel that the two Seadrome Docks were frequently empty Monday – Thursday and it did not appear that Goldbelt had regular staff managing their phones for reservations. The goal was to get vessels in the empty spaces and better utilize the dock infrastructure that Goldbelt has. Our customers and visitors would be better served and more satisfied with their experiences in our town. There is reasonable opportunity for Docks & Harbors to make some money with this endeavor. We are happy about that because we can also make money with increased moorings. Everyone wins. He sees this as a successful venture. We do not know yet what 2021 will bring, but if we try this now, we can work through the internal processes and we can adapt and improve moving forward. As traffic increases, we can show off our capabilities of what we can offer to these private boaters who frequent our community.

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Mr. Kirby Day, Juneau, AK said this is a great idea and great example of a collaboration between CBJ Docks & Harbors and the private sector. If there is one thing 2020 has taught him, you never say never. He asked if the ordinance allows in the unlikely event a canceled cruise ship needs to lighter or tender to the Seadrome Dock. Would this ordinance allow a lighter or tender to the Seadrome in an emergency basis.

Mr. Uchytel said we are just taking reservations for Goldbelt. If they have no issues with that I think the intention of the ordinance would allow that. We want to make the best use of all the facilities downtown.

Committee Discussion/Action

Mr. Becker said he thinks this is a great idea if there is empty space along the dock.

Mr. Ridgway agrees that this is a great idea, especially if staff is already doing this. He would like to see the success measureable, and he wants to remind us that we are under a lens with the Visitor Industry Task Force.

MOTION By MR. ETHERIDGE: TO PURSUE AN ORDINANCE CHANGE, WHICH WILL ALLOW DOCKS & HARBORS TO MANAGE RESERVATIONS AT THE SEADROME DOCK AND MERCHANTS WHARF FLOAT.

Motion passed with no objection.

VIII. New Business

1. Visitor Industry Task Force DRAFT Review – Special Committee Recommendation

Mr. Uchytel said at the annual Board meeting in July; we established a Special Committee to review the Visitor Industry Task Force DRAFT recommendations. The Special Committee met four times and during each of those meetings, we looked at all of the recommendations. We did not comment on any of the background information, only the recommendations where we thought Docks & Harbors had a role. The Special Committee came up with language to address concerns. Sometimes there were concerns and sometimes it was just a matter of support. The Special Committee included Mr. Don Etheridge, Chair, Mr. Bob Wostmann and Mr. James Houck.

Mr. Uchytel said the Special Committee made recommendations or provided comments to the Visitors Task Force draft recommendations. He asked if the Committee wanted to go through each of the recommendations the Special Committee highlighted in yellow. After review from this Committee, it will go to the full Board for their approval. If approved, it will go to the Assembly with a cover letter. The draft cover letter is included in the packet. The recommendations are for the Assembly's consideration. It is not yet determined when the Visitors Industry Task Force will take this up with the Assembly. All this took place pre-Covid, so we will be lucky if we have half of the amount of visitors in 2021 that we did in 2019.

Committee Questions

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Mr. Becker asked if there are other groups in the City of Juneau reviewing the Task Force draft recommendations.

Mr. Uchytel said he does not know of any other reviewers of the draft recommendations. He asked Mr. Kirby Day if he would comment on this.

Mr. Kirby Day, Juneau, AK said he does not think there is anyone else formally reviewing and addressing the Visitor Industry Task Force draft recommendations.

Mr. Ridgway asked if the draft document is on the Docks & Harbors website. Is it still open for public comments?

Mr. Uchytel said it is part of the agenda packet, so yes it is on our website. When the Special Committee met, each of the four times, it was publicly notice and they received little public input. Mr. James Becker and Mr. Kirby attended all the meetings. Mr. Andrew Green and Assembly Member Ms. Carole Triem attended one of two meetings.

Public Comment

Mr. Kirby Day, Juneau, AK said he appreciates the committees work. He also appreciates them allowing himself, Mr. Green and Ms. Triem to participate by allowing them to comment and lend some perspective and thoughts on how the Task Force was viewing some of the questions they were answering.

Committee Discussion/Action

Mr. Etheridge said he wanted to thank Mr. Day for all his input and insight as well and Mr. Green and Ms. Triem. Mr. James Becker also attended all the meetings. He said they came up with good recommendations and they addressed all the concerns. It was a good process and many hours spent on this. Mr. Etheridge said he appreciated the tremendous amount of time Mr. Uchytel spent on this. This is a good follow up on how Docks & Harbors needed to be respond.

Mr. Ridgway said he wants the full Board to spend more time reviewing the recommendations before the December 17th, 2020 meeting. He asked Mr. Uchytel how he is publically noticing this item for the Board Meeting.

Mr. Uchytel said he would like each Board member to review and make edits if needed to the Special Committee recommendations. Mr. Creswell can put it on Facebook if Mr. Ridgway wants it posted front and center.

Mr. Etheridge said this is the Board's recommendation to the Assembly. These are the recommendations that the Committee saw as problems and concerns. A lot of these comments are that we concur with the Task Force. The only one we had a lot of concern is on page eight of their document, number six, regarding 2020 and going forward. This would prohibit docking or anchoring of passenger cruise ships of any size in Auke Bay, specifically Statter Harbor, except for emergency purposes. There is not a definition in their plan that defines a passenger cruise ship versus a charter yacht. Do they want to

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prohibit the yachts? We addressed everything that we saw that affected Docks & Harbors; this is not the final document.

MOTION by MR. ETHERIDGE: TO MOVE THIS DRAFT TO THE FULL BOARD FOR FINAL APPROVAL AT THE DECEMBER 17TH, 2020 MEETING AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

IX. Items for Information/Discussion

1. Capital Improvement Project (CIP) Department Priorities

Mr. Schaal said it is time to update the Capital Improvement Plan (CIP) list that staff submits annually through Mr. John Bohan in Engineering for the city wide CIP's. Staff met to rank all our projects by funding and feasibility for the next four or five fiscal years. He said he is bringing this to the Committee as an information item to review and see if there is any direction for reorienting the list.

- FY22- this needs to be finalized now with the funding plans for the projects. Docks is looking to spend \$1M for the waterside (Seawalk) safety railings with marine passenger fees. Harbors has matching funds for the Harris Harbor Anode installation at \$125K.
- FY23- Docks has the shore power project in anticipation of a design based on some kind of direction from our current planning process with construction following that planning process. Harbors will be looking at both the completion of Statter Harbor Phase III and a portion of Aurora Harbor Phase III. Staff also wanted to put a placeholder in for the possible purchase of the University of Alaska Southeast (UAS) downtown property. As we have discussed, we will be reentering negotiations with UAS once their study & appraisal is complete. There was Board direction to look at the purchase of the property if we can get support from the Assembly.
- FY24-Harbors has a construction placeholder for building our Aurora Harbor Phase IV, which is bringing us to completion with the north end of Aurora Harbor redevelopment.
- FY25 –Docks has plans for building the restroom facility at the Archipelago property.

Mr. Schaal said the future projects and remaining goals list are in the last column. Staff will need comments by November 19th, 2020.

Ms. Smith said she continues to have people comment about not having a lightering dock downtown for small boats to go shopping etc. Is the dollar amount on the CIP list accurate for a lightering dock?

Mr. Schaal said the cost for a lightering float replacement from the one removed in project 16B is currently around \$650K. It is a placeholder at this point. Staff has not moved forward with a design due to no funding.

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Mr. Dennis Watson, Juneau, AK said many of the floats in Harris Harbor are in bad shape and are no longer floating level. Is there money being put into the Harris Harbor floats or just the zinc anodes?

Mr. Schaal said the Harris Harbor floats were constructed in 2004 without the torsion tubes inside to save money. We have tried to push the twist out of them, which worked temporarily, but this illustrates the importance of torsion tubes.

Mr. Ridgway asked Mr. Schaal if there is an estimated in retrofitting the torsion tubes and repairing the floats.

Mr. Schaal said he does not have a cost estimate for repairs but he can figure that out and report to the Board at the next meeting.

Committee Discussion/Public Comment – none.

2. Annual Letter to the Assembly

Mr. Uchytel said he updated the packet from November 13th, adding the 2020 letter. The language is similar to the last year with updated numbers for 2020. He made some comments how the COVID-19 pandemic allowing only 8 seasonal rehires this year and only 36 cruise ship passengers this season. Page 49 of the packet gives the Assembly updates on our projects and applied grants. He also updated them on the Lumberman. Page 51 of the packet shows where we ended up. The Docks fund balance shows an increase of \$400K from 2019. The Harbor fund balance shows where we used money for Aurora Phase II, Statter Harbor and Douglas Harbor. We are back to building up our fund balance. It is not as deep as we would like. Title 85 also requires us to provide the Assembly with our moorage rates. Mr. Uchytel asked the Board to review the updated letter and if anyone has findings, he can make those changes and bring them to the Board next week. He will send it to the Assembly.

Mr. Ridgway asked Mr. Uchytel to add a paragraph regarding the large decrease in harbor funds. It is a very big drop in our budget and our optimism for the future.

Mr. Uchytel said Docks Enterprise and Harbors Enterprise, post COVID, are still operating in the black. However, Docks Enterprise next year will have to use fund balance money. He said when he drafted this language, that Docks & Harbors is very proud that we were the only CBJ Department that did not receive any COVID CARES money. This is a true statement, but when he sent it to the City Manager and the Finance Director to make sure they were okay with the comment, the Finance Director pointed out that he is going to the State for a grant to make state marine passengers fees available because of COVID. That is how they are planning to pay the debt for 16B. He still feels within our operational budget, this is a true statement.

Committee Discussion/Public Comment – none.

3. Small Cruise Ship Infrastructure Master Plan – Summary of Public Meeting

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Mr. Uchytel said on November 10th, 2020 we had an advertised public meeting for public input for the Small Cruise Ship Infrastructure Master Plan. We had twenty-eight participants via Zoom. Staff will collect comments of those that spoke and bring them to the Board.

Mr. Schaal brought up the website from the November 10th meeting on the projector. Smallcruiseshipmp.blogspot.com. Norwegian Cruise Line (NCL) who is rolling out their plan for development drove interest in our public meeting. Many of the comments were not in favor of NCL's development. Our website will be up for a few more weeks but Facebook seems to be the best outlet for reaching people at the day of post. Paper copies are available in the Port Directors office or by request. There was strong comments against cruise ships in Auke Bay. Staff looked at the Auke Bay Marine Station as a possible location for development. PND looked at the option, but the market study and the interviews completed by McDowell showed the cruise ships were not interested in Auke Bay and preferred the downtown area. There was good attendance, but only a few wanted to share their comments. It was a valuable meeting and the Zoom team did a great job. He hopes to have more input with having the website up for a few more weeks. Mr. Schaal said staff followed all the public meeting processes.

Mr. Ridgway asked Mr. Schaal if he has considered using Facebook Live for our meetings instead of Zoom. He said it would be great to have a public lightering float downtown again.

Mr. Schaal said Facebook Live is very technically challenging compared to Zoom. We will receive comments from the public for the next two weeks. Our goal is to have the report in draft form by mid-December and the final draft by the end of December. The link posted on our Juneau Harbors Facebook page will continue to be refreshed and he will post the video at some point to keep people engaged.

Committee Discussion/Public Comment – none.

4. Centers for Disease & Prevention Control (CDC) – Conditional Sailing from U.S. Ports

Mr. Uchytel said in mid-July, the Centers for Disease Control (CDC) came out with a Request for Information (RFI) asking for feedback on what the industry thought it would take for the resumption of cruise ships. The CDC allowed sixty days of public comment and since September 21st, 2020, they have been compiling all the data and comments received. The results of the RFI data collection is in the agenda packet. Page 55 of the agenda packet highlights some of the 13,000 comments the CDC received. Three quarters of the comments were favorable to the resumption of cruising. The CDC has decided to use a science and data based plan with a phased approach to resuming passenger operations. On page 69, the phase approach is a testing lab, simulated voyages with volunteers testing protocols, certification processes and then a return to passenger voyages. Once the CDC believes it has protocols in place and it is safe to resume cruise ship operations, then they will implement a certification process to pass. Page 77 the CDC lays out the projected

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requirements for local health authorities. The requirements include a required housing agreement, a medical care agreement and a port agreement. There is also some discussion about what happens if a ship has a COVID patient on board, what are the protocols? All of those items are of interest to Docks & Harbors. Lastly, on pages 85/86 is a certification process if they meet all the other protocols. The CDC will further advise prospective passengers if a ship's threshold of COVID-19 occurs, the ship with COVID cases on board must return to the U.S. port of embarkation immediately. They do not specifically say what that threshold is, but they will tell passengers that once they get to the resumption of sailing, and if there is an outbreak, they will return to port. Some other items in this section are that sailings are limited to a maximum of seven days. There will be required screening. Testing for crew and passengers at the start and end of every cruise. The CDC is monitoring hand sanitizing, hygiene, face coverings, social distancing, how they will serve meals, entertainment and on board activities. The CDC is looking at resumption of voyages with a short leash and the cruise ships must prove they can sail safely.

Mr. Uchytel was on an American Association of Port Authorities (AAPA) Webinar with a power point presentation by Bermello Ajamil and Partners, Inc. out of Miami, Florida. Ketchikan and Skagway hired Bermello Ajamil Partners because they are very concerned about the revenue losses from tourism and need help with their communities. They are addressing a new concept called Bubble Cruising. They are addressing how does a ship get prepared and authorization to sail as well as how do ports of call get prepared and what does this mean for Southeast Alaska? Bubble Cruising is how you insure the safety of passengers, crew and communities. Bermello Ajamil and Partners have come up with protocols to take in to account based on the amount of spread. They have developed different operational bubbles – no visitation (a cruise to nowhere) or no ports of call. Leaving Vancouver/Seattle and sailing through the inside passage and sailing into to Glacier Bay and/or Tracy Arm and returning to Vancouver/Seattle with no ports of call. They have other concept bubble models based on the input from communities of having passengers confined to just the port, or defined/confined areas just off the ship. Vendors and shops would sale their wares within the defined/confined area. A passenger bubble allows passengers to move around only by contracted vehicles meeting the standards of the ship they are disembarking. An area wide bubble is an expansion based on ship protocols but with restrictions. An area wide bubble would be adding more area to where passengers could move about. A port bubble would confine passengers to a restricted area allowing some freedom to shop, eat or tour places within the designated area. Mr. Uchytel said there is still a lot of work to do with the resumption of cruising in Juneau. The City Manager and the Mayor has reached out to other communities in Southeast Alaska Ports for a meeting. Our City Manager and Mayor see the need to start having regional meetings and discussions on what Juneau and other SE Alaska communities need to do to resume cruise ships calling to Southeast Alaska again.

Mr. Uchytel said that standardization throughout Southeast Alaska is very important. Cruise Line International Association (CLIA) does not want to have different rules

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for Juneau, Ketchikan, and Skagway. Etc. Eventually we will get to a solution. The document he presented is for all US sailings not just Alaska. Mr. Uchtyl said he was not involved in all the discussions, maybe Mr. Kirby Day would be someone to direct questions.

Ms. Smith asked when we have a vaccine, will these new requirements stay the same or will they change based on a vaccine? Secondly, will the Canada border open when we have a vaccine?

Mr. Uchtyl said vaccinations could happen by early of next year. He suspects the resumption of cruise ship sailings will go in a direction based on the findings. He believes the current no sail order goes until February 28th, 2021 for the Canada border. There are discussions about a technical sail around option.

Mr. Kirby Day, Juneau, AK said this is just the start of the process. It is just too early to make any assumptions.

Mr. Ridgway asked how the State Mandate 10 relate to cruise ship passengers.

Mr. Uchtyl said Alaska residents test free at the airport and non-residents have to pay \$250 if they do not have a negative test upon arrival and within 72 hours. Once you have a negative test after 5 days, then you strictly socially distance. He is not sure how this will work with cruise ships taking several days to arrive from Seattle or Vancouver. It could definitely be a conflict with cruise ship passengers, depending on when they test. The Governor would have to make changes to the mandates.

Public Comment/Committee Discussion – none.

X. Staff and Member Reports.

Mr. Creswell reported

- Last Sunday through Monday we had a super heavy snow event.
- Two boats sank, one at the IVF and one at Harris Harbor. They are now out of the water.
- Staff was very proactive in checking the docks.
- Ice removal is ongoing.
- Dredging began in Harris Harbor today.
- Global diving started prep work on the Lumberman and testing for center of gravity. Results are not back.
- The last two seasonal staff will go on leave November 13th.
- The seaplane floats have been removed.

Ms. Smith asked if staff requires boats to have insurance and show proof of insurance. She has had several people contact her about boats that cannot move. Do we enforce them to move?

Mr. Creswell said for our assigned stallholders with preferential moorage agreements, they must show proof of insurance, if not they are charged a vessel disposal surcharge. It

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is a very small fee and does not cover the cost of removing a sunken boat. It is really a penalty for not having insurance. Daily moorage does not require proof of insurance. Passenger for Hire vessels are different and are required to have insurance. All boats are required to move under their own power at least three times a year. When a boat changes hands, they must perform a sea trial and demonstrate their sea worthiness. We require a sea trial any time we are requiring vessels to move for construction or safety reasons.

Mr. Ridgway said he was not aware of the vessel disposal surcharge. Does this fee have to go through a review process? It seems very low considering what it costs to dispose of a vessel or raise a sunken vessel.

Mr. Schaal reported

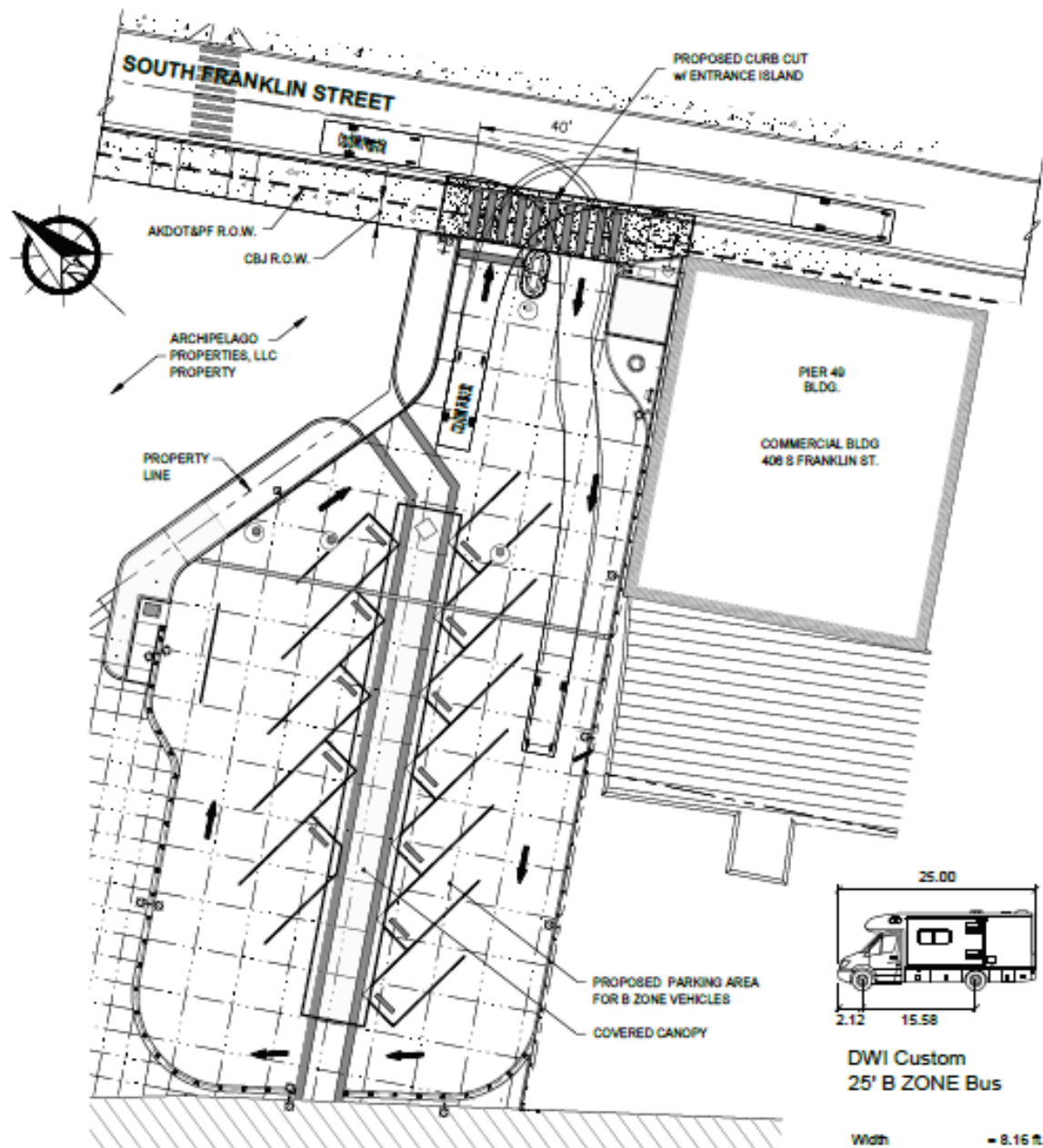
- The demo in North Aurora is complete. Trucano pulled the rest of the piles and staff removed the floats and took care of the disposal. The gangways are in storage.
- Trucano Construction will now be moving to Statter Harbor to repair the broken chain on the breakwater.

Mr. Uchytel reported a Finance Sub-Committee meeting on Monday, November 30th, 2020. Mr. Wostmann is the chair of that sub-committee. It will be publically notice. We will be talking about fees at Statter Harbor and reviewing personnel costs and other expenses.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting – Wednesday, December 9th, 2020

XII. Adjournment at 6:43pm.



**DRIVEWAY TURNING MOVEMENTS
ENTER SOUTH BOUND AND EXIT SOUTH BOUND**



APPLICANT ADDRESS:
CITY AND BOROUGH OF JUNEAU
DOCKS AND HARBORS
155 S. SEWARD STREET
JUNEAU, AK 99801

PND PROJECT NO. 182045

**CBJ DOWNTOWN WATERFRONT
IMPROVEMENTS**

APPLICANT: CITY AND BOROUGH OF JUNEAU D&H
FILE NO.:
WATERWAY: GASTINEAU CHANNEL
PROPOSED ACTIVITY: WATERFRONT IMPROVEMENTS
SEC. 23 T. 41 S R. 67 E M CRM
LAT.: 58°17' 51" N LONG.: 134° 24' 13" W
DATE: JUNE 2019

Chapter 10 - WATERFRONT SALES PERMITS

05 CBJAC 10.010 - Policy.

These regulations are intended to implement the following policies:

- (a) To provide desirable commercial services to cruise ship passengers.
- (b) To provide for orderly administration by the department of appropriate vending in the downtown waterfront area.
- (c) To ensure that vending uses shall remain incidental to the principle uses of the downtown waterfront area. The principle uses are pedestrian, vehicular, and recreational access to the docks and waterfront. The director may order the suspension of vending activities as necessary to avoid conflict with the principle uses.
- (d) To collect revenues in support of management of and improvements to City and Borough harbor and waterfront facilities.
- (e) To assure fair treatment of persons wishing to sell tours in the downtown waterfront area.
- (f) Establish a system of tour sales and tour brokerage permits in order to effectuate the purposes listed above. The administration of such system shall be for the benefit of the general public, and the grant or denial of a permit, or any act or omission by the city with respect to such permit is not intended to regulate the private business relationships or to protect the business interests of one party against the other. It shall be the individual responsibility of the permit holders and their clients to enforce their rights and liabilities through civil actions or such other private relief as may be available.
- (g) To provide reasonable opportunity for entrepreneurs to enter the business market.

(01/19/98; [Amended 4-1-2015, eff. 4-8-2015](#))

05 CBJAC 10.020 - Prohibitions.

- (a) A person shall not conduct any commercial activity within the downtown waterfront area except as authorized by a permit issued under this chapter by the director. Except as authorized by a permit, a person shall not within the downtown waterfront area:
 - (1) Sell or offer to sell goods or services,
 - (2) Construct, maintain, or use any structure, or
 - (3) Use any loading zone.
- (b) Solicitation, advertisement, sales, use of loading zones or any other commercial activities without a permit issued pursuant to this chapter is a violation of CBJ 85.25.090 (11).
- (c) A person delinquent in the payment of fines, taxes, judgments or other monies owed to the city may not receive a permit.
- (d) No permit may be issued or reissued to any person whose prior permit hereunder was revoked.

(01/19/98)

05 CBJAC 10.030 - Permit duration, reissuance options, transferability, refunds, actively sell requirement, eligibility, number of permits available.

Permits may be issued by the director. Permits are valid only for the dates, times, areas, and activity specified.

- (a) *Duration.*
- (1) Tour sales, tour broker, and loading permits shall be valid only from ~~May~~April 1 through October 15 of each permit year.
 - (2) No permit may be issued for a period in excess of one calendar year.
- (b) *Reissuance.* Permits may be reissued only as authorized by these regulations. A reissued permit shall be subject to the regulations in effect for the year in which the permit is used. Permittees and option holders assume the risk that changes in regulations could affect their business through reduced revenues, increased costs, or both; that the number, location and rules for permits may be changed from year to year without liability to the city, compensation to permittees or option holders, and that municipal regulation hereunder shall be immune from liability pursuant to AS 09.65.070 and other applicable law.
- (1) *Reissuance options.*
 - (A) A reissuance option entitles the holder to apply for and receive a permit for the tour season designated in the option, provided that the holder meets all the requirements for permit applicants and holders in the year the reissued permit will be operated.
 - (B) The fee for any permit issued pursuant to a reissuance option shall be the same as the fee paid for the original permit.
 - (C) The holder of a reissuance option shall notify the director of its intention to seek reissuance. Written notice must be received by the director no later than December 1 preceding the year in which the reissued permit will be operated. If the notice is not so received, if application is not made, or if for any other reason the permit is not reissued, the director may consider the permit, including any remaining reissuance periods, as forfeit and either available for issuance to others or withdrawn from any issuance.
 - (D) Reserved.
 - (E) These regulations apply to any permits and reissuance options authorized by 05 CBJAC 10.010—10.090.
- (c) *Transferability.*
- (1) A permit, other than a limited loading permit, may be transferred, together with any reissuance options, provided that such transfer includes the transferor's entire business interest in activities conducted under the permit. The transferor's business interest includes all assets used in the business conducted under the permit.
 - (2) No permit may be leased or rented, nor may the permittee allow the permit to be used by any person who is not an employee of the permittee.
 - (3) A transferred permit is not valid until it has been approved and reissued by the director.
- (d) *Refunds.* No permit fees shall be refunded after the issuance of a permit.
- (e) *Reserved.*
- (f) *Permit eligibility and requirements.*
- (1) To be eligible to bid on a tour sales or tour broker permit, the permit applicant must:
 - (A) Hold a current Alaska business license, and
 - (B) Maintain a place of business under the name on the Alaska business license within the boundaries of the city and borough.
 - (2) Any person holding a permit must maintain a year round place of business and mailing address in the City and Borough of Juneau, Alaska, and must designate a single individual by physical address, mailing address and phone number in Juneau upon whom service of notices and legal

proceedings may be made. Service of any notice concerning the permit to that person shall be legal and sufficient notice to any of the holders, owners or any other with an interest in the permit. The director must be notified in writing no less than ten days before there is a change in the name, address or phone number of the designated person for a permit. Failure to timely notify the director shall be considered a violation of the permit conditions.

- (3) No person, individual, business or corporation shall have an ownership interest in more than one tour sales or tour broker permit, meaning the person shall not pay for the operation of another permit holder's sales booth, direct or manage the activities of another permit holder's sales booth, or in any way financially contribute to the purchase of more than one permit. A permit holder who operates tours may have its tours sold by another permit holder, provided the permit holder operating the tour does not direct the activities of the other permit holder's sales booth or obtain any financial benefit from the other permit holder's sales booth other than that provided by the sale of the tour. Violations will result in permit revocation per 05 CBJAC 10.080(e).
- (4) Tour sales permit holders and tour broker permit holders must actively sell during the tour season. "Actively sell" means that the permit holder either derives a significant portion of its income from sales made through a tour sales or broker's permit, or that the permit holder is making substantial use of the permit.
- (g) *Number of permits available.* The director shall publicly announce the number, type and schedule for application for permits.

(01/19/98; Amended 5-2-2000, eff. 5-16-2000; Amended 6-28-2010, eff. 7-16-2010; Amended 2-7-2011, eff. 2-15-2011; [Amended 4-1-2015, eff. 4-8-2015](#))

05 CBJAC 10.040 - Tour sales permits.

A tour sales permit authorizes the solicitation and sale of tours and experiences.

- (a) *Application process and permit award.*
 - (1) *How to apply.* No later than December 1, of each year, the port director will publicly announce an application period for tour sales permits. The notice will include a description of how to apply for a permit, the number and type of permits available, and the process that will be used to award the permits. Persons must apply on an application form provided by the port director and must include all required information and attachments.
 - (2) *Application review.* The port director will review each application to determine if it is complete. The port director will reject incomplete applications. The port director will review complete applications to determine if the applicant meets the permit eligibility requirements set out in 05 CBJAC 10.030(f).
 - (3) *How the permits are awarded.* The port director will manage and award the permits by public outcry auction. The minimum bid for a permit is \$30,000.00. Applicants meeting the permit eligibility requirements set out in 05 CBJAC 10.030(f) will be allowed to bid on a permit provided the applicant posts a \$30,000.00 bid bond payable to CBJ. The applicant must agree to forfeit the bid bond in the event the applicant does not honor a winning bid on a permit.
- (b) *Permit requirements.* The port director may issue permits and require permit holders to comply with stipulations as necessary to assure compliance with applicable requirements of this chapter and the Maritime Transportation Security Act of 2002. Permit holders shall also comply with the prohibitions set out in 05 CBJAC 10.020, the tour sales area rules set out in 05 CBJAC 10.040(c), and the general operating requirements set out in 05 CBJAC 10.070.
- (c) *Tour sales area rules.*

- (1) A permit holder shall only sell tours in a booth provided by the port director. The port director will provide booths at the Steamship Wharf Plaza, the Visitor's Center Lot, and the Columbia Lot sales areas. The port director reserves the right to relocate or close booths as required for public safety, security, or other good cause. The booths at each sales area will be assigned by lot. In order to assure equitable exposure for each permit holder, the port director will cause the permit holders to shift one booth on each day of operation. A permit holder shall only occupy the booth assigned by the port director.
- (2) A permit holder shall not have more than one representative selling tours at a booth, except when training new employees and then for no longer than is necessary to adequately train the employee. A permit holder shall make its best effort to maintain a presence at its booths during all hours when cruise ship passengers are likely to purchase tours in a sales area. The permit holder shall provide the port director with a list of all individuals that will sell tours at its booths and, if requested, staff identification documentation, booth staffing schedules, and other documentation, as determined by the director necessary to demonstrate the permit holder complies with this requirement.
- (3) The permit holder shall not sell, or permit to be sold, tours on any vouchers or receipts other than their own.
- (4) The permit holder shall provide the port director with a list of all tours sold pursuant to its permit, including the name of the company providing the tour.
- (5) The permit holder may display up to two large signs on a single booth provided the signs do not extend beyond the front profile of the booth. The permit holder may also display one-foot by one-foot signs for each tour the permit holder sells. These signs may not extend more than six inches beyond the front profile of the booth.
- (6) The permit holder or its representatives shall not engage in hawking or disruptive behavior or interfere with the operations of other sales booths.

(01/19/98; Amended 5-2-2000, eff. 5-16-2000; Amended 1-7-2008, eff. 1-15-2008; Amended 2-7-2011, eff. 2-15-2011; [Amended 4-1-2015, eff. 4-8-2015](#).)

05 CBJAC 10.050 - Reserved.

Editor's note— Regulation adopted January 7, 2008, effective January 15, 2008, repealed 05 CBJAC 10.050, which pertained to tour broker permits.

05 CBJAC 10.060 - Loading permits.

No person shall operate, park, stand, or stop a commercial vehicle, or cause or direct the same, within the designated loading zones in the downtown waterfront area except as authorized by a permit issued hereunder. Vehicular use of designated loading zones for commercial purposes without a permit is a violation of CBJ 85.25.090(11).

(a) *Application process.*

- (1) Application forms for loading permits will be available at the harbor office between April 1 and October 15.
- (2) Applications must be made on the form provided by the department, and must be complete, including all required attachments. Any incomplete application will not be considered for a permit.

(b) *Permit requirements and conditions of operations.*

- (1) The port director is authorized to designate loading zones in the downtown waterfront area and establish rules to assure safety, security, and efficiency of operation.
 - (2) The port director may issue loading zone permits and require permit holders to comply with stipulations as necessary to assure safety, security, and efficiency of operation. Permit holders shall also comply with the loading zone rules set out in 05 CBJAC 10.060(c) and the general operating requirements set out in 05 CBJAC 10.070.
 - (3) An applicant for a loading zone permit must show that use of the permit will be limited to transportation of passengers and/or crew to or from cruise ships. If the applicant will be transporting passengers, the showing must consist of at least one of the following:
 - A. A tour sales permit in the applicant's name;
 - B. A contract for the sale of tours onboard a cruise ship;
 - C. A contract with a cruise ship for the transportation of passengers;
 - D. A contract for the sale of tours with a tour sales permit holder. An applicant may enter into a contract with one tour sales permit holder only; or
 - E. If the applicant sells tours without the aid of the cruise lines, a cruise ship, or a tour sales permit holder, the applicant must show that it will only transport persons who have purchased tours directly from the applicant, and the applicant shall, upon request, provide the port director with a daily manifest showing the names of passengers to be transported.
- (c) *Loading zone rules.*
- (1) No signs are allowed in the loading zone.
 - (2) Loading zone permits shall be prominently displayed in the lower right corner of the front windshield of the vehicle, or as specified by the director.
 - (3) No person shall sell or solicit the sale of any goods or services in any loading zone.
 - (4) Goods and passengers shall be staged at loading zones so as to minimize vehicular standing time. No vehicle shall be present in a loading zone except as reasonably necessary for loading or unloading goods or passengers.
 - (5) The driver of a vehicle must remain in the driver's seat unless assisting in the loading or unloading of passengers or luggage in the immediate vicinity of the vehicle. No driver may leave a vehicle unattended in a loading zone for any period of time.
 - (6) "A" loading zones.
 - (A) Vehicles greater than 25 feet overall length ~~containing 18 or more passenger seats~~ may be operated only in loading zones marked "A."
 - (B) Permittees using "A" loading zones shall submit a schedule of all cruise ships they will be meeting. For each meeting, permittees must use the "A" loading zone closest to the terminal or lightering dock designated on the schedule. Permittees may not depart from the schedule unless approval is obtained from the director at least 24 hours in advance. Approval shall be contingent upon the impact of changes upon other permittees, users of the park, and traffic conditions.
 - (7) "B" loading zones. Vehicles ~~containing fewer than 18 passenger seats~~ 25 feet and less overall length -may be operated only in loading zones marked "B."
 - (8) A vehicle without the appropriate permit may use a loading zone as necessary for a health or safety emergency. Such use shall be the minimum necessary to resolve the emergency.
- (d) *Limited loading permits.* A person may apply for a limited loading permit for designated vehicles to provide services in a designated loading zone to a cruise ship or cruise ship

passengers for occasional or off-peak-hour use. Application must be made to the director no less than one business day in advance of use.

- (1) *Nonpassenger vehicles.* If the vehicle will be left standing in a loading zone for any amount of time, or if the driver will not remain with the vehicle for any period of time, the applicant must schedule that time with the director so as not to interfere with the efficient use of the loading zone by other permittees. The permittee must conduct all business efficiently so as to minimize any standing in the loading zone.
 - (2) *Passenger vehicles.* All requirements of subsection (c) of this section apply to vehicles providing passenger services to a cruise ship pursuant to a limited loading permit.
- (e) *Fees.*
- (1) The fee for a loading permit shall be established at least annually by the docks and harbors board.
 - (2) The fee for a limited loading permit shall be \$15.00 per vehicle for each permit day or \$250.00 per year, whichever is less.

(01/19/98; Amended 1-7-2008, eff. 1-15-2008)

05 CBJAC 10.070 - General operating requirements.

- (a) Permittees are responsible for complying with all state, federal, and local laws applicable to their activities.
- (b) Permittees shall police the area immediately around their vending area and shall properly dispose of all litter accumulating there during the course of their activities.
- (c) Permittees shall reimburse the City and Borough of Juneau for any damage to municipal property caused by the permittee's activities, including the cost of litter abatement.
- (d) No permittee may store equipment or supplies in the downtown waterfront area except as approved by the director in advance.
- (e) Permittees shall prominently display the permit issued pursuant to these regulations, as well as all other required permits and licenses, at all times during their activities hereunder.
- (f) Permittees may not engage in hawking or make an unreasonably loud noise. Written information may be distributed to interested parties only when requested.
- (g) Permittees, as a condition of receiving a permit, shall execute an instrument under the terms of which the permittee shall agree to indemnify, defend, and hold harmless the City and Borough of Juneau from any and all claims for injury or damage to persons or property suffered in connection with the permittee's activities unless such injury or damage is caused by the gross negligence of the City and Borough of Juneau.
- (h) Prior to issuance of a permit, the prospective permittee must provide the department with a broker's certificate of insurance showing that the permittee has obtained at least \$500,000.00 or, in case of courtesy vehicles, \$300,000.00, of public liability insurance. The certificate must establish that the City and Borough is named as an additional insured on such policy, and that the insurer thereof shall notify the City and Borough if the policy is modified, canceled, or terminated. Vehicles operated under and in conformity with CBJ Chapter 20.40 are exempt from the requirements of this subsection.
- (i) Permit holders are responsible for compliance with permit conditions. Any entity or person listed on a permit issued to a partnership, joint venture or other form of association or joint ownership, shall be deemed to be jointly and severally liable for any violations of these regulations by any person operating under the permit.

(01/19/98)

05 CBJAC 10.080 - Enforcement and penalties.

- (a) The port director may summarily suspend a permit issued under 05 CBJAC 10 without a hearing for a period not to exceed ten days if any activity conducted under the permit presents an immediate danger to the public health, welfare, or safety.
- (b) The port director may suspend a permit, revoke a permit, deny a permit, deny the reissuance of a permit, or deny the ability to bid on a permit under 05 CBJAC 10 after an informal hearing before the port director and upon written findings that the permittee or applicant has violated these regulations, engaged in fraud or gross negligence, or misrepresented the nature and substance of a tour product.
- (c) The port director shall conduct the hearing called for in 05 CBJAC 10.080(b) as follows:
 - (1) The permittee or applicant shall be provided with at least ten days notice of the hearing. The notice shall include a brief statement of the facts giving reason for the proposed suspension, revocation, or denial.
 - (2) The permittee or applicant shall have an opportunity to be heard at the hearing and shall have the right to call or cross-examine witnesses.
 - (3) Relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of a common law or statutory rule that makes improper the admission of the evidence over objection in a civil action. Hearsay evidence may be used to supplement or explain direct evidence, but is not sufficient by itself to support a finding unless it would be admissible over objection in a civil action.
 - (4) The hearing shall be recorded by audio tape.
- (d) The port director shall issue a written decision. The permittee or applicant may appeal the port director's decision to the docks and harbors board by filing a notice of appeal, setting forth the reasons for the appeal, with the port director within ten days of the director's decision.
- (e) A permittee whose permit is revoked loses all rights and privileges under that permit, shall deliver copies of the permit to the port director, and may not apply for a new waterfront sales permit for a period of one year after the revocation. In addition, for a period of one year after revocation, no application for a waterfront sales permit shall be approved for an applicant who was an owner, operator, partner, director, manager, officer, assignor, or transferor, of any operation or business which required a waterfront sales permit, regardless of its form of legal entity, if the waterfront sales permit for that operation or business was revoked.
- (f) Failure to follow any permit condition is a violation of CBJ 85.25.090, and may carry a fine of up to \$250.00 for each instance of a violation.

(01/19/98; Amended 4-24-2006, eff. 5-2-2006; Amended 2-7-2011, eff. 2-15-2011)

05 CBJAC 10.090 - Definitions.

As used in this chapter:

"Courtesy vehicle" means a vehicle owned or operated by a business and used to transport passengers without additional charge, where such transportation is provided in conjunction with and in furtherance of a related primary business purpose or enterprise of that person.

"Department" means the City and Borough of Juneau Docks and Harbors Department.

"Director" means the port director or the port director's designee.

"Downtown waterfront area" and "facility" means that property owned by the City and Borough of Juneau located adjacent to the city cruise ship wharves, which is under the regulation of the Docks and Harbors Department and/or the Parks and Recreation Department. This includes all public spaces, loading zones, parking areas, and any wharves or trestles or portions thereof designated for enforcement hereunder by resolution of the harbor board.

"Employee" means a person who provides services at the direction and under the control of another. An employee is an integrated part of the employer's business, is hired, supervised and paid by the employer for hours set by the employer, and the employer furnishes tools and materials for the employee's use. For purposes of this chapter, drivers operating vehicles pursuant to CBJ Chapter 20.40 shall be considered the employees of the holder of that certificate.

"Hawking" means the loud or continuous audible solicitation of business by a permittee to the general public.

"Permittee" [and] "permit holder" [and] "holder" mean the business entity or its authorized representatives conducting activities in the downtown waterfront area according to a permit issued under these regulations.

"Person" means a natural person, partnership, corporation, association, or other legal entity.

"Tour season" means ~~May~~April 1 through October 15 of one calendar year.

"Tours and experiences" means tours, transportation, transfers, entertainment, meals and services sold to customers and includes all services provided whether or not incidental to, advertised with, or specifically offered in the sale. All transportation provided to a customer by a permittee, or arranged by a permittee is considered a part of the tour or experience.

"Vehicle" means a device in, upon or by which a person or property may be transported or drawn including devices moved by human, animal, mechanical or other power source.

(01/19/98; Amended 5-2-2000, eff. 5-16-2000)



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and Public Facilities

SOUTHCOST REGION
DESIGN & ENGINEERING SERVICES
Right of Way Section

P.O. Box 112506
Juneau, Alaska 99811-2506
Main: 907.465.4444
Fax: 907.465.8485
Toll Free: 800.575.4540
TTY-TDD: 800.770.8973
dot.alaska.gov

November 20, 2020

CERTIFIED MAIL # 7019 02970 0000 9399 4072

City and Borough of Juneau
Ports and Harbors Department
155 Seward Street, Juneau, AK. 99801
Attn: Carl Uchytel

RE: Encroachment Permit, JNU 20-009

Dear Carl,

Please find enclosed a copy of your Encroachment Permit for the Auke Bay Loading Facility. Please submit the original signed and notarized copy of the permit back to me. Upon receipt, I will execute the permit and send a signed copy back to you. Additionally, please send a check in the amount of \$18,450 as payment for your first years annual use fee as required in the permit document.

Please email me at michael.schuler@alaska.gov or call me at (907) 465-4499 if you have any questions or concerns about this matter. Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Schuler".

Michael K. Schuler
Property Management Officer
DOT&PF, Right-of-Way Section



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and
Public Facilities

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TTY-TDD: 800.770.8973
dot.alaska.gov

November 20, 2020

City and Borough of Juneau
Ports and Harbors Department
155 Seward Street, Juneau, AK. 99801
Attn: Carl Uchytel

RE: Economic Rent Determination

Dear Carl,

All encroachment permit applications are subjected to a fee determination. The Permittee must pay fair market value or a \$100 annual fee for the use of the right of way, whichever is greater. That fee, (established in 17 AAC 10.013) is calculated by taking the price per square foot of the market land value multiplied by 8% (area capitalization rate) of the square footage of the encroachment, (see enclosed economic Rent Valuation). **Your annual fee, as determined above will be \$18,450.00 per year.** You may choose to mitigate this fee by removing the encroachments in the ROW, likewise, if you disagree with our fee determination you may obtain your own appraisal and then submit that to have the encroachment fee modified.

Please email me at michael.schuler@alaska.gov or call me at (907) 465-4499 if you have any questions or concerns about this matter. Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Schuler".

Michael K. Schuler
Property Management Officer
DOT&PF, Right-of-Way Section



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

**WAIVER VALUATION
FOR ECONOMIC RENT
OVER \$100**

PROJECT NAME:

STATE PROJECT #:

FEDERAL-AID PROJECT #:

PARCEL #:

Name of Owner CBJ Lands and Resources
Location of Property 13575 Glacier Highway-Auke Bay Loading Facility
Legal Description ATS 1685 & ATS 357 Lot 1
Zoning Waterfront Commercial
Present Use Commercial for profit boatyard, for profit storage

DESCRIPTION OF ENCROACHMENT; Unpermitted marine refitting/storage, unpermitted leasing for miscellaneous storage.

The encroachment onto useable State owned Right of Way is 26,740Sq. Ft.

VALUE ANALYSIS; For the purpose of this economic rent the department used the assessed value from the Municipal assessor's database.

The value of the land being encroached upon is assessed at

Land Value of Parcel	\$ 345,500.00
Square footage of Parcel	39,988
Square footage of Encroachment	26,740
Land Value per square foot	\$ 8.64
Value of Land Encroached Upon	\$ 231,000
Capitalization Rate	8%
Actual Fee Determined	\$ 18,482.00

ANNUAL FEE DUE FOR THIS ENCROACHMENT (Rounded down to nearest \$50): \$ 18,450.00

Date of Estimate

Michael K. Schuler

ESTIMATOR

I certify that I have no direct, indirect, present, or prospective interest in this property; that I have no personal interest or bias with respect to any party involved; and that I will not benefit in any way from the acquisition of this property.

APPROVED

Date Approved 11-20-20

Greg A. Weinert
REGIONAL CHIEF RIGHT-OF-WAY CHIEF



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
Division of Statewide Design & Engineering Services
Right-of-Way

ENCROACHMENT PERMIT

ENCROACHMENT PERMIT **NO. JNU 20-009**

THIS PERMIT is issued and effective on this 1st day of December, 2020 at Juneau, Alaska, by the **STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, SOUTHCOAST REGION RIGHT-OF-WAY**, whose mailing address is **PO Box 112506 Juneau, Alaska 99811-2506**, acting through its Commissioner and referred to as the "State", and the **CITY AND BOROUGH OF JUNEAU, DOCKS AND HARBORS DEPARTMENT**, referred to as "Permittee," whose mailing address is **155 Seward Street, Juneau, Alaska 99801**.

Permittee may occupy the following described right-of-way and is referred to hereinafter as the "Permitted Area", **with the physical address of 13575 Glacier Highway, Juneau, Alaska 99801**.

An unsurveyed portion of state right of way adjacent to, ATS 1685 and ATS 397, Lot 1 in the Juneau Recording District, First Judicial District, State of Alaska.

This permit is subject to the provisions of Alaska Administrative Code, Title 17, Chapter 010, and the following general and special conditions:

1. **Allowed Use:** The permitted area is to be used for; **Jersey barriers and gate system; Fishing gear, including but not limited to nets, pots, line, deckhouses, masts, and rigging; Temporary storage of building materials, shipping materials and goods prior to being shipped via transport company; Area lighting system; Jack-stands, vessel supporting equipment, wood and steel support structures, wood cribbing and beams and timbers; Boat trailers, flatbed trailers, temporary vehicle storage and vehicle parking for site employees; Storage only of vacant, fuel-drained vessels, and no other purpose.**
2. **Annual Fee:** Permittee will pay in advance and without notice, an annual fee in the amount of **\$18,450.00**. The first year fee will be due on the effective date of this Permit. Thereafter, subsequent annual fees are due on the same calendar day of each successive year of the term of the Permit. Any additional fees are specified in Special Conditions noted below. All payments required by this Permit must be made with a check or money

3. **Payment:** All payments shall be sent to **State of Alaska, DOT&PF Southcoast Region, Right of Way Section, Attn: Property Manager, P.O. Box 112506, Juneau, Alaska, 99811-2506**. Checks must be payable to the State of Alaska. For credit card payments please call (907) 465-4499. **It is the permittee's responsibility to pay the annual fee without notice.** A late fee of \$50 will become due and payable if not paid on or before 10 days of the due date of each year, during the term of this permit. Permittee will be considered in default if payment is not received by the 15th day of the due date of each year, during the term of this Permit; Permit renewal would then be required. Permittee shall pay the State a \$25 service charge on all checks returned for nonsufficient funds. Interest, at the legal rate provided for in AS 45.45.010, shall accrue on any delinquent payment from its due date until payment is made in full.

[NOTE: Fee Determination -- Per 17 AAC 10.013 the Permittee must pay fair market economic rent or a \$100 annual fee for the use of the land, whichever amount is greater. The Permittee is responsible for costs incurred for hiring a State certified appraiser for the preparation of an Appraisal Report, if an appraisal is required.]

4. **Term:** Permittee may occupy the permitted area for a term (not to exceed five years) commencing on **December 1, 2020** and ending on **November 30, 2025** unless sooner revoked as provided herein. Before the expiration of said term, and before subsequent term anniversary dates, Permittee may request, in writing, renewal of this Permit for an additional term. Permittee must pay a nonrefundable \$100 reapplication fee each time a request is filed to renew or modify this Permit.
5. **Compliance with Laws:** Permittee shall comply with all laws, ordinances, regulations, and administrative agency and/or court orders, including those relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. No fuel, hazardous or combustible substances are to be stored in the Permit area. Should Permittee's use of the permitted area cause any discharge, leak, spill, emission, or pollution release of any type to occur at any time during this occupancy, Permittee shall immediately notify the State and the appropriate federal, state, and local authorities. Permittee shall act immediately to contain and/or absorb the release, repair any damage, and clean up the release area, and to restore the permitted area to compliance with all applicable state, federal, or local laws or regulations. Permittee shall be held liable for any and all costs incurred by the State to dispose of cleanup materials or to clean up the permitted area unless otherwise agreed to, in writing, by both parties.
6. **Corps of Engineers Authorization:** Before any filling activities take place within the right-of-way, or on the property adjacent to the right-of-way affected by this permit, you must contact the U.S. Army Corps of Engineers (USACE) to see if any further authorization is required. Placement of fill material in waters of the U.S., including wetlands and streams, requires prior authorization in most cases.

Contact for the USACE is:

Anchorage: (907) 753-2712, Fax: (907) 753-5567 Toll Free 1-800-478-2712

Fairbanks: (907) 474-2166, Fax: (907) 474-2164

Juneau: (907) 790-4490, Fax: (907) 790-4499

Kenai: (907) 283-3519, Fax: (907) 283-3981

The website is <http://www.poa.usace.army.mil/reg>

- 7. Indemnification:** Permittee shall indemnify, defend and hold harmless the State, and its officers, employees, and contractors, from any claim resulting from injury, loss, or damage to any person or personal property resulting from Permittee's use of the permitted area.
- 8. Waiver of Claims:** Permittee waives any claim or right of action Permittee may have against the State in the event of damage to property, and injury to or death of any person in the permitted area that arises because of the design, construction, maintenance, management, or operation of a highway in the right of way containing the permitted area.
- 9. Reimbursement of Costs:** Permittee shall reimburse the State for all costs and expenses incurred by the State, including attorney's fees, in any action brought by the State to recover any delinquent fees, or for the breach of any terms or conditions contained in this Permit, or to recover possession of the permitted area.
- 10. Non-discrimination:** No person, on the basis of race, religion, color, national origin, age, or sex, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in that person's use of the permitted area.
- 11. Assignment:** Permittee may not assign or transfer this permit.
- 12. Revocation:** This Permit is not a property right but a temporary authorization, revocable by the State. The State may revoke this permit in its sole discretion and upon 30 days written notice unless a shorter period is agreed to herein by Permittee. Said notice will be sent to Permittee's last known mailing address. Permittee shall have no right of action against the State. Upon the expiration or revocation of this Permit, Permittee shall remove all encroachments and restore the permitted area to a clean and safe condition. This Permit may be also revoked based upon a written determination by the Federal Highway Administration that federal funding requirements applicable to outdoor advertising have been violated.
- 13. Loss of Business:** The State is not responsible for loss of business.
- 14. No Relocation Benefits:** Issuance of this Permit does not entitle Permittee to a payment of just compensation or relocation benefits under AS 34.60 if Permit is revoked, Permittee elects not to renew, or the State denies Permittee's request for renewal.
- 15. Cancellation by Permittee:** Permittee may cancel this Permit by providing written notice to the State at the above address. Permittee is not entitled to a refund of any fees or expenses related to the revocation or cancellation of this Permit.

16. **Abandonment by Permittee:** Upon abandonment by Permittee of the permitted area, Permittee's rights under this Permit will immediately terminate, but Permittee's obligations will survive until fulfilled.

17. **SPECIAL STIPULATIONS: DOT&PF;**

1. **No placement, storage or staging of hazardous materials of any kind in the right of way;**

2. **No tanks of any kind or size;**

3. **No boats or vessels parked or stored which cannot be removed from the Right of way if necessary with reasonable notice (not less than 72 hours);**

4. **Any vessels stored more than three (3) days must be drained of all fuels onboard;**

5. **Electric pedestals and water line utilities must be moved to within 24" of the right of way/private property line;**

6. **Any utilities in Right of Way must be permitted separately through DOT&PF Utilities Department;**

7. **Weekly site inspections by CBJ with log of activities will be provided to DOT&PF Right of Way Property Management on a quarterly basis;**

8. **Quarterly site inspections in conjunction with CBJ & DOT&PF Staff;**

9. **DEC approved cleanup and work plan, including semi-annual environmental testing.**

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year in this Permit first above written.

ALASKA DEPARTMENT OF
TRANSPORTATION AND
PUBLIC FACILITIES

CITY AND BOROUGH OF JUNEAU

By: _____
GREG A. WEINERT, ROW Chief
Southcoast Region

By: _____
CARL UCHYTIL,
CBJ Port Director

ACKNOWLEDGMENT OF ALASKA DOT&PF

STATE OF ALASKA)
 : ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this day of , 2020,
by GREG A. WEINERT, ROW Chief, Southcoast Region.

Notary Public for Alaska

My Commission Expires

ACKNOWLEDGMENT OF PERMITTEE

STATE OF ALASKA)
 : ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this day of , 2020,
by

Notary Public for Alaska

My Commission Expires

Filed for Record at the Request of and Return to:
State of Alaska, DOT&PF
PO Box 112506
Juneau, AK 99811-2506
Property Manager
State Business - No Charge

ADDENDUM

ALASKA ADMINISTRATIVE CODE

Title 17 -- Chapter 10

[Excerpts Relating to Encroachment Permits]

17 AAC 10.010. ENCROACHMENTS. An encroachment may be installed within a highway right-of-way if the encroachment has been permitted by the department under this chapter.

17 AAC 10.011. TYPES OF ENCROACHMENTS AUTHORIZED.

(a) The department may issue at no cost an encroachment permit for use of a highway right-of-way by a municipality, state agency, or federal agency, subject to any conditions imposed under 17 AAC 10.014, if the municipality or agency is not acting in a business capacity. The permit will be issued on a form that the department prescribes. Permitted uses include

- (1) flags of states or nations;
- (2) decorative banners; and
- (3) signs, without logos or names of sponsors, that are intended to inform motorists that they are entering a municipality, community, or state.

(b) The department may issue an encroachment permit for the use of a highway right-of-way by a private person, or by a government agency acting in a business capacity, to an owner or lessee of land contiguous to the highway right-of-way where the owner or lessee's primary activity occurs, if the use complies with the requirements of 17 AAC 10.012, and the use is allowed under (c) of this section. The department may impose permit conditions under 17 AAC 10.014. An encroachment permit issued under this subsection is valid for a term of no more than five years for a specific use. The department may renew the permit for additional subsequent terms of no more than five years each. The permit will be issued on a form that the department prescribes. A permit applicant must pay a \$100 nonrefundable application fee. In addition, the permittee must pay economic rent established under 17 AAC 10.013, or \$100 annually, for the use of the land, whichever amount is greater. A permittee must pay a nonrefundable \$100 reapplication fee each time the permittee files a request to renew the permit. Upon renewal of the permit, the permittee must pay economic rent, as established under 17 AAC 10.013 as of the date of extension, or \$100 annually, whichever amount is greater. The department may revoke an encroachment permit before the end of its term, after notice issued to the permittee at least 30 days before the date of revocation. The issuance of a permit under AS 19.25, or this chapter does not entitle the permittee to a payment of just compensation or relocation benefits under AS 34.60, if a permit is revoked or a request for renewal is denied.

(c) An encroachment permit issued under (b) of this section allows any lawful use except the following:

- (1) any permanent structure located partially or completely in the right-of-way;
- (2) water and sewer facilities that the department has not permitted under 17 AAC 15;
- (3) a tank of any size;
- (4) fueling facilities;
- (5) repealed 3/1/2002;
- (6) a use not in the best interest of the state; and
- (7) a land use on a highway right-of-way that allows development on contiguous land that would not otherwise be possible without the use of the highway right-of-way.

(d) The land area described in the encroachment permit may not be used to meet minimum requirements for a contiguous land use under applicable municipal land use standards or under regulations adopted by the Department of Environmental Conservation. The contiguous land use must

meet those minimum requirements without regard to the land contained within the encroachment permit. The use of the land described in the encroachment permit must be an accessory use to the contiguous land use.

(e) After the completion of construction of a highway, the department may, subject to 17 AAC 10.014, issue at no cost an encroachment permit in the form of a beautification permit to a government agency, a municipality, an individual, or a non-profit organization to allow planting of trees, shrubs, grasses, or flowers, and any structures necessary to support the plants, that do not endanger motorists, bicyclists, or pedestrians within the highway right-of-way. A beautification permit will be issued on a form that the department prescribes. The department may attach to a beautification permit any condition that is necessary to protect the integrity and safety of a highway's design, and to protect the traveling public or the persons planting trees, shrubs, grasses, and flowers within the highway right-of-way. The department may remove trees, shrubs, grasses, or flowers planted in a highway right-of-way, or structures supporting the plants, under a beautification permit that become a hazard to the traveling public, interfere with a highway's maintenance or operation, interfere with construction on a highway, or threaten to damage a highway embankment.

(f) The department may issue an encroachment permit on a form it prescribes, at no cost to a government agency for the installation in highway rest stops or pullouts of commemorative plaques, historical or interpretive markers, and informational signs. The plaques, markers, and signs may be permitted only if they cannot be read from the highway.

(g) The provisions of this section do not apply to driveway permits issued under 17 AAC 10.020, utility permits issued under 17 AAC 15, or the installation of mail boxes, including newspaper boxes, within a highway right-of-way.

(h) The department may issue under (b) of this section an encroachment permit for an existing structure or a portion of that structure or for existing water or sewer facilities for which the department has not issued a utility permit issued under 17 AAC 15, if

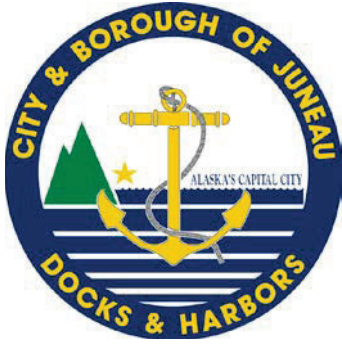
- (1) the encroachment does not present a risk to the health or safety of the public;
- (2) the construction of the encroachment occurred in good faith; and
- (3) the denial of the permit would create a hardship for the owner of the encroachment.

17 AAC 10.012. APPROVAL REQUIREMENTS FOR ENCROACHMENTS. The department will, in its discretion, grant an encroachment permit under 17 AAC 10.011, if the department determines that

- (1) the integrity and safety of the highway is not compromised;
- (2) the issuance of the permit will not cause a break in access control for the highway;
- (3) the land will not be necessary for a highway construction project during the initial term of the permit; and
- (4) issuing the permit is in the best interest of the state.

17 AAC 10.013. ESTABLISHING ECONOMIC RENT. For purposes of 17 AAC 10.011(b), the department will establish economic rent for a right-of-way held in fee simple by the use of commonly accepted real estate appraisal techniques. For rights-of-way held as easements, the consideration for the issuance of the permit is 90 percent of the economic rent established under this section for a right-of-way held in fee simple. A permittee shall reimburse the department for appraisal costs incurred to determine economic rent.

17 AAC 10.014. ADDITIONAL CONDITIONS UPON ENCROACHMENT PERMITS. The department will, in its discretion, impose conditions upon encroachment permits necessary to protect the traveling public, the safety and integrity of a highway's design, the public interest, and the best interests of the state.



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: *Carl J. Uchytel*
Carl Uchytel, P.E., Port Director
To: Rorie Watt, City Manager
Cc: Mila Cosgrove, Deputy City Manager
Date: December 31th, 2019
Re: FY 2021 Marine Passenger Fee (MPF) Request

1. Attached for your consideration is a list of FY21 Marine Passenger Fee requests from Docks & Harbors. This list was reviewed and approved by the Docks & Harbors Board at its December 19th, 2019 regular board meeting.
2. Please contact me or Erich Schaal if you have questions at 586-0282.

#

Encl: FY21 Docks & Harbors Marine Passenger Fee Request

CBJ Docks and Harbors Board FY2021 Marine Passenger Fee Request

Area Wide Port Operations

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise.

The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Maintenance of tour operators Vendor Booths.
5. Maintenance and operation of shuttle drop-offs and pick-ups in the CBJ loading zone that are used by all cruise ship terminals in Juneau.
6. Providing area wide port security. Of note are new Coast Guard requirements to validate credentials of passengers and crew returning to the cruise ships. New security structures will provide greater efficiencies but the resultant will be greater staff responsibilities to meet facilities security plans.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY20 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 15% of the annual docks budget is attributable to area wide services.

Marine Passenger Fee Funds Requested (FY21): \$275,000

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2021 Marine Passenger Fee Request

Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves over one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.50 per square foot per month equaling \$133,500.

Marine Passenger Fee Funds Requested (FY20): \$133,500

Project Review: The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

Benefits: By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2019.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2021 Marine Passenger Fee Request

CBJ Parks & Recreation Landscape Maintenance Services

Project Descriptions: Docks & Harbors managed property includes the downtown waterfront from the Taku Dock to Merchant's Wharf. The landscaping has been maintained by CBJ Parks & Recreation seasonal staff for several years out of the CBJ general fund. Flowers, flower pots, trees, shrubs and grass along Marine Park, Cruise Ship Terminal and Alaska Steamship waterfront are meticulously planted and groomed in an admirable fashion. Beginning in FY15, Docks & Harbors was directed to fund this maintenance out of the Docks Enterprise budget.

Marine Passenger Fee Funds Requested (FY21): \$45,000

Project Review: The requested amount has been developed by a CBJ Parks & Recreation algorithm based on requirements to propagate plant and maintain the vegetative cover, new seedlings, plants and flowers.

Project Time-Line: This project would be an interdepartmental transfer from Docks & Harbors to CBJ Parks & Recreation.

Maintenance and Operation Responsibility: Commencing in FY15, Docks & Harbors has been assigned sole responsibility for maintaining the greenery along the CBJ owned waterfront, including outside parking lot facilities.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2021 Marine Passenger Fee Request

Safety Guardrail Along Dock Face

Project Descriptions: The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

Marine Passenger Fee Funds Requested (FY21): \$1,000,000

Project Review: This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the seawalk.

Project Time-Line: This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan is to have the guardrail installed by spring 2020 provided full funding is obtained.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2021 Marine Passenger Fee Request**

FY2021 ADOPTED BUDGET FOR DOCKS

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise. An alternative is for the Docks enterprise to be completely funded with Marine Passenger Fees.

Marine Passenger Fee Funds Requested (FY21): \$1,800,000

Benefits: This request places the entire Docks budget under a single funding source.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.



Port of Juneau

City & Borough of Juneau • Docks & Harbors
155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: Visitor Industry Task Force DRAFT Recommendation Review Special Committee
To: Docks & Harbors Board
Via: Docks & Harbors Operations & Planning Committee
Date: November 12th, 2020
Re: VISITOR INDUSTRY TASK FORCE DRAFT RECOMMENDATIONS

1. The Mayor's Visitor Industry Task Force completed their draft report on April 27th, 2020 after months of public meetings, public input, and deliberations from a ten member panel. Although the Port Director, Docks & Harbor staff, or Board Members attended most of the meetings, Docks & Harbors was not officially represented on the Task Force. As many of the recommendations clearly pertain to operational or infrastructure management, in the purview of Docks & Harbors, it is appropriate for the Board to communicate to the Assembly on topics which Board members have expertise. When and whether the Task Force will reconvene is currently unknown. The Chair of the VITF, at the Docks & Harbors Special Committee meeting of August 27th, suggested the Board provide comments directly to the Assembly.
2. The Docks & Harbors Special Committee to review the DRAFT recommendations thoroughly discussed the process and examined appropriate responses at public meetings on August 27th, September 21th, October 13th and October 30th. The Special Committee was in general agreement, despite the pandemic and uncertainty whether the cruise industry will return to 2019 passenger numbers in Juneau, that providing guidance and insight to the DRAFT recommendations was a beneficial exercise to undertake.
3. The Special Committee discussed the tone of the DRAFT recommendations and whether it sends the appropriate message. It has been pointed out, that some could interpret the DRAFT recommendations as a laundry list of everything wrong with tourism in Juneau without the counter balance of the importance of tourism to many Juneauites, including many harbor patrons. Docks & Harbors has prided itself on advocating infrastructure and management of facilities, which enable all user groups to thrive, including privately owned vessels as well as international conglomerates.
4. The attached enclosure provides comments and consensus from the working Special Committee to review the DRAFT recommendations. The Special Committee focused its efforts on the "recommendations" of the document and provided comment in appropriate areas.

#

Encl (1) VITF DRAFT Recommendations with Board Comments



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.

Docks & Harbors does not object to CBJ standing up full time staff as an intake for all things related to tourism management. It is possible that efficiencies could be realized in the number of permits required by companies which transcend CBJ Departmental boundaries, such as Docks & Harbors, Parks & Rec, Eaglecrest and JPD. However, Docks & Harbors cautions that a one size fits all mentality for every tourism permit could be counterproductive. As an example, Docks & Harbor believes the Seawalk from Marine Park to Franklin Street Dock is managed strictly and efficiently meeting the expectations of local and tourists. Should another entity begin managing this portion of the Seawalk, Docks & Harbors would strongly advocate to be consulted on decision made on Docks & Harbors managed properties.

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.

Docks & Harbors is currently pursuing an Electrification Study through our consultant,

Haight & Associates. The study will be completed in April 2021 and will determine whether there is sufficient power in Juneau to allow more than one cruise vessel to receive shore power.

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.

Docks & Harbors strongly endorses voluntary, peer led compliance governance as the preferred means to establish desired community outcome.

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.

Docks & Harbors requires all companies which have tour permits to be TBMP members when using CBJ owned facilities. Although Docks & Harbors concur with WhaleSENSE guidelines, the efficacy of requiring compliance is problematic as most whale watching excursions do not originate from CBJ owned facilities, the marine mammal resource is managed at the federal level and Docks & Harbors would not have the human capital to enforce violations.
 - 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.

Docks & Harbors has established a TBMP navigational corridor through Auke Bay to better manage damage from wakes and has implemented a no wake zone through Smuggler's Cove. Statter Harbor Officers routinely reminds harbor users that vessel operators are responsible for damage to property caused by one's wake. Docks & Harbors would not have the human capital to enforce violations.
 - 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.

Docks & Harbors concurs with the goal of reduction of bulky material into the private Juneau landfill. It does not agree with regulatory means to compel compliance.

CLAA Port Manager Andrew Green testified that several vessels have added emission scrubbers to improve air quality many, but not all, vessels previously had two incinerators. Some vessels removed an incinerator for a scrubber resulting in less room available onboard to stow trash. This resulted in an increase in trash being brought to the landfill, up to three containers of waste may be transferred off a vessel. The International Maritime Pollution Act require port facilities provide certain services such as oily waste and offloading of trash from vessels engaged in international voyages, some ports have exemption. In SE Alaska, Juneau is the only port which can accept trash off loaded from a cruise ship. Whittier and Seward also have limited ability to handle trash and no local ability. The offloaded trash is regulated and it must be hauled to USDA approved land fill. It's a very complex and an operationally necessity. Mr. Green believes that only the absolutely necessary trash is removed from the cruise ships. He had heard that mattresses had be taken to the Juneau landfill which was the result of Canada not permitting the removal of mattresses without sterilizing which was not possible. The industry would not want to lose the opportunity to offload trash in Juneau as there are no other options. He also said that the amount of material which is deposited at the landfill from cruise ship is a small percentage of the overall waste.

Holland-American Group intends to pursue, self-imposed, zero refuse discharge in Juneau.

- 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.

Docks & Harbors has contracted with Haight & Associates to determine Juneau's energy capacity to power additional cruise ship berths. In addition to other requirements, the study will determine anticipated rate increases if the power is provided on an interruptible or firm basis. The report is expected to be complete in April 2021. In general, Docks & Harbors does not concur with forcing CLAA to comply with operational scheduling edicts. There are many operational and contractual requirements which CLAA must juggle in the preparation of schedules. The recommendation as written could require all vessels with contractual obligations to the privately owned AJ Dock to go to the CBJ owned electrified dock.

- c. Limit water usage by ships in periods of drought.

Approximately five years ago, water rationing to cruise vessels was a concern within the community. To address the issue CLAA would consult with the CBJ Water Division to determine how much water could be provided to a vessel on a daily basis. The cruise lines were not put off that they didn't receive water during periods of rationing. Since then, head tax was used to construct the Salmon Creek Water Filtration Plant which now serves 33% of all water needs in Juneau. Providing water to the cruise ship hasn't been an issue recently and the recommendation "to limit water usage in periods of drought" is already in place. Mr. Green (CLAA) indicated the industry supported the request to solve water issues in Juneau which included building a 1.5M tank at the Last Chance Basin, which was a massive well water development in the basin. The industry also supported the UV treatment and filtration system for the Salmon Creek Dam water supply. Mr. Green indicated that it should be very difficult to run out of water. Nonetheless, the industry will throttle back water request, waste water, shore power or any other service to be equitable and meet the needs of the community. The cruise industry was successful in lobbying for funds either head tax or state marine passenger fees.

- 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. Docks & Harbors believes this is such a rare occurrence that it merits deletion. As an example, a vessel may not be able to moor in Skagway due to high winds. No one (cruise lines, CLAA, port communities) benefits with port call uncertainty. It is not clear who in CBJ would approve this request for port changes.
 - iii. In 2021, stagger arrival times of ships by 30 minutes.

This reads as if a change is required. Currently ship arrivals are scheduled at no less than 30 minutes between vessels. There may be confusion within the community as the CLAA maintains two arrival schedules, one for the general public which is approximate and an operational schedule which is considered SSI (Sensitive Security Information) used by those who need an accurate arrival time. The latter will never schedule two cruise vessels to arrive simultaneously.

Safety is number one concern for all involved in the maritime transportation industry

and arrival times are closely aligned with the Alaska pilots. Additionally, the longshore labor pool is limited that it is virtually impossible to moor vessels any sooner than 30 minutes between arriving vessels.

- iv. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.

Docks & Harbors favors a restriction to limit hot berthing of a future NCL berth and recommends this prohibition be incorporated in lease negotiations.

- 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.

Docks & Harbors objects to this statement as written. Docks & Harbor agrees that the existing infrastructure is woefully inadequate and currently not suitable for supporting cruise ships. However, it may be adequate and desirable for small cruise ship visits following recapitalization of the aging Statter Breakwater. There is also a concern that large yachts or mega yachts with only 12 passengers could be prevented from using Statter Harbor under these recommendations.

- 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.

This reads as if a change is required. Currently ship arrivals are scheduled at no less than 30 minutes between vessels. There may be confusion within the community as the CLAA maintains two arrival schedules, one for the general public which is approximate and an operational schedule which is considered SSI (Sensitive Security Information) used by those who need an accurate arrival time. The latter will never schedule two cruise vessels to arrive simultaneously.

Safety is number one concern for all involved in the maritime transportation industry and arrival times are closely aligned with the Alaska pilots. Additionally, the longshore labor pool is limited that it is virtually impossible to moor vessels any sooner than 30 minutes between arriving vessels.

- d. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.

Docks & Harbors favors restriction to limit hot berthing of a future NCL berth and recommends this prohibition be incorporated in lease negotiations.

- e. Prioritize berthing for shore power configured ships once additional shore power infrastructure is in place.

In general, Docks & Harbors does not concur with forcing CLAA to comply with operational

scheduling edicts. There are many operational and contractual requirements which CLAA must juggle in the preparation of schedules. Not only does CLAA schedule the Juneau berths but berths throughout SE Alaska. Mandating unilateral direction within the Port of Juneau may have unintended consequences throughout the region. The recommendation as written could require all vessels with contractual obligations to the privately owned AJ Dock to go to the CBJ owned electrified dock.

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

Docks & Harbors strongly concurs with incentivizing Juneau as small cruise ship turn port and is in the process of conducting Small Cruise Ship Infrastructure Master Plan. This plan will determine opportunities to support the smaller cruise ship industry needs, defined as vessels under 275 feet in length. Encouraging Juneau as a turn port would be an economic boom for many small local businesses.

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.

Docks & Harbors has coordinated with AELP and has installed the necessary electrical vaults and conduit to provide electrical charging stations at the newly constructed Archipelago Lot. Currently there are no small electrical busses in Juneau but Docks & Harbors will be prepared to support when the need is requested.
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.

Docks & Harbors has contracted with Haight & Associates to determine Juneau's energy capacity to power additional cruise ship berths. In addition to other requirements, the study will determine anticipated rate increases if the power is provided on an interruptible or firm basis. The report is expected to be complete in April 2021.

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

Docks & Harbors does not object to limiting the downtown large cruise ship capacity to five. It is recommended that the limitation be negotiated contractually during tideland lease discussions.

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).
Docks & Harbors has proactively studied and advanced ideas to reduce congestion in the Auke Bay vicinity. This includes the acquisition of the Auke Bay Marine Station and steadfast efforts to execute the multi-phase Statter Harbor improvements. Docks & Harbors is open for innovative ideas encouraging large water taxis or ferry shuttles to transport visitors from the downtown core to Douglas Harbor or the eventual NCL dock.
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.
Docks & Harbors agrees that the LRWP has proven to be a significant guiding principal in developing the downtown waterfront. Numerous improvements can be attributed to the LRWP and it is not recommended that a revision is necessary. More recent studies such as the Urban Design Plan (Taku Dock to Marine Park) and the ongoing Blueprint Downtown and Small Cruise Ship Infrastructure Master Plan appear to provide a community vision of appropriate and sustainable planning documents.
2. Complete development of the Seawalk.
Docks & Harbors strongly supports the completion of the Seawalk from the Douglas Bridge to AJ Dock. One of the Small Cruise Ship Infrastructure Master Plan preliminary alternatives encourages development along the Coast Guard/NOAA Dock which would provide linkage from Gold Creek to the Merchant's Wharf.

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.

Docks & Harbors concurs with not pursuing numerical caps to manage industry growth. It would be preferable to impose limits through negotiations such as through CLIA annually or thorough a tideland lease process for the NCL Dock.

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.

Docks & Harbors respectfully disagrees that a more proactive role in scheduling would lead to greater efficiencies or quality of life improvements. CLAA orchestrates a very complex scheduling of ships throughout SEAK and even the best intentions of local demands could be detrimental to the overall regional scheduling scheme. Docks & Harbors does, however, recommend that its staff meet annually with CLAA to discuss Juneau-specific concerns. This could include ensuring CLAA is aware of events such as the Blessing of the Fleet, Maritime Festival and 4th of July impacts.

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.

Docks & Harbors respectfully disagrees that a more proactive role in scheduling would lead to greater efficiencies or quality of life improvements. CLAA orchestrates a very complex scheduling of ships throughout SEAK and even the best intentions of local demands could be detrimental to the overall regional scheduling scheme. Docks & Harbors recognizes that the private docks have contractual relationships with individual cruise ship companies which could adversely imperil those legal obligations. CBJ has successfully managed the two city-owned cruise ship docks for several decades without contractual agreements. Docks & Harbors does not see the necessity to make recommended changes.

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.

Docks & Harbors agrees with pursuing non-regulatory agreements which limit the number of large cruise ship vessels to five per day.

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.

Docks & Harbors agrees that in a perfect situation, the number of vessels and passengers arriving daily would be constant throughout the season. Unfortunately, market forces and traveler preference dictate most cruise ships depart from Seattle or Vancouver over the

weekend resulting in peak arrivals in Juneau early in the week. Docks & Harbors agrees with working together with the industry to improve the passenger experience constructively.

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.

Docks & Harbors agrees with the goal of limiting the number of large cruise ships to five per day using non-regulatory or negotiated agreements.

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)

Docks & Harbors does not concur with limiting the Docks Enterprise opportunity for revenue generation. Docks & Harbors does not receive general funds supported by property tax or sales tax and revenue reductions do affect its operational budget.

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.

Docks & Harbors concurs that surveying the public is a useful exercise in developing metrics to

meet expectations.

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.

Docks & Harbors generally concurs with these recommendations and is not opposed to opportunities to manage other facilities as a public private partnership. We believe the community is best served with the waterfront in local control. As stated elsewhere Docks & Harbors does not object to non-regulatory limitations of no more than five large cruise ship per day.

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.

Docks & Harbors is using the overall length of 275 linear feet as the upper limit in the Small Cruise Ship Infrastructure Master Plan. This length was selected because American Cruise Lines maintains a vessel which operates a 273 foot vessel in SE Alaska named the CONSTELLATION. American Cruise Lines would like to utilize downtown facilities but the CONSTELLATION is too large for any of the small vessel moorage locations.