

CBJ DOCKS AND HARBORS BOARD
SPECIAL MEETING AGENDA
For Thursday, December 29th, 2011

- I. Call to Order (5:00 p.m. at CBJ Assembly Chambers).
- II. Roll (Greg Busch, John Bush, Tom Donek, Don Etheridge, Eric Kueffner, Budd Simpson, Mike Williams, Wayne Wilson and Kevin Jardell).
- III. Approval of Agenda

MOTION: TO APPROVE THE AGENDA AS PRESENTED.

- IV. **Public Participation on Non-Agenda Items** (not to exceed 5 minutes per person, or twenty minutes total time).
- V. Items for Action.
 - 1. FY13 Passenger Fee Funding Request list.
Presentation by Port Engineer

Board Questions

Public Comments/Questions

Board Discussion/Action

MOTION: TO APPROVE THE PRIORITIZED FY13 MARINE PASSENGER FEE FUNDING REQUESTS AND DIRECT THE PORT DIRECTOR TO SUBMIT THE LIST TO THE CITY MANAGER FOR CONSIDERATION AND APPROVAL BY THE ASSEMBLY.

- VI. Adjournment.

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Docks and Harbors Board FY 2013 Passenger Fee Request ~~CBJ Cruise Ship Dock Repairs~~

~~**Project Descriptions:** The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of refurbishing two public cruise ship piers with the new floating berths as approved by the Assembly in September 2010. The current piers are in need of replacement due to their age and condition. The current piers are also too small to handle panamax size cruise ships and the configuration of the piers has caused the loss of public access to the waterfront due to new maritime security requirements.~~

~~**Marine Passenger Fee Funds Requested (FY13):** \$2,000,000~~

~~**Cost Estimate:** \$62M~~

~~**State Funds secured :** \$16.5M~~

~~**Local Funds secured:** \$13.5M~~

~~**Need:** \$32M~~

~~**Project Review:** The project is part of the CBJ's Waterfront Plan that was adopted by CBJ Assembly in 2005. The plan was adopted as local ordinance after an extensive public involvement process. In addition, the project has been extensively vetted by the Assembly and Docks & Harbors Board. On September 20, 2010 the CBJ Assembly adopted a resolution supporting and authorizing the Docks & Harbors Board to move forward a design alternative known as Concept 16B.~~

~~**Project Time Line:** The design is proceeding to 65% complete and final plans and specifications should be complete in July 2012. The current project schedule calls for award of the contract to enable the contractor to mobilize in September 2013 for Cruise Terminal Berth (southern dock) for expected completion date of May 2014; and mobilization in September 2014 at the Alaska Steamship Dock for expected completion of May 2015. Funding will be required over a number of years due to the size and cost of the project.~~

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

~~**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.~~

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Docks and Harbors Board Marine Passenger Fee FY2013 Request Area Wide Port Operations

Recurring Annual Request

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.

For the past several years, the Board has offset this subsidy with revenues from leases of property along the downtown Juneau waterfront. Faced with crumbling infrastructure in the small boat harbors and the inability to raise harbor fees without profound impacts to its users and the community, the Board has elected to redirect lease revenues of parcels along the waterfront from the Docks Fund to the Harbor Fund. In effect, revenues from these leases had been subsidizing area wide users of the docks enterprise facilities. As part of this initiative, the Board Identified services that are area wide in nature and not specific to users of the CBJ Docks.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of year-round 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 year-round unrestricted pedestrian access along the waterfront at the public docks.
4. 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.
5. Providing area wide port security.
6. Billing and collecting CBJ area wide fees for all docks.

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The Board reviewed its FY12 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 9% of the annual docks budget is attributable to area wide services.

Marine Passenger Fee Funds Requested (FY13): \$154,100

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. It also avoids the need to raise fees during the economic recession.

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: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fees Request Port-Customs Building Maintenance Support

Recurring Annual Request

Project Descriptions: The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. Currently all costs to operate the Port-Customs Building is borne solely by the Docks enterprise fund. This includes all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, snow removal, janitorial and general maintenance).

Marine Passenger Fee Funds Requested (FY13): \$105,000

Approximately 3500 sq feet @ \$2.50/sq feet = \$105,000

*As a comparison: the Port Office leases at \$2.50/sf in the Seadrome Bldg
JCVB lease in the Sealaska was at \$2.84/sf*

Project Review: The Port-Customs Building completed in May 2011 with \$4M of Marine Passenger Fees, is occupied by Department of Homeland Security – Customs, Border Protection (CBP) year-round and Docks and Harbors staff from April to September. CBP claims to be exempt from any costs associated with their operations within a port. This leaves the Docks enterprise funds fully exposed to maintain and service this building.

Benefits: By establishing a Port-Customs Building maintenance fund, Docks & Harbors can better manage the properties entrusted under their responsibilities.

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

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fees Request Visitor Center Maintenance Support

Recurring Annual Request

Project Descriptions: The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. Without Passenger Fee support, all costs to operate the Port-Customs Building will be borne solely by the Docks enterprise fund. This includes all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, snow removal, janitorial and general maintenance).

Marine Passenger Fee Funds Requested (FY13): \$28,500

Approximately 950 sq feet @ \$2.50/sq feet = \$28,500

As a comparison, Juneau Convention and Visitor's Bureau recently leased 2256 sq feet in Centennial Hall at \$1.70/sq ft equating to \$46K per year.

Project Review: The Downtown Juneau Visitor's Center is scheduled for May 2012 completion as part of a larger \$3.5M project, funded with Marine Passenger Fees. The Visitor's Center was designed with the single purpose of providing waterfront access to the Juneau Convention and Visitor's Bureau, a non-profit 501(c) organization for the purpose of supporting cruise passengers inquiries.

Benefits: By establishing a Visitor's Center maintenance fund, Docks & Harbors can better manage the properties entrusted under their responsibilities. JCVB has not yet determined their business plan as to staffing and months of operations. The possibility of JCVB only staffing the facility May through September is possible, leaving Dock & Harbors to maintain the building during the off-season. Having Docks & Harbors responsible for year-round operations could be a better model to follow.

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

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fees Request Cruise Dock Maintenance – Cathodic Protection

Capital Improvement Project

Project Descriptions: The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of replacement of a cathodic protection system, pile replacement and sheet pile coating.

Marine Passenger Fee Funds Requested (FY13): \$500,000

Project Review: A condition assessment study was performed within the project area that identified a number of items requiring immediate attention.

- Bus Parkover – recoat accessible H-piles - \$40K

- Marine Park Sheet Pile Bulkhead - \$460K

 - Recoat seaward face of sheet piles

 - Install new cathodic protection – anode sleds

 - Install impressed current for soil-side

 - Replace 12 timber piles with galvanized steel piles

 - Repair sheared piling weld connections

Project Time-Line: This project is being developed in conjunction with CBJ Engineering, responsible for corrosion repair/protection for the Downtown Parking Facility. CBJ Engineering portion of the project amounts to an additional \$375K of work which the intent to pursue through the 1% Sales Tax initiative as a funding source. The award of the both projects (Dock & Harbors and CBJ Engineering) is planned under one contract.

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

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fee Request Statter Harbor Passenger For Hire Facility

Capital Improvement Project

Project Descriptions: This project is part of the master plan for rebuilding CBJ harbor assets at the Don Statter/Auke Bay facility. Assets include the Statter Harbor moorage float system, the Statter Harbor recreational boat launch facility, and DeHart's Marina, Fuel Dock and Boatyard. This infrastructure requires replacement or refurbishment in the next few years. This project includes installation of a boarding float, gangway, and passenger loading zone to service the cruise ship passengers. These activities currently are conducted in Statter Harbor that were not designed and are incapable of providing safe and efficient service. The lack of infrastructure also greatly detracts from the local resident's ability to fully utilize Don Statter/Auke Bay facility. The funds requested would allow for design and permitting activities to move forward.

Marine Passenger Fee Funds Requested (FY13): \$800,000

Cost Estimate: \$4.8M

Funds Previously Secured: None

Funds Needed but Not yet requested: \$4.8M

Project Review: The project is part of the Board's "Harbors Long Term Financial Plan" and the "Auke Bay Master Plan" and was approved by the voters in two special sales tax ballots. The Board is also conducting a public meeting with facility users on the specifics of moving forward with project.

Project Time-Line: The existing DeHart's Marina facility is scheduled to be removed by 2013 which would make room available for the proposed Passenger for Hire Facility.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use Harbor operations funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fees Request Downtown Restrooms Capital Improvement Project

Project Descriptions: The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing new restroom facilities near the Visitor's Center.

Cost Estimate: \$500,000

Marine Passenger Fee Funds Requested (FY13): \$500,000

Project Review: This project has been developed at the request of the Assembly to meet a perceived lack of adequate restroom facilities.

Project Time-Line: This project has not been fully developed.

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

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Docks and Harbors Board FY 2013 Passenger Fees Request Future Cruise Terminal Staging Capital Improvement Project

Project Descriptions: The project is located in downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project entails identifying and procurement of available Downtown lands necessary to accommodate additional staging areas required with anticipated larger panamax sized cruise ships and greater passenger counts.

Marine Passenger Fee Funds Requested (FY13): \$1,000,000

Project Review: The proposed Cruise Ship Terminal Staging Area project greatly improves the efficiency and safety of the parking and embarkation in support of the cruise industry. However, due to geographic limitations and finite available land, new property must be pursued to ensure facilities are available to support increased passenger loads in the coming decade. A strategic approach to the management of future cruise ship requirement will require securing adjacent lands to the cruise ship berth.

Project Time-Line: This project has not been fully developed.

Maintenance and Operation Responsibility: This project is to identify and procure land available for future Docks enterprise initiatives.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.