

**EAGLECREST SUMMER OPERATIONS TASK FORCE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 2, 2020 12:00 PM
City Hall, Conference Room 224
Draft Meeting Agenda

- I. CALL TO ORDER/ROLL CALL:**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES**
- IV. AGENDA TOPICS**
 - a. Review financial modeling**
 - i. 100% CBJ Ownership and Operations
 - ii. Public Private Partnership
 - iii. 100% Private Summer Operator, Split Year
 - b. Review scope of work for third-party feasibility study**
- V. ADJOURNMENT – Next meeting February 6th 2020 room 224 City Hall**

Note: Agenda packets are available to review online at <https://juneau.org>

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EAGLECREST SUMMER OPERATIONS TASK FORCE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
December 19, 2019 12:00 PM
City Hall, Conference Room 224
Draft Meeting Minutes

II. CALL TO ORDER/ROLL CALL: Members present, Mike Satre, Bruce Garrison, Jon Dale, Carol Triem, Wade Bryson, Maria Gladziszewski, Rorie Watt City Manager and Dave Scanlan Eaglecrest General Manager

III. APPROVAL OF AGENDA: Jon Dale made a request to add in discussion on performing a third party feasibility study to the Agenda. Chair Gladziszewski did not think that there would be room in the days Agenda and mentioned that this will likely be discussed in subsequent meetings. With that, the Agenda was approved as presented.

IV. AGENDA TOPICS

a. Nomination/Election of Vice Chair: Chair Gladziszewski called for nominations for Vice-Chair, Mike Satre made a motion to nominate Bruce Garrison as Vice Chair seeing as Mr. Garrison is the Chair of the Eaglecrest Board. Seeing and Hearing no objections, Mr. Garrison is appointed as Vice Chair.

b. Review of Eaglecrest Summer Operations Task Force Charging Document: Chair Gladziszewski introduced the Charging Documents for the Task Force from Mayor Weldon and asked for questions. City Manager Rorie Watt spoke about the public process and the small amount of public feedback he has gotten to date.

Mr. Watt asked the Task Force Members what public Feedback they have received and spoke to the possible depths of the public process that may be dictated by the level of community engagement around the topic. After some discussion the general consensus was that the public has been generally supportive of the Eaglecrest Summer Operations Concept. Mr. Bryson offered up that their will likely be much more public interest and comments, as the price tag of the project is discussed in more detail.

Mr. Satre discussed the fact that Eaglecrest Summer Operations has been in past Master Planning documents for the last decade and the Eaglecrest Board is now looking to finally move forward on these past plans. In Mr. Satre's opinion, as long as we are staying within the bounds of the previous Eaglecrest Master Plans he does not see the need to engage in a lengthy public process. Chair Gladziszewski thinks that the public does not think that the project is real and that they are not going to engage until the project is further along. Mr. Bryson related the City Hall project that had a similar price tag and scope, and the public was very quick to engage in that project unlike the Eaglecrest Summer Project. Mr. Scanlan spoke to the positive feedback received during

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the large first round of public meetings. Mr. Scanlan also spoke to the results of the online public survey that has been live through the Eaglecrest Website. Approximately 80% of the 147 respondents were positive on the project.

- c. **Overview of Work Done to Date:** Chair Gladziszewski asked Mr. Scanlan to provide the Task Force and Overview of the work that has been done to date by the Eaglecrest Board and Senior Staff. Mr. Scanlan talked through the slides provide in the meeting packet. Small discussion ensued on various aspects of the summer activities.
- d. **Land and Water Conservation Fund Encumbrance:** Mr. Scanlan gave an overview of the history behind the initial grants received from the Land and Water Conservation Fund (LWCF) and the conservation restrictions that were placed on the land as a result. Information on this is included in the meeting packet. There was some discussion around the process to swap out a portion, or the entire conservation designation. Mr. Scanlan explained that there is a process, however the process is very cumbersome and would likely take longer to execute than the value that could be achieved. Mr. Scanlan will provide details on this process at future meetings.

There was a question asked by a member of the public about constructing the Summer Adventure Park at Sheep Creek as a way to preserve the status quo at Eaglecrest. Chair Gladziszewski asked that questions be submitted via writing to the Task Force to be addressed at future meetings to ensure that all Agenda items can be completed in the hour period for the day's meeting.

- e. **Setting Meeting Dates/Discussion:** It was agreed that future meetings will be scheduled on the first Thursday of the month to coincide with the Eaglecrest Board Meeting schedule to ensure those members of the Task Force will be available.

Chair Gladziszewski opened discussion on what information will be needed for the next meeting. Mr. Bryson suggested that we start reviewing the business plan and drill a little deeper in to the financial concepts to see what rises to the top. Mr. Watt proposed that there are a number of overarching questions that the Task Force will need to answer in the subsequent meetings.

1. Should Eaglecrest be commercialized in the Summer?
2. Where should the Summer Adventure Park be constructed, at Eaglecrest or another location around town i.e. Sheep Creek, Mendenhall Glacier?
3. Where is the money going to come from?
4. Who is going to invest that money?
5. Who is going to take the Risk?
6. Who is going to take the profit?
7. How much control will the Assembly and Eaglecrest Board be willing to release in order to obtain those capital dollars?

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8. What exactly gets built?
9. Who is the ultimately the developer?

Mr. Satre added that a significant amount of work has already been done by Mr. Scanlan who has done detailed financial modeling and master planning that can help guide the next steps in the evaluation of how to answer many of the questions that Mr. Watt has brought forward. Answering these questions will help the Task Force narrow down the potential pathway to begin moving forward on.

Mr. Bryson brought up the topic of executing a Feasibility Study and proposed the question of whether this was needed to move forward in our process. Chair Gladziszewski commented that she was unclear what would be included in and achieved by the Feasibility Study. Mr. Watt added that the Eaglecrest Board did make a motion requesting this Feasibility Study be performed using funds appropriated by the Assembly during the FY20 budget cycle and that he and Mr. Scanlan had debated the importance and value that the study would bring to the project on many occasions. Mr. Watt gave some larger context of forces at play in the cruise industry and was certain that a Feasibility Study would highlight that the Eaglecrest Adventure Park could be very financially successful. Discussion ensued.

Chair Gladziszewski would like to know more about the full spectrum of financial partnerships, financial performance and funding mechanisms that may be available to the Assembly. Mr. Bryson spoke to the challenges created by not being able to attach land to a conventional loan option or equity partnership due to the restrictions of the LWCF. Mr. Scanlan spoke to different opportunities that may become available after performing the feasibility study and how the results may help to advance a revenue bond and various potential partnerships. Mr. Scanlan also identified ways that the feasibility study would help identify the details to the Gondola placement allowing for the best integration with winter operations.

Mrs. Triem asked if the commercial use Permits that Eaglecrest uses are the same as the Parks and Recreation Department. Mr. Scanlan noted that Eaglecrest does have their own Commercial Use Permit Authority given under CBJ Code but they do share many similarities with the Parks and Recreation permitting process.

Discussion came back to specifics for the next meeting Agenda Topics.

It was agreed that all written questions and comments should go through the City Clerk's Office to ensure that all Task Force Members receive the communications.

V. ADJOURNMENT: The meeting was Adjourned at 12:58. The next meeting was set for Thursday January 2nd 2020.

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Agenda Topics

- a. Review of Financial Modeling. Below you will find the Development and Funding Matrix that highlights some of the various pathways forward along with pro's and con's of each. Based on the discussions that the Eaglecrest Board Planning and Finance Committee had over the summer the Eaglecrest Manager developed three different financial models that show development with 100% CBJ ownership, a Public Private Partnership during summer and winter and a 100% private summer operator. These model will be highlighted below the Development Approached matrix.

Possible Eaglecrest Development Approaches

Government/ Business Relationship	Defining Features	Financing Sources	Investment Risk	Legislative Authority Required	Pros	Cons
Current Approach/No Change Alternative	Eaglecrest owns and operates ski area, makes incremental lease agreements in accordance with Commercial Use Regulations	N/A	N/A	Commercial Use Regulations	Part of Juneau is not touched by large tourism.	Ski area probably goes away in the next decade.
All Public Financing	Eaglecrest invests in Gondola and Tourist Attractions including Mountain Coaster, Ziprider, Ropes course, etc and/or similar	General Obligation Bonds, Voter approved Sales tax, and/or tour earnings.	All public	Ordinances to place debt or sales tax questions on ballot, Voter Approval, Assembly bid award approval	Maximizes local control.	Government would be entering a private sector area, not set up to move or adapt quickly.
All Private - Sale Model	CBJ sells the ski area, investor decides on how and when to invest and operate	Private venture capital, tour earnings.	All private	Ordinance authorizing sale.	Relatively simple approach.	Loss of local control of municipal asset.
All Private - Lease Model	CBJ leases the entire ski area, investor decides on how and when to invest and operate.	Private venture capital, tour earnings.	All private	Ordinance authorizing lease.	Relatively simple approach.	Loss of local control of municipal asset.
Public Gondola, Private Tour Options	Eaglecrest pays for and develops gondola, leases land to a tour operator. Eaglecrest operates gondola year round (if contracted for in summer), private entity decides on how and when to invest in lease area.	Some or all of the above.	Public and Private	Some or all of the above.	Blend of public and private activity, opportunity for CBJ to maintain control of municipal asset while leveraging private investment.	Somewhat complicated approach.
Eaglecrest Becomes a Public Corporation	Eaglecrest becomes a more empowered public corporation along the lines of the Railroad.	???			Broad flexibility of a public corporation, possibly elected board of directors.	Unknown if or how this would be legally possible.
Other?						

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- a. 100% CBJ Ownership. In this first financial Model we will look over the concept of 100% CBJ ownership and control of all Adventure Park Activities. Below is a screen shot of the summary page. During the meeting we can adjust certain inputs to achieve desired outputs.

[illegible]

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- b. This financial Model contemplated a Public Private Partnership scenario where a partner funds and operations the Gondola, Summit Lodge and Food Service. CBJ/Eaglecrest funds and operates the Zipline and Mountain Coaster.

Eaglecrest Annual Expenses					Projected		Debt Service Calculator					Projected Capital Costs	
	FY19 Actual		w/ Summer Ops	% Increase									
Personnel	\$ 1,322,958		\$ 2,899,832	119.19%			Summit Aerial Gondola with angle load & unload midstation						
Ski Area Administration	\$ 415,070		\$ 825,524	98.89%			Summit Lodge & Other Buildings						
Lodge Operations	\$ 112,283		\$ 205,000	82.57%			Zip Line	\$	5,500,000				
Mountain Maintenance	\$ 77,395		\$ 197,500	155.18%			Mountain Coaster	\$	3,500,000				
Food Service	\$ 67,380			-100.00%			Utilities: Water, Sewer, Electric	\$	3,250,000				
Marketing / Events	\$ 40,000		\$ 100,500	151.25%			Hooter Replacement						
Building Maintenance	\$ 60,736		\$ 109,000	79.47%			Hiking & Biking Trails	\$	1,300,000				
Rental, Retail and Repair Shop	\$ 39,596		\$ 44,650	12.76%			Ropes Course, Adventure Maze, Climbing Wall						
Vehicle Repair	\$ 52,827		\$ 95,000	79.83%			Road Construction	\$	1,000,000				
Lift Operations	\$ 31,511		\$ 58,500	85.65%			Base Area Civil	\$	1,000,000				
Ski Patrol	\$ 4,737		\$ 39,500	733.86%			Equipment	\$	-				
Snowsports School	\$ 2,466		\$ 11,200	354.18%			Zip Coaster	\$	-				
Total	\$ 2,226,959		\$ 4,586,206	105.94%			Startup Operating Capital	\$	2,000,000				
							Sub Total	\$	17,550,000				
							Contingency Funds	\$	2,500,000				
							Total Project Cost	\$	20,050,000				
							Interest Rate		2.00%				
							Loan Period (Years)		20				
							Total Annual Payment	\$	1,226,192				

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Daily Summer Operations: Locals	Low Projections	Mid Projections	High Projections
Total Local Non-Season Pass Holders	32,000	32,000	32,000
Eaglecrest Capture %	10.0%	10.0%	10.0%
Total Eaglecrest Visits	3,200	3,200	3,200
Average Daily Visits	23	23	23
Average Spending On Activities	\$ 49	\$ 49	\$ 49
Average Spending On Food & Beverage			
Average Visitor Spending On Retail	\$ 6	\$ 6	\$ 6
Total Revenue	\$ 176,000.00	\$ 176,000.00	\$ 176,000.00
	<i>300/100 Sales Each</i>	<i>600/250 Sales Each</i>	<i>900/500 Sales Each</i>
Summer Season Passes	Low Projections	Mid Projections	High Projections
(\$129) Aerial Gondola Season Pass			
(\$249) Summer Adventure Park Season Pass			
Total Revenue	\$ -	\$ -	\$ -
Financial Summary	Low Projections	Mid Projections	High Projections
Daily Summer Operations: Cruise Ship Passengers	\$ 2,420,000	\$ 3,080,000	\$ 3,520,000
Daily Summer Operations: Independent Traveler	\$ 1,168,750	\$ 1,237,500	\$ 1,306,250
Daily Summer Operations: Locals	\$ 176,000	\$ 176,000	\$ 176,000
Summer Season Passes	\$ -	\$ -	\$ -
Total Summer Revenue	\$ 3,764,750	\$ 4,493,500	\$ 5,002,250
Total Winter Revenue	\$ 1,477,000	\$ 1,760,500	\$ 2,044,000
Contract Revenue	\$ 587,000	\$ 645,700	\$ 710,270
Total Sales Tax Revenue	\$ 291,438	\$ 344,985	\$ 387,826
Eliminate CBJ Operating Costs	\$ -	\$ -	\$ -
Total Projected Expenses w/ Summer Operations	\$ 4,586,206	\$ 4,586,206	\$ 4,586,206
Debt Service	\$ 1,226,192	\$ 1,226,192	\$ 1,226,192
Seven Days A Week Winter Operations	\$ -	\$ 350,000	\$ 350,000
Eaglecrest Net Income	\$ 307,789	\$ 1,082,287	\$ 1,981,948
Total CBJ Savings	\$ 1,257,789	\$ 2,032,287	\$ 2,931,948

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- c. The third Financial Model shows the scenario of a private partner funding and operating the entire Summer Adventure Park. Under this model, CBJ would negotiate the partner utilizing the current Eaglecrest Senior Staff to provide continuity of operations from Summer to Winter Seasons. This would also lessen the cost of the CBJ current cost of operations.

	Construction Summer				
	FY21 projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected
Sales	FY 21	FY 22	FY 23	FY 24	FY 25
Summer					
Combo Ticket	\$ 281,250	\$ 500,000	\$ 750,000	\$ 900,000	\$ 1,000,000
Gondola Al carte	\$ 229,670	\$ 857,500	\$ 943,250	\$ 990,395	\$ 1,039,933
Mountain Coaster Al carte	\$ 210,000	\$ 420,000	\$ 735,000	\$ 1,050,000	\$ 1,250,000
ZipRider Mega Zipline	\$ 1,250,000	\$ 1,875,000	\$ 2,500,000	\$ 3,125,000	\$ 3,125,000
Ropes Course Al carte	\$ 7,125	\$ 26,600	\$ 31,350	\$ 34,200	\$ 37,620
Summer Adventure Center Pass	\$ 86,625	\$ 101,250	\$ 117,000	\$ 141,750	\$ 157,500
Mountain Bike all associated	\$ 20,000	\$ 240,816	\$ 351,100	\$ 480,479	\$ 591,666
Summer Total	\$ 2,084,670	\$ 4,021,166	\$ 5,427,700	\$ 6,721,824	\$ 7,201,719
Ski School Fees		\$ -	\$ -	\$ -	\$ -
Ski Lift Fees		\$ -	\$ -	\$ -	\$ -
Annual Revenue (Seasons Pass & multi card)		\$ -	\$ -	\$ -	\$ -
Bus Fees		\$ 30,000	\$ 33,000	\$ 35,000	\$ 35,000
USER FEES	\$ -	\$ 30,000	\$ 33,000	\$ 35,000	\$ 35,000
Retail - Soft G	\$ 25,000	\$ 350,000	\$ 385,000	\$ 404,250	\$ 424,462
Food Service	\$ 50,000	\$ 500,000	\$ 550,000	\$ 577,500	\$ 606,375
Ski Repair					
SALES	\$ 75,000	\$ 850,000	\$ 935,000	\$ 981,750	\$ 1,030,837
Locker Rental F					
Ski Rental					
RENTALS	\$ -	\$ -	\$ -	\$ -	\$ -
Gift Certificates & Promotions					
Vending	\$ 2,500	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
Facility Rentals	\$ 25,000	\$ 30,000	\$ 33,000	\$ 34,650	\$ 36,382
Contract Revenue					
Permit Revenue					
CBJ General Fund & Road Service					
Donations					
Miscellaneous Base Operation					
Total Other Income	\$ 27,500	\$ 40,000	\$ 44,000	\$ 46,750	\$ 49,692
Total Sales	\$ 2,187,170	\$ 4,941,166	\$ 6,439,700	\$ 7,785,324	\$ 8,317,248

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Expenses	FY21	FY22	FY23	FY24	FY25
Personnel Costs	6% payplan increase		3% increase		3%
Ski Area Administration	\$ 286,983	\$ 286,983	\$ 295,592	\$ 295,592	\$ 304,460
Ski Rental Shop	\$ 10,000	\$ 42,816	\$ 44,100	\$ 44,100	\$ 45,423
Ski Patrol Program	\$ 40,000	\$ 157,961	\$ 162,700	\$ 162,700	\$ 167,581
Lift Operation Program	\$ 95,000	\$ 644,515	\$ 663,850	\$ 663,850	\$ 683,766
Maintenance Program	\$ 29,827	\$ 157,089	\$ 161,801	\$ 161,801	\$ 166,655
Lodge Operations Program	\$ 54,000	\$ 215,097	\$ 221,550	\$ 221,550	\$ 228,197
Food Service	\$ 46,000	\$ 182,138	\$ 187,602	\$ 187,602	\$ 193,230
Marketing/Special Events	\$ 25,000	\$ 99,851	\$ 102,846	\$ 102,846	\$ 105,932
Ski School Program	\$ 25,000	\$ 96,969	\$ 99,878	\$ 99,878	\$ 102,874
Total Personnel Costs	\$ 611,810	\$ 1,883,418	\$ 1,939,920	\$ 1,939,920	\$ 1,998,118
Other Expenses					
Ski Area Administration	\$ 442,800	\$ 442,800	\$ 464,940	\$ 488,187	\$ 512,596
Ski Rental Shop	\$ 14,000	\$ 53,150	\$ 53,150	\$ 54,745	\$ 56,387
Ski Patrol Program	\$ 5,000	\$ 17,500	\$ 17,500	\$ 18,025	\$ 18,566
Lift Operation Program	\$ 6,000	\$ 22,250	\$ 22,250	\$ 22,918	\$ 23,605
Maintenance Program	\$ 46,000	\$ 85,000	\$ 85,000	\$ 87,550	\$ 90,177
Lodge Operations Program	\$ 31,000	\$ 123,000	\$ 123,000	\$ 126,690	\$ 130,491
Food Service	\$ 25,000	\$ 98,000	\$ 100,940	\$ 103,968	\$ 107,087
Marketing/Special Events	\$ 30,000	\$ 55,500	\$ 55,500	\$ 57,165	\$ 58,880
Building Maint/Utilities	\$ 28,000	\$ 111,000	\$ 111,000	\$ 114,330	\$ 117,760
Ski School Program	\$ 2,400	\$ 9,500	\$ 9,500	\$ 9,785	\$ 10,079
Equipment Replacement					
Vehicle Maintenance	\$ 5,000	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782
Total Other Expenses	\$ 635,200	\$ 1,047,700	\$ 1,073,680	\$ 1,115,189	\$ 1,158,409
Fiscal year	FY21	FY22	FY23	FY24	FY25
\$40M @2% / 20 year term	\$ 2,464,616	\$ 2,464,616	\$ 2,464,616	\$ 2,464,616	\$ 2,464,616
\$40M @ 4% for 20 years	\$ 2,965,345	\$ 2,965,345	\$ 2,965,345	\$ 2,965,345	\$ 2,965,345
Total Annual Expenses	\$ 1,247,010	\$ 2,931,118	\$ 3,013,600	\$ 3,055,109	\$ 3,156,526
Total Revenue	\$ 2,187,170	\$ 4,941,166	\$ 6,439,700	\$ 7,785,324	\$ 8,317,248
Net less the cost of Capital	\$ 940,160	\$ 2,010,048	\$ 3,426,100	\$ 4,730,215	\$ 5,160,722
Net \$40M debt service 2%	\$ (1,524,456)	\$ (701,626)	\$ 639,499	\$ 1,876,333	\$ 2,280,243
Net \$40M debt service 4%	\$ (2,025,185)	\$ (1,202,355)	\$ 138,770	\$ 1,375,604	\$ 1,779,514
Total Summer Visitors to Eaglecrest	32,947 summer visits	74,650 summer visits	104,070 summer visits	130,657 visits	136,055 summer visits
140 day summer operating season	235 visitors per day	533 visitors per day	743 visitors per day	691 visitors per day	737 visitors per day
Total Visitation to Juneau	1,430,258	1,473,165	1,517,360	1,562,881	1,609,767
Percent of total visitors to Eaglecrest	2.3% of Total	5% of Total	6.8% of Total	8.3% of Total	8.4% of Total
Penetration on 32% of total Juneau Visitors	7% Penetration	16% Penetration	21.4% Penetration	26.1% Penetration	26% Penetration
Sales Tax on Summer Revenue (TIF) New CIP Funds	\$ 109,358.50	\$ 245,058.30	\$ 319,785.00	\$ 386,928.70	\$ 413,377.80

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Ski School Fees	\$ 198,000	\$ 217,800	\$ 239,580	\$ 263,538	\$ 289,892
Ski Lift Fees	\$ 313,500	\$ 344,850	\$ 396,578	\$ 456,064	\$ 524,474
Annual Revenue (Seasons Pass & multi card)	\$ 900,000	\$ 990,000	\$ 1,039,500	\$ 1,091,475	\$ 1,146,049
Bus Fees	\$ 20,000	\$ 30,000	\$ 33,000	\$ 35,000	\$ 35,000
USER FEES	\$ 1,431,500	\$ 1,582,650	\$ 1,708,658	\$ 1,846,077	\$ 1,995,414
Retail - Soft G	\$ 45,000	\$ 49,500	\$ 54,450	\$ 59,895	\$ 65,885
Food Service	\$ 200,000	\$ 220,000	\$ 242,000	\$ 254,100	\$ 266,805
Ski Repair	\$ 40,000	\$ 50,000	\$ 55,000	\$ 57,750	\$ 57,750
SALES	\$ 285,000	\$ 319,500	\$ 351,450	\$ 371,745	\$ 390,440
Locker Rental F	\$ 75,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Ski Rental	\$ 170,000	\$ 180,000	\$ 198,000	\$ 198,000	\$ 198,000
RENTALS	\$ 245,000	\$ 265,000	\$ 283,000	\$ 283,000	\$ 283,000
Gift Certificates & Promotions		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Vending	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Facility Rentals	\$ 25,000	\$ 30,000	\$ 33,000	\$ 34,650	\$ 36,382
Contract Revenue					
Permit Revenue	\$ 75,000	\$ 130,000	\$ 143,000	\$ 157,300	\$ 157,300
CBJ General Fund & Road Service	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Donations	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Miscellaneous Base Operation					
Total Other Income	\$ 204,000	\$ 249,000	\$ 265,000	\$ 280,950	\$ 282,682
Total Sales	\$ 2,165,500	\$ 2,416,150	\$ 2,608,108	\$ 2,781,772	\$ 2,951,536
Expenses	FY21	FY22	FY23	FY24	FY25
Personnel Costs	6% payplan increase		3% increase		3%
Ski Area Administration	\$ 286,983	\$ 286,983	\$ 295,592	\$ 295,592	\$ 304,460
Ski Rental Shop	\$ 84,818	\$ 84,818	\$ 87,363	\$ 87,363	\$ 89,984
Ski Patrol Program	\$ 212,838	\$ 212,838	\$ 219,224	\$ 219,224	\$ 225,800
Lift Operation Program	\$ 137,249	\$ 137,249	\$ 141,366	\$ 141,366	\$ 145,607
Maintenance Program	\$ 355,515	\$ 355,515	\$ 366,181	\$ 366,181	\$ 377,166
Lodge Operations Program	\$ 110,260	\$ 110,260	\$ 113,568	\$ 113,568	\$ 116,975
Food Service	\$ 127,758	\$ 127,758	\$ 131,591	\$ 131,591	\$ 135,539
Marketing/Special Events	\$ 63,479	\$ 63,479	\$ 65,383	\$ 65,383	\$ 67,345
Ski School Program	\$ 249,511	\$ 249,511	\$ 256,996	\$ 256,996	\$ 264,706
Total Personnel Costs	\$ 1,628,412	\$ 1,628,412	\$ 1,677,264	\$ 1,677,264	\$ 1,727,582
Other Expenses					
Ski Area Administration	\$ 339,800	\$ 339,800	\$ 356,790	\$ 374,630	\$ 393,361
Ski Rental Shop	\$ 28,150	\$ 28,150	\$ 28,150	\$ 28,995	\$ 29,864
Ski Patrol Program	\$ 20,750	\$ 20,750	\$ 20,750	\$ 21,373	\$ 22,014
Lift Operation Program	\$ 35,250	\$ 35,250	\$ 35,250	\$ 36,308	\$ 37,397
Maintenance Program	\$ 122,500	\$ 122,500	\$ 122,500	\$ 126,175	\$ 129,960
Lodge Operations Program	\$ 82,500	\$ 82,500	\$ 82,500	\$ 84,975	\$ 87,524
Food Service	\$ 71,000	\$ 71,000	\$ 73,130	\$ 75,324	\$ 77,584
Marketing/Special Events	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,900	\$ 31,827
Building Maint/Utilities	\$ 89,250	\$ 89,250	\$ 89,250	\$ 91,928	\$ 94,685
Ski School Program	\$ 11,900	\$ 11,900	\$ 11,900	\$ 12,257	\$ 12,625
Equipment Replacement					
Vehicle Maintenance	\$ 55,000	\$ 55,000	\$ 56,650	\$ 58,350	\$ 60,100
Total Other Expenses	\$ 886,100	\$ 886,100	\$ 906,870	\$ 941,212	\$ 976,941
Total Net Winter Only	\$ (349,011.63)	\$ (98,361.63)	\$ 23,974	\$ 163,296	\$ 247,013
5% of total summer gross (Land Lease Fees)	\$ 109,358.50	\$ 247,058.30	\$ 321,985	\$ 389,266.20	\$ 415,862.40
10% of total summer gross (Land Lease Fees)	\$ 218,717.00	\$ 494,116.60	\$ 643,970	\$ 778,532.40	\$ 831,724.80
Total net to CBJ with 5% Commission + Summer Sale	\$ 819,705.37	\$ 1,343,754.97	\$ 1,615,743.52	\$ 1,889,491.14	\$ 2,026,253.24
Total net to CBJ with 10% Commission+Summer Sale	\$ 929,063.87	\$ 1,590,813.27	\$ 1,937,728.52	\$ 2,278,757.34	\$ 2,442,115.64

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b. Review Scope of Work for third-party feasibility study



Eaglecrest Summer Adventure Park Feasibility Study

Scope of Work

The Eaglecrest Ski Area General Manager, Board of Directors and Officials for the City and Borough of Juneau seek qualified firms with experience in Ski Resort Master Planning with specialty in Summer Recreation Attractions to Review the Eaglecrest Summer Adventure Park Master Plan and Financial Modeling. The Qualified respondents must be able to show previous master planning experience at ski areas in North America with specific focus on design of summer recreation activities that integrate and enhance winter operations. The preferred planning company will have experience working with State, Municipal and or Nonprofit owned ski areas. The Feasibility Study will focus on three main segments. Details of each subsection provided below.

1. **Review of summer activities** currently planned to ensure that proper daily capacity could meet projected facility demand.
 - a. **Review the two areal gondola alignments** provided by the Ski Area Manager through predevelopment work with Lietner/Poma Ski Lifts. Analysis should contemplate the following factors in collaboration with the General Manager to provide recommendations and final placement of the lift.
 - i. Initial and final rider capacity
 - ii. Visual impact of the mountain to preserve the integrity of the summer “wilderness” experience.
 - iii. Ability to service multiple ability levels during winter operations
 - iv. Ability to service multiple summer activities that might include, downhill mountain bike trails, hiking trails suitable to multiple demographics, access to zip lines, access to mountain coasters or other adventure activities.

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- v. Top station offloading location and design in relation to summit lodge (e.g., should the gondola off load inside of, or adjacent to the summit lodge?).
 - vi. Provide recommendation on location of gondola parking barn, top, bottom or middle.
 - vii. Pros and Cons to designing the lift with a mix of Chair carriers and Gondola Cabins for potential efficiencies during winter operations in relation to high wind conditions or other factors.
 - viii. Pros and Cons of utilizing reconditioned lifts to meet the needs of the project and provide capital savings. Examples of reconditioned lifts currently available to be provided by Ski Area.
- b. **Summit Lodge.** Review current Summit Lodge Concept and drawings. Provide guidance to necessary programming needs for the Summit Lodge which may include but not be limited to the following elements
- i. High volume cafeteria food service
 - ii. Low volume table service restaurant
 - iii. Bar for Beer and Wine Sales
 - iv. Area for private rental for weddings and other special events
 - v. Rock Climbing wall
- c. **Mountain Coaster.** Analyze design criteria and locations provided by the two manufacturers Wiegand Sports and Aquatic Development Group in relation to other activities and integration with winter operations. Comment on any advantage that may be available to installing a single Monorail Mountain Coaster as provided by Sun Kid Lifts that would utilize the Gondola to access the top of the Ride.
- d. **Zip Line.** Analyze design provided by ZipRider for a two span two-cable zip line from the top of the Gondola. Contemplate the expansion of current Zip Line Concessionaire. Take into consideration of impacts throughout the winter from rhyme icing at the top of the mountain on Zipline cables and starting platforms and make recommendations on mitigating strategies that have been deployed in other installations.

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- e. **Ropes Course.** Analyze design provided by Ropes Course International. Provide recommendations for other course design criteria that may utilize old growth timber close to the base of the Gondola and provide capital savings.
 - f. **Downhill Mountain Bike and Ebike Trails.** Analyze bike trail design provided though previous consulting with Gravity Logic. Consider trail design with a holistic view of integration with the gondola alignment or other suitable lift infrastructure existing on the mountain. Contemplate the creation of Ebike specific trails that would be targeted toward guided tour packages for cruise visitors.
 - g. **Additional Activities** Make recommendations on other profitable activities that could add value and additional daily capacity and be attractive to our visitor demographics such as the Rollglider from Walltopia or a ViaFerrata attraction.
2. **Financial Analysis.** Verify financial assumptions provided by Ski Area Management in relation to Ski industry standards taking in context of Juneau's current and future summer visitor industry statistics. Ski Area Management has developed a public private partnership financial model and a financial model with 100% City of Juneau ownership for review and consideration. Ski Area Management and City Officials are looking for other recommendations for potential phasing or other financing mechanisms that have been successfully deployed for other comparable ski industry projects. Recommendations of potential benefits on project phasing is also desired. The items below should be considered but not limited to the list.
- a. Verify that operating schedule and staffing allocations align with operational needs and guest service expectations.
 - b. Verify proper increases for operating and maintenance expenses for reasonableness
 - c. Review all capital estimates for reasonableness
 - d. Analyze and consider cost of capital and amortization schedule related to projected revenue to develop a low risk investment strategy.
 - e. Review pricing metrics provided for all revenue centers and make recommendations on other industry pricing metrics at comparable facilities.
 - f. Analyze and make recommendations on projected visitation and revenue assumptions based on visitor exit surveys in relation to existing and projected visitor numbers and demographics.

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- g. For each suggested financial model, depict IRR, cash-on-cash return and Simple payback period factoring in current City and Borough of Juneau's current cost of operations.
 - h. Provide guidance and financial modeling used with other financing vehicles at similar projects within the Ski Industry that may have appeal to Equity Partners, Debt Position Partners or other financial interests based on opportunities that may currently be present in the investment marketplace.
 - i. Project Economics, develop a full risk analysis rating
3. **Contemplation and Suggestions for future expansion of winter ski terrain.** Provide a long-range view of expansion options in an effort to maximize integration of the new summer infrastructure connecting skiable terrain and summer activities to CBJ and Native Owned developable Real Estate Adjacent to the ski area. Provide brief historical context and narrative of how development of slope side residential and commercial real estate has been used to fund and support Capital Projects at ski areas over the last 20 years.

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