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

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

I. CALL TO ORDER/ROLL CALL:

The Meeting was called to order at 12:05. It was noted for the Record by Chair Gladziszewski that future meetings will be scheduled to start at 12:05 to allow Mr Bryson adequate time to travel to the meetings.

Members Present: Maria Gladziszewski, Carole Triem, Wade Bryson, Mike Satre, Bruce Garrison, Jon Dale, Rorie Watt City Manager, Jeff Rogers Finance Director, Dave Scanlan Eaglecrest General Manager.

II. APPROVAL OF AGENDA:

The Agenda was approved as presented by unanimous consent.

III. APPROVAL OF MINUTES:

The Minutes were approved by unanimous consent as presented with one correction to the spelling of Mrs. Triem's name.

IV. AGENDA TOPICS

Chair Gladziszewski began discussion on the Eaglecrest Development Approaches file that was included in the meeting packet. This file highlights various financing and development paths. Chair Gladziszewski brought up the 100% public financing through General Obligation Bonds and asked if the Task Force would be comfortable removing General Obligation Bonds from future considerations. Some Discussion ensued related to the differentiation between Revenue Bonds and General Obligation Bonds. Mr Satre acknowledged that the Eaglecrest Board was not in favor of General Obligation Bond. The Eaglecrest Task Force agreed with unanimous consent to permanently remove General Obligation Bonds as a potential funding mechanism.

Mr. Scanlan gave a basic overview of three different funding mechanisms list below that was included in the meeting packet.

Some discussion was had revolving around the capture rate metrics for local use and for the various groups of visitors from the Cruise Industry and Independent Travelers. After some discussion, it was agreed that the visitor projections provided were reasonable based in information from the McDowell Groups Exit Visitor Surveys and personal knowledge from Task Force Members.

Mrs.Triem asked if in the Financial Model included adjusted payrates for Eaglecrest Staff to bring wages up to a more competitive standard. Mr Scanlan acknowledged that all of financial models presented included a 6% adjusted pay scale.

Mrs. Triem asked what mechanism would likely be used for the Private Partnership in that model. Mr Scanlan gave some background on the Eaglecrest Commercial Use Permit currently used with existing concessionaires and discussed how this could be used for these future partnerships that will have a larger capital layout associated with them. The Commercial Use Permit can be used without violating restrictions from the Land Water Conservation Fund.

Mr. Watt raised some questions on how the quantity of Independent Travelers was arrived at. Mr Scanlan explained that the as independent Travelers are in Juneau for a longer stay and as such the Eaglecrest Adventure Park has a larger chance to attract the independent travelers for one of their five days. Some additional discussion ensured acknowledging the primary opportunity for the Eaglecrest Adventure Park resides with the Cruise Industry Visitors.

A short discussion was had on traffic impacts on North Douglas Highway related to the amount of busses that would be needed to bring five to six hundred visitors to Eaglecrest per day in the summer. Mr. Bryson acknowledged that around 20 to 30 bus trips would be needed per day to achieve this in comparison to a busy day in the winter where 500 individual vehicles will travel North Douglas Highway to reach the mountain.

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**

    Chair Gladziszewski asked if it was the wish of the Eaglecrest Board To enter into the third party feasibility study. Mr Scanlan acknowledged that this was the case. He went onto explain that in the process of evaluating the potential for Revenue Bonds, which has been the preferred funding mechanism by the Board, they were instructed by CBJ's Finanical Analyist that a Feasibility/Market Analysis would be needed in order to further pursue the potential for Revenue Bonds.

    Mr. Bryson asked if there was a way to do a "light Feasibility Study" since we all know that there is a need for more summer visitor experiences. Is there a way to focus on the financial elements that we need to move forward with various funding options? Mrs. Triem asked if the feasibility study is for us or the person buying the bonds? Further discussion was had with the general consensus was that the person will need the feasibility study most is the project developer or financer. Mr. Watt led a conversation revolving around other arrangements with the cruise industry as examples of what could work in this situation. Mr. Watt discussed the various appetites for involvement that may be present from some of the local cruise lines.

Mr. Watt discussed some of the procedural process around executing a contract with a partner and the various ordinances that would be needed to be passed to move forward. He also discussed some of the variability that comes with budgeting accurate construction costs when there are unknowns in regards to ground conditions and potential having to factor in public procurement for construction.

Mr. Bryson started a conversations was had and various ways that tour operator price excursions with the Cruise Lines. Mr. Watt expanded on this explaining how each cruise line markets various destination.

Conversation on the status and dynamics of things happening at the ports in Skagway, Ketchikan and Icy Straight Point and how these might impact the path forward for the Eaglecrest Adventure Park.

Mr. Watt proposed that to move things forward that the Committee should focus on the financial analysis and vetting portion of the feasibility study scope of work with Mr. Scanlan to figure out how to procure this portion of the work. The second thing, Mr. Watt offered to reach out to the Cruise Line Representatives to conceptualize contractual options for them to commit a certain amount of passengers to the Eaglecrest Adventure Park. Chair Gladziszewski asked the Task Force Members how they feel about this approach. Mr Garrison confirmed that this is the approach that the Board has been in favor of, and is consistent with the Eaglecrest Board's desire to have a third party verify the financial assumptions. After a short discussion it was agreed by unanimous consent to authorize Mr. Watt and Mr. Scanlan to move forward with this strategy.

Chair Gladziszewski asked what the Task Force would like to see in our February Meeting? Mr. Watt commented that the Assembly and Task Force should give an eye toward some sort of formal Public Comment on the project. Mr. Bryson commented that in his conversations with the public he has heard people not wanting to see competition with private business and people not wanting to lose their access to berry picking areas at the mountain. After some discussion Mr. Watt suggested that he work with Mr. Scanlan and keep the date for the next meeting tentatively for February 6th and they will work on forming the next agenda as work continues to move forward on the feasibility study and subsequent RFP.

V. ADJOURNMENT – Next meeting February 6th 2020 room 224 City Hall

The meeting was adjourned by unanimous consent at 1:03pm.

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

ADA accommodations available upon request: Please contact the City Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape of the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, email: city.clerk@juneau.org.