



Port of Juneau

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From: Carl Uchytel, Port Director
To: Kim Kiefer, CBJ Manager
Copy: Robert Steedle, CBJ Deputy Manager
Date: December 16th, 2014
Re: FY2016 MARINE PASSENGER FEE REQUEST

1. Attached is a list of potential FY16 Marine Passenger Fee projects for your consideration. This list was approved by the Docks & Harbors Board at its December 11th meeting.
2. Please contact me or Port Engineer, Gary Gillette with any questions.

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Encl: FY16 Docks & Harbors Marine Passenger Fee Request

Docks and Harbors Board

FY2016 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.

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 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.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY13 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.

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Area Wide Port Operations (Continued)

Marine Passenger Fee Funds Requested (FY16): \$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.

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: These two buildings are located on the downtown Juneau waterfront, an area that serves nearly 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).

Marine Passenger Fee Funds Requested (FY16): \$133,500

Approximately 4450 sq feet (building area) @ \$2.50/sq feet/month = \$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) year-round and Docks and Harbors staff from April to October. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied from April to October by the Juneau Convention and Visitor Bureau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The JCVB 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 better manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 and FY2014.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Statter Harbor Passenger For Hire Facility

Project Descriptions: The Statter Harbor Master plan identifies four significant components that would be phased over time as funding is available. These components are as follows: Phase I - repairs to existing moorage, removal of DeHart's floats and fuel dock, and replacement of moorage and fuel dock; Phase II - construction of a new 2-lane launch ramp and upland parking facility; Phase III - replace existing launch ramp with new boat haul-out and kayak launch ramp; Phase IV - construction of a new passenger for hire float and uplands bus staging area to serve cruise ship related whale watching and fish chartering operators. Phase I was completed in May 2013; Phase II is in the final design process and scheduled for construction in fall 2014; Phase III would begin once Phase II is completed. Phases II is fully funded based on current cost estimates and Phase III is partially funded with expectation for full funding by construction in 2016.

Phase IV has no funding in place thus the construction schedule is dependent upon funding availability. The Passenger for Hire facility includes installation of a boarding float, gangway, dredging, and uplands passenger loading zone to service cruise ship passengers embarking on marine based tourism activities. Staging for these activities currently are conducted at Statter Harbor where the facilities are incapable of providing safe and efficient service. The current situation causes extreme congestion and greatly detracts from the local resident's ability to fully utilize the Don Statter moorage facility. The funds requested would allow for design and permitting activities to move forward.

Marine Passenger Fee Funds Requested (FY16): \$800,000

Cost Estimate: \$5.4M

Funds Previously Secured: None

Funds Needed but Not yet requested: \$4.6M

Project Review: The project is part of the Docks and Harbor Board's approved Statter Harbor Master Plan which has been supported by the voters in three special sales tax ballots (2005, 2007, 2012).

Project Time-Line: The schedule for the proposed Passenger for Hire Facility is dependent upon funding.

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.

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Downtown Restrooms

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 new restroom facilities on a dock structure located on the recently purchased Archipelago property south of the Library/Parking Garage.

Cost Estimate: \$500,000

Marine Passenger Fee Funds Requested (FY16): \$500,000

Project Review: This project has been brought forward at the request of the Assembly to address the lack of adequate restroom facilities in the downtown waterfront area.

Project Time-Line: This project would begin design phase upon allocation of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Future Cruise Terminal Staging

Project Descriptions: This project would be located in the downtown area near the cruise dock, an area that serves 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 to accommodate the larger post-panamax sized cruise ships and greater passenger counts.

Marine Passenger Fee Funds Requested (FY16): \$1,000,000

Project Review: The Cruise Ship Terminal Staging Area, scheduled for completion in spring 2014, 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 Uchytel, CBJ Port Director 586-0292.

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Downtown Pay Phones

Project Descriptions: To meet telephonic communications demands from cruise ship passengers and cruise ship crew, CBJ has established a requirement to maintain pay telephones in the downtown corridor.

Cost Estimate: \$7800

Marine Passenger Fee Funds Requested (FY16): \$7800

Project Review: This requirement has been developed at the request of CBJ Leadership to meet a lack of available telephones. In FY12, Docks & Harbors spent \$7755 from Docks operating funds to support this need.

Project Time-Line: This requirement is current and expected to persist indefinitely.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

Project Contact: Teena Scovill, Administrative Assistant or Carl Uchtyl, CBJ Port Director 586-0292.

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Visitor Information Kiosk Replacement

Project Descriptions: The Visitor Information Kiosk serves cruise ship passengers needing information about Juneau. It is located in a strategic location near one of the two city owned docks that support the cruise industry. The current kiosk has exceeded its design life. The facility does not meet ADA standards, has inadequate heating, and does not provide adequate shelter for patrons.

Cost Estimate: \$150,000

Marine Passenger Fee Funds Requested (FY16): \$150,000

Project Review: The Juneau Convention and Visitors Bureau requested that a new kiosk be provided which would offer a more user friendly facility and address safety and comfort concerns of volunteers. The current facility was moved from the Marine Park area when the Alaska Steamship Wharf was expanded for bus staging.

Project Time-Line: This project would begin the design phase upon allocation of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

CBJ Parks & Recreation Landscaping 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.

Cost: \$45,000

Marine Passenger Fee Funds Requested (FY16): \$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 parking lot facilities.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Lightering Float Ramp Canvas Cover Replacement

Project Descriptions: The canvas cover for gangway leading to the Marine Park Lightering Float was damage beyond repair in a November 2014 storm. This gangway is primarily used by tourists embarking and disembarking from cruise ships at anchor.

Cost Estimate: \$10,000

Marine Passenger Fee Funds Requested (FY16): \$10,000

Project Review: n/a

Project Time-Line: Docks & Harbors will replace the canvas cover in time for the initial cruise ship of the season but is requesting compensation in FY16.

Maintenance and Operation Responsibility: CBJ Docks & Harbor is responsible for maintenance and operating expenses along the CBJ owned waterfront and seeks future passenger fee to funds.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Marine Park Bus Parking Lot Brick Repair

Project Descriptions: The Marine Park Bus Parking Lot (Brickyard) is demonstrating undulations in the brick surfaces suggesting the substrate is being undermined. The funds are to contract with an experienced mason to repair the areas needing attention.

Cost Estimate: \$30,000

Marine Passenger Fee Funds Requested (FY16): \$30,000

Project Review: The Brickyard surface will continue to degrade without constant and appropriate maintenance. Use of this facility in the winter for parking will lead to greater degradation due to snow plowing efforts.

Project Time-Line: This project would commence as soon as funding is available not to interfere with coach and bus operations during the summer months.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

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

Docks and Harbors Board
FY2016 Marine Passenger Fee Request

Flags & Banners

Project Descriptions: Flags and banners along the downtown waterfront have been jointly managed through multiple CBJ Departments. There is also a cost involved in renting scissor or basket lifts.

Cost Estimate: \$7500

Marine Passenger Fee Funds Requested (FY16): \$7500

Project Review: Many of the flags and banners are worn requiring replacement; this request would provide funding for purchase new aesthetically pleasing visual hanging devices.

Project Time-Line: Procure would begin upon receipt of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

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