

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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DATE: January 25, 2012

TO: Assembly Finance Committee

FROM: Rod Swope
City & Borough Manager

SUBJECT: Draft FY13 Passenger Fee Proceeds Recommendations

Based on our latest projection of 930,000 passengers expected to visit this summer, the amount of revenue available in FY13 is anticipated to be \$4,675,000. I am recommending that the proceeds be divided between operations and capital projects as follows:

OPERATIONS

Identified Government Operations

Project Description

On May 10, 2000, the Assembly Finance Committee approved a formula that reflects cruise ship passenger impacts on specific government services and is used to determine an amount of Marine Passenger Fee (MPF) proceeds to be used in support of identified government operations. Further, in 2003 a full cost analysis, reviewed by the NorthWest CruiseShip Association and evaluated by Elgee, Rehfield and Mertz, LLC, was done to determine whether this formula provided a fair and accurate assessment of costs. Although not inclusive, examples of expenses include: landscaping and maintenance of baskets/barrels at the public docks and along the seawalk, in addition to flower beds and grass areas at the steamship plaza and marine park; additional wear and maintenance on the downtown library restrooms; wear on public roads and sidewalks by tourists, tour buses, charter vans, and increased taxi service; time spent by the finance department accounting for expenditures of passenger fees to monitor fund balances and ensure compliance with the law; time spent by the accounting division on purchase of supplies, equipment, and materials/services funded by passenger fees; costs incurred by CCFR to remain current on shipboard fire suppression training; time spent by the Emergency Program Manager and CBJ staff training for emergency preparedness in the event of a cruise ship mishap or disease outbreak while in port; maintenance and replacement of tourist information signs; and time spent by the manager's office and law department on passenger fee and tourism related issues.

\$1,400,000

Capital City Fire/Rescue (CCFR) Air Medevac Support

Project Description

This funding is an offset for unrecoverable costs incurred by the fire department for the air medevac program in response to medical events involving cruise ship passengers or crew. This past year there were thirty medical transports by helicopter in response to situations involving cruise ship passengers or crew. On average, CCFR only recovers 36% of the total costs from patient billings. **\$25,000**

Non-Profit Air Medevac Support

Project Description

Airlift Northwest, a non-profit ambulance transport service, was founded in 1983 to provide air ambulance service to Southeast Alaska. According to Airlift Northwest, the requested amount is to offset unrecoverable costs related to transport of cruise ship passengers and crew from Juneau this past year. **\$50,000**

Tourism Best Management Practices Support

Project Description

This provides funding for printing, public notices, advertisements, and a contractual amount for Juneau Convention and Visitors Bureau (JCVB) staff to provide support to the Tourism Best Management Practices (TBMP) effort. TBMP is a voluntary industry-managed program, designed to provide services to vessel passengers and address impacts, including safety issues, of tourism on local residents. The JCVB administers the program with funding provided by Marine Passenger Fee proceeds. **\$15,000**

Crossing Guards

Project Description

The purpose of this program is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and control the crossing locations where summer pedestrians can cross the streets. This will fund part-time seasonal crossing guards during the summer visitor season. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by the Juneau Convention and Visitors Bureau. **\$135,000**

Downtown Foot/Bike Patrol

Project Description

This provides additional foot and bike patrol presence by Juneau Police Department (JPD) officers in the downtown area during the summer. JPD's presence is important to ensure the safety of visitors, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors. These officers are regular police officers that volunteer for this duty during their off-duty hours. In addition, we have assigned one

additional full-time patrol officer, dedicated to downtown year-round. This funding also supports the full-time patrol officer's salary during the summer months. Further, we are continuing the program using retired police officers, as seasonal employees, to patrol the downtown area during the summer. **\$137,000**

Downtown Restroom Maintenance

Project Description

This provides contractual services (labor and materials) required to clean the public restrooms in City Hall, Steamship Plaza, and the new Downtown Transportation Center seven days a week, six times per day, for five months during the summer. **\$75,000**

Restroom Cleaning and Maintenance – AJ Juneau Dock, LLC

Project Description

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the AJ Dock. **\$20,000**

Restrooms – Franklin Dock Enterprises, LLC

Project Description

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the Franklin Dock. **\$15,000**

Juneau Port Security and Short-Range Response Boat – AJ Juneau Dock, LLC

Project Description

The Department of Homeland Security awarded the AJ dock with a port security and short range response boat that conducts port security patrols, at-sea deliveries to cruise ships in port (some items can not go across the docks for security reasons), is designed to accommodate medevac's, spill response, salvage operations, and on-scene support for emergency or law enforcement issues when ships are at anchor or at sea. This request is solely to cover the manning, maintenance and operational expenses related to this vessel. **\$19,600**

Port Security Guard, Security Training and Exercises – AJ Juneau Dock, LLC

Project Description

This is a request to fund a number of port security related expenses and projects. The training and exercise funding will benefit all regulated Juneau cruise ship passenger facilities. The AJ dock has been host to two large maritime security exercises. The AJ dock and other local facilities participate in annual security training. **\$44,000**

Downtown Cleaning

Project Description

Due to heavy summer use by visitors, the downtown sidewalks require extra cleaning and litter/garbage removal to keep them clean and safe. This funding provides for two summer employees to operate and maintain the newly acquired sidewalk sweepers and empty downtown garbage containers. This year, there is also some funding to replace cigarette butt receptacles and a few garbage cans. **\$89,000**

Transit Public Bus Service

Project Description

Visitors heavily use local bus service during the summer, making it necessary to increase services in order to accommodate locals adequately in addition to summer visitors. The bus system provides a safe, efficient, and cost-effective way for visitors to visit the glacier and view other areas of Juneau. The additional revenue from summer visitors does help offset the cost of providing additional summer bus services; however, our transit system is heavily subsidized and the additional costs are not completely offset by the revenue received. This summer we will provide increased bus service in the mornings and evenings. **\$278,000**

Juneau Convention and Visitors Bureau (JCVB)

Project Description

The JCVB provides summer visitors with information, directions, and assistance. Program expenses include administrative support for training and supervision of 130 volunteers, managing the cruise ship terminal kiosk and Centennial Hall information centers, a paid seasonal visitor information position, and printed materials. **\$127,000**

Seasonal EMS Transport Program

Project Description

CBJ provides ambulance transport service for cruise ship patients that need to be transported from cruise ships and/or Bartlett Hospital to the airport for medevac to Anchorage or Seattle. The demand for patient transport service increases considerably during the summer due to cruise ship patients and does create situations, on a regular basis, in which we do not have available staff to provide transport service when requested. Two years ago, the cruise ship industry reported delays of 15 minutes to an hour and a half being encountered approximately 33% of the time during the summer. This causes delays for the medevac flight crews, resulting in costs and complications with regard to personnel, aircraft, weather, scheduling, etc. This program was implemented two years ago and has proven to be very effective in resolving this problem. This funding pays for four temporary seasonal EMTs to work 12-hour shifts during the summer (May through September) to cover transports and other EMS calls as needed. It also pays for the replacement of consumable medical supplies used on board the ambulance and fuel costs directly related to cruise industry medical transports. **\$184,000**

Downtown Ambassador Program

Project Description

Funding for this program supports two uniformed security officers that patrol the downtown area on foot from May through September. These security officers assist visitors with information, directions, and patrol the downtown area for loitering, panhandling, public intoxication, and other public nuisances potentially impacting summer visitors and local residents. With regard to public safety issues and infractions of the law, the security officers refer these issues to JPD to handle. This program is provided through a private contract administered by the Downtown Business Association. **\$56,300**

Docks and Facilities Operations

Project Description

The Docks and Harbors Board has requested funding to offset the costs and impacts of providing area wide services and support to cruise ship passengers. The Board reviewed its budget and apportioned expenses associated with those services and estimated that approximately 9% of the annual docks budget, approximately \$1,711,677 in FY13, will be attributed to providing areawide service to cruise ship passengers. **\$154,000**

Port-Customs Building Maintenance

Project Description

The Port-Customs building will be occupied by the Department of Homeland Security-Customs Border Protection year-round and Docks and Harbors staff from April through October. Funding for this project also includes support for the new visitors center which will be managed by the Juneau Convention and Visitor's Bureau. Docks and Harbors will be responsible for the year-round maintenance and operation of the facility which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility. **\$133,500**

CAPITAL PROJECTS

Cruise Dock Cathodic Protection

Project Description

This project will provide for the replacement of a cathodic protection system, pile replacement and sheet pile coating for the CBJ Steamship Dock. **\$500,000**

Waterfront Seawalk

Project Description

This project will provide funding to continue the design, examination of right-of-way issues, pedestrian access and safety, and construction of seawalk in accordance with the Waterfront Development Plan. Funding for construction of additional seawalk was a recommendation of the Planning Commission and was one of the top FY11 priorities of the Assembly. **\$545,410**

CCFR Ambulance Replacement

Project Description

Medic 1 is a 2003 Ford ambulance with 118,550 miles. It is scheduled for replacement this summer. It operates almost entirely as a transport vehicle for cruise ship passengers. During the 2011 summer season it was used for 462 transports directly tied to the cruise industry compared to 485 transports for the entire year. Due to its high mileage, maintenance problems have become more frequent including fuel leaks, brake problems and black mold. This will provide partial funding for replacement of the ambulance **\$175,000**

Security Improvements – AJ Juneau Dock, LLC

Project Description

Provide funding to complete a security guard building and enhance the dock entrance with better security signage and a more secure (higher) gate entrance similar to CBJ dock enclosures. This will complete a project that was funded last year with matching federal Port Security Grant Program funds. The building will be in place for the 2012 cruise ship season but funding was not sufficient for the entire project due to foundation requirements, the need for an additional electrical transformer and fence replacement/repairs. **\$28,000**

Dock Entrance Atrium – AJ Juneau Dock, LLC

Project Description

This project would provide funding for the design and partial construction of a permanent covered area for cruise ship passengers, providing a focal gateway to the facility where passengers and workers would be sheltered from inclement weather. The covered area would have a historical mining theme and an outdoor warming fireplace and provide a specific location to meet travelling companions or groups as well as receive local and tour information. Currently this area is covered by an inadequate canvas tent that is due for replacement this year. The concept is to create an aesthetic park type atmosphere outside the restricted dock area for interpretive and historical information with features that complement the AJ/Juneau mining heritage and Juneau's natural beauty. This area will remain open for community use year-round. **\$170,190**

Tour and Information Kiosk – AJ Juneau Dock, LLC

Project Description

The initial planning, design and purchase of one kiosk was funded last year. This will be the second and final phase to complete this project. The cost is to purchase and install a second kiosk. **\$35,000**

Security – Franklin Dock Enterprises, LLC

Project Description

Provide funding for the purchase and installation of a weather transmitter station which allows ships to login and access real time weather conditions in the Juneau harbor. This will increase the safety of harbor operations as ships can know, well in advance, if a tug is required due to wind speed at the dock. **\$2,000**

Security Gates – Franklin Dock Enterprises, LLC

Project Description

Provide funding to construct an addition to the approach dock awning that will connect the secure area to the public access area, thus creating one continuous covered walkway to provide shelter for passengers and pedestrians utilizing the public and private thoroughfare at the dock and staging area. **\$170,000**

Security Training – Franklin Dock Enterprises, LLC

Project Description

This will provide training for security personnel to ensure compliance with the require Coast Guard security plan and construction of a new booth for security personnel. **\$75,000**

Tour and Information Kiosk – Franklin Dock Enterprises, LLC

Project Description

This will fund the construction of a new information kiosk. **\$7,000**

Security Camera System – Franklin Dock Enterprises, LLC

Project Description

This will provide funding to upgrade the existing security camera system in order to provide better coverage along the dock, passenger and public access areas. **\$10,000**