



Juneau International Airport

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December 17, 2008

DEC 18 2008
CBJ Manager's Office

Rod Swope
City Manager
City and Borough of Juneau
155 S. Seward Street
Juneau, AK 99801

Dear Mr. Swope:

Re: Passenger Fee Proceeds for Juneau International Airport

Again this year, the Airport is submitting a request for a proportionate share of the cruise ship passenger fee to offset impacts to the Airport for services provided to the cruise ship industry and for support to cruise ship passengers. Impacts by the cruise industry and support to the industry are evident at the Airport and the request fits squarely with the purpose and intent of the passenger fee program.

The Airport appreciates the support provided by the Assembly last year. This current request conforms to the same formula that was used last year. The formula was based on the method the Assembly adopted to compute general fund offsets when the fee was first implemented. The method compares the number of passengers to the overall enplanement count and multiplies that share by a proportional ratio of the budget.

Passengers and crew in 2008:	22,022 ¹
Total enplanements in 2008:	403,825
Percentage cruise ship passengers and crew to overall:	5.45%
FY10 proposed budget:	<u>\$4,970,400</u>
5.45% of proposed budget is this year's request of:	<u>\$ 271,000</u>

¹McDowell Group estimates 19,022 passengers. Crew is estimated at 3,000 based on last year's estimate of 2,700-4,000 crew members.

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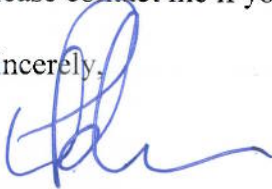
Last year, the Assembly approved our request of \$312,500. This year's request does not include the one-time reimbursements for historic expenditures.

The Airport continues to welcome and support cruise ship passengers, related tour buses and flightseeing operations based at the Airport. Additionally, the Airport supports the additional Airlift Northwest operations that occur during the season.

We have incorporated into the Passenger Terminal design modifications and enhancements to assist group travelers and luggage handling.

Please contact me if you need further information.

Sincerely,



David R. Palmer
Airport Manager

copy: Airport Board
Merrill Sanford, CBJ Assembly
Kirby Day, Princess Tours