

MEMORANDUM

CITY/BOROUGH OF JUNEAU

City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801

Rorie.Watt@juneau.org

Voice (907) 586-5240

Fax (907) 586-5385



DATE: March 28, 2019

FROM: Duncan Rorie Watt
City and Borough Manager

SUBJECT: FY20 Passenger Fee Proceeds Recommendations - DRAFT

Based on our latest projection of passengers expected to visit this summer, the amount of revenue available in FY20 is anticipated to be \$6,000,000. Attached to this cover are the recommendations for funding. A few notes on changes from past years and next steps that I intend to pursue:

1. Due to the impact of the legal fees on this year's allocation, the Port Operations and Port Building costs are allocated to Port Development Fee. I expect this to revert back to Marine Passenger Fee in FY21.
2. In accordance with MOA with CLIAA, we will perform a cost allocation plan to evaluate the budgeting of indirect costs.
3. A new idea is the Congestion Mitigation Pilot project. Cruise industry and tourism members support an attempt to minimize heavy truck traffic during peak tourism activity times. The details are not worked out on this idea. I am unsure if this pilot idea may be able to be put in place this summer. Conceptually, staff and AML are attempting to come up with a pilot project that would reduce conflict between the trucking of goods and busy tourist times. There are many details that would have to be resolved, including whether this program would be available to other shippers.
4. Now that the litigation has been completed, we have several projects that will get greater attention:
 - a. Role of public fund for capital improvements at the private docks. In FY19 we provided funds for "Public/Private Port Infrastructure Planning."
 - b. "Small Cruiseship Moorage Master Planning." Funding was also provided in FY19.
5. Exactly related to 4A above, I have included some level of funding for infrastructure at the two private docks in this year's proposed allocation. This is a change from recent years. This recommendation will similarly trigger the conversation on the role of the public fees at the private docks.

FY20 Draft Marine Passenger Fee Request & Recommendation

Operational Services:

	<u>Provider:</u>	<u>Requested</u>	<u>Funding Recommendations for FY20</u>	
			<u>MPF</u>	<u>PDF</u>
Tourism Best Management Program	TBMP	15,000	15,000	
Crossing Guards	Travel Juneau	325,460	325,460	
Downtown Police Foot/Bike Patrol	CBJ	197,378	197,378	
Downtown Restrooms	CBJ	105,000	105,000	
Visitor Information Services	Travel Juneau	148,300	148,300	
Downtown Cleaning	CBJ	103,400	103,400	
Downtown Security Program	DBA	65,000	65,000	
Additional BLS Ambulance	CBJ	226,600	226,600	
Port Operations	Docks Enterprise	225,000	0	225,000
Port/Customs Building	Docks Enterprise	133,500	0	133,500
Pay Phones	CBJ	10,000	10,000	
Seawalk Maintenance	CBJ	45,000	45,000	
Weather/Current Monitoring	Marine Exchange of Alaska	30,000	30,000	
Program Services Overhead/Full Cost Allocation	CBJ	1,400,000	1,400,000	
Shipping Congestion Mitigation (Pilot Project)	Contract	30,000	30,000	
Updated Cost Allocation Plan	Contract	50,000	50,000	
Legal Fees to CLIA		1,500,000	1,500,000	
Legal Fees to CBJ (Transfer to Statter)		450,000	450,000	

Total Operational Services Requests: 5,059,638 4,701,138

Capital Projects/Grants to Private Docks:

Seawalk Major Maintenance	CBJ	85,000	85,000	
Seawalk Permitting/Planning/Design	CBJ		46,062	
Seadrome Shore Power	Goldbelt Seadrome Dock	300,000	0	
Large Berth Shore Power Feasibility/System Impact Analysis	Docks Enterprise	3,500,000	250,000	
Powerlift Gurney	CBJ	45,000	45,000	
Electric EMS Response Vehicle	Docks Enterprise	25,000	25,000	
Dock Face Guardrail	Docks Enterprise	2,000,000	0	
Security Checkpoint Queuing Structure Phase II	Docks Enterprise	200,000	200,000	
Ship Security/Safety/Training	AJ Dock	139,800	139,800	
Mooring Bollard Addition	AJ Dock	2,950,000	0	
Response Boat Operations	AJ Dock	19,600	19,500	
Safety Fencing	AJ Dock	68,500	68,500	
Security and Screening Facility (Architecture/Design)	AJ Dock	300,000	0	
Restrooms	AJ Dock	25,000	25,000	
Dock Security	Franklin Dock	85,000	85,000	
Restrooms	Franklin Dock	25,000	25,000	
Dock Maintenance & Refurbishment	Franklin Dock	39,000	0	
Dock Maintenance & Upgrade (Big Fender Reimbursement)	Franklin Dock	285,000	285,000	
Shore Power Infrastructure Upgrades	Franklin Dock	290,000	0	
Seawalk/Staging Area Maintenance	Franklin Dock	30,000	0	

Total Capital Projects/Grant Requests: 10,411,900 358,500

Grand Total all Requests: 15,471,538 \$6,000,000 \$358,500

OPERATIONS

Tourism Best Management Practices Support

This provides funding for printing, public notices, advertisements, and a contractual amount 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. Travel Juneau administers the program with the funding provided by Marine Passenger Fee proceeds.

Travel Juneau - Crossing Guards

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 crossing guards during the summer visitor season and during peak traffic times. The crossing guards will staff the Cruise Ship Terminal, People's Wharf, Marine Park Plaza, and at Taku Smokeries. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by Travel Juneau.

JPD - Downtown Foot/Bike Patrol

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.

Downtown Restroom Maintenance

This provides contractual services (labor and materials) required to increased and/or seasonal cleaning of the public restrooms in City Hall, Marine Parking Garage, Juneau Library, Overstreet Park and the Downtown Transportation Center, seven days a week, six times per day, for five months during the summer.

Visitor Information Program

Travel Juneau 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 visitor center and Marine Park kiosk, two paid seasonal visitor information positions, and printed materials.

Downtown Road Cleaning and Maintenance

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 seasonal employees to keep the sidewalks clean, empty downtown garbage containers and perform other services as needed on a daily basis to maintain the downtown core area in a presentable manner for our visitors.

Downtown Security Program - Downtown Business Association

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.

CCFR - Seasonal BLS/Firefighter Program

This funding pays for six seasonal EMTs from April to October. This funds the seasonal EMT's and the safety equipment, uniforms, fuel costs, consumable medical supplies, and training for the seasonal employees.

Port of Juneau - Port Operations

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 will be attributed to providing area wide service to cruise ship passengers.

Customs Building Maintenance

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 Travel Juneau. Docks and Harbors is 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.

Downtown Pay Phones

To meet telephonic communications demands from cruise ship passengers and cruise ship crew, the City and Borough of Juneau (CBJ) continues to maintain pay telephones in the downtown corridor. We believe that this practice may end in the next couple years, but the phones still get used.

Seawalk Maintenance

This provides partial support for Parks and Facilities Maintenance to maintain the waterfront park grounds, empty trash, maintain the park and seawalk structures.

Weather/Current Monitoring System Operations and Maintenance

This funding would provide annual operations and maintenance for valuable real time weather and water current information to mariners that access the downtown Juneau waterfront including the four cruise ship berths (private and public), and the Taku Dock (serving Taku Fisheries). The system provides wind and current monitoring sensors at various locations to offer real time information for navigation purposes. The system disseminates via a phone app, internet, or other public media commonly available to mariners in the immediate area.

Program Services Overhead/Full Cost Allocation Identified Government Operations

In 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. As part of the settlement of the CLIAA litigation, CBJ and CLIAA have agreed that there would be no objection

to continuing to use the historic formula for another year and that CBJ would revisit the cost allocation after this season and implement the results in the coming years.

Shipping Congestion Mitigation (Pilot Project)

Truckers, tour operators and dock operators are concerned about the ability to efficiently move people through town during the peak congestion periods. This project would fund a pilot project to experiment with off-peak hour trucking to alleviate some of the congestion issues. There are many details that would have to be worked out, but CBJ should decide whether to intervene or not in this area and if so whether to do so by regulation or by inducements.

Updated Cost Allocation Plan

In accordance with the CLIAA/CBJ MOA, these funds would be used to revisit CBJ's cost allocation approach.

Legal Fees

In accordance with the CLIAA/CBJ MOA, these funds would be used to partial funding to both parties legal fees. CBJ's portion would be redirected to the Statter Harbor Passenger for hire project.

Capital Projects/Grants

Waterfront Seawalk: Major Maintenance

This CIP would be used to battle the ongoing settlement issues that occur at the interface of the seawalk and the land. The seawalk is pile supported and does not settle, but adjacent filled land areas on public and private property continue to settle, causing potential tripping hazards. Installation of landscaping barriers provides one solution to this problem.

Waterfront Seawalk: Continued Planning/Permitting

Funds will be used for continued efforts on next phase(s) of the seawalk. Activities will include surveying, geotechnical investigations, property appraisals and negotiations, cost estimating, permitting and preparation of conceptual and detailed design plans. CBJ's goal continues to be a seawalk from the rock dump to the bridge.

Large Berth Shore Power Feasibility/System Impact Analysis

These funds would be used to determine the feasibility of the installation of more shore power connections at the CBJ docks and/or the AJ Dock. Currently, the Franklin Dock is the only cruise ship dock that is equipped for shore power. These funds would accomplish the Assembly goal of figuring out the necessary steps to connect more ships to shore power.

Powerlift Gurney

These funds would be used to purchase a powerlift gurney for CCFR. The gurney would allow two people to safely move a patient into an ambulance, without risk of dropping the person or injury to CCFR staff. This gurney will reduce the practice of deploying the fire engine to medical calls.

Electric EMS Response Vehicle

These funds would be used to purchase an electric emergency medical service response vehicle. The vehicle would be used in tandem with the powerlift gurney, allowing for more efficient transfers of patients into the ambulances.

Port of Juneau – Security Checkpoint Queuing Structure Phase II

These funds would be used for the construction of a security structure at the top of the gangway at the CBJ berths. Recent upgraded Homeland Security protocols require the CBJ to monitor the flow of passengers as they return to the cruise ships.

AJ Juneau Dock, LLC – Security and Safety: Training, Equipment/Maintenance, Etc.

This project includes training, equipment, supplies, maintenance, signage, credentials, exercises and operations related to the safety and security of the cruise ship facility. This request will fund annual security cost requirements and enhancements to achieve compliance with the U.S. Coast Guard required/approved facility security plan as well as facility safety, spill response, incident management, drills and exercises.

Juneau Port Security and Short-Range Response Boat

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 cannot go across the docks for security reasons). It is designed to accommodate medevacs, 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.

AJ Dock Safety Fencing

These funds would be used to support the cost of upgrading barrier fencing at the AJ Dock. Fencing is required as part of the Dock's port security requirements.

AJ Juneau Dock, LLC - Restroom Cleaning and Maintenance

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the AJ Dock.

Franklin Dock Enterprises, LLC - Dock Security

Security exercises and training for all personnel with security related duties and security related expenses, along with security personnel enclosures/equipment to achieve compliance with US Coast Guard required/approved security plan.

Franklin Dock Restroom Cleaning and Maintenance

This provides funding for restroom cleaning and maintenance supplies for cruise ship passenger public restrooms located at the Franklin Dock.

Franklin Dock Maintenance/Upgrade Bigger Fender Reimbursement)

These funds would be used to reimburse the purchase of 10' wide yokohama fenders that are necessary to allow berthing of the larger vessels that are being deployed to the Juneau market.