



# ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION AGENDA

December 02, 2024 at 6:00 PM

Zoom Webinar Only

**Assembly Committee of the Whole Worksession - No Public Testimony will be taken.**

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

**[Clerk's Note: Due to road conditions and CBJ Office closures on 12/2/2024, all Assembly Standing Committee meetings will be held as Zoom only meetings.]**

**A. CALL TO ORDER**

**B. LAND ACKNOWLEDGEMENT**

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

**C. ROLL CALL**

**D. APPROVAL OF AGENDA**

**E. APPROVAL OF MINUTES**

1. January 25, 2024 Assembly Worksession with Legislative Delegation-Draft Minutes

**F. AGENDA TOPICS**

2. **Update of Visitor Industry Task Force Public Process** (verbal report by Visitor Industry Director Alexandra Pierce)

3. **Lease process for Huna Totem**

4. **'Aak'w Landing Update by Huna Totem Corporation**

5. **Mid-Year Update - In preparation for the Assembly Retreat**

**G. EXECUTIVE SESSION**

6. **Collective Bargaining**

Suggested motion: *I move the Assembly enter into executive session, to discuss matters, the immediate knowledge of which could have a detrimental effect on city finances, specifically, an update on collective bargaining.*

**H. STAFF REPORTS**

**I. NEXT MEETING DATE**

**J. SUPPLEMENTAL MATERIALS**

**K. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).

# ASSEMBLY WORKSESSION WITH JUNEAU LEGISLATIVE DELEGATION **DRAFT** MINUTES



January 25, 2024, at 7:00 AM

## Assembly Chambers/Zoom

*This is an Assembly Worksession being held in person in the Assembly Chambers. No Public Testimony will be taken. Members of the public may attend to listen/watch via Zoom at <https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691*

### A. CALL TO ORDER

Deputy Mayor Michelle Hale called the meeting to order at 7:16 a.m.

### B. LAND ACKNOWLEDGEMENT

Assemblymember Greg Smith provided the following land acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

### C. ROLL CALL

**Assemblymembers present:** Deputy Mayor Michelle Hale, Wade Bryson, Alicia Hughes-Skandijs (via Zoom), 'Wáahlaal Gidaag (via Zoom left at 8 a.m.), Christine Woll, Greg Smith, Ella Adkison, Paul Kelly (joined at 7:45 a.m. due to being snowed in.)

**Assemblymembers absent:** Mayor Beth Weldon

**Introduction of Special Guests:** Senator Jesse Kiehl introduced his staff members: John Geckerman, Kathy Schlingheyde, Aurora Hauke (not present), and (Assemblymember) Ella Adkison. Representative Sarah Hannan introduced her staff members: Jim Clarke and Hunter Meacham. Representative Andy Story introduced her staff members: Miranda Worl, and Joan Wilkerson. Also present at this meeting were U.S. Congressional Staffer Cara Hall, CBJ's Washington DC Lobbyists Katie Kachel and David Jansen, and Alaska Lobbyist Kevin Jardell.

**Staff Present:** City Manager Katie Koester, Deputy Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Finance Director Angie Flick, Engineering/Public Works (Eng/PW) Director Denise Koch, Port Director Carl Uchtyl, Bartlett Regional Hospital (BRH) CEO Ian Worden, BRH CFO Joe Wanner, Library Director Catherine Melville, Community Development Department Director Jill Lawhorn, Lands Manager Dan Bleidorn, Tourism Manager Alexandra Pierce, Eng/PW Grants Manager Ashley Heimbigner, Juneau School District (JSD) Superintendent Frank Hauser

### D. MANAGER'S REQUEST FOR AGENDA CHANGES/APPROVAL OF AGENDA – None.

### E. AGENDA TOPICS

During introductions, the City Manager and Legislative Delegation introduced each of their staff members who were present. Due to the late legislative meetings of the previous evening, as well as poor road conditions due to snow, some staff members were not able to join the meeting. Representative Story extended her thanks to the Eng/PW Streets team for all their hard work in plowing the roads. She shared they had heard a speech on the floor of the House by Representative Raucher commending Juneau for the good job they have done in keeping the roads and sidewalks cleared of snow and providing safe conditions for the community. Senator Kiehl echoed the thanks he has heard from a wide variety of members of the legislature, staff, and others visiting Juneau on what a great job the Eng/PW Streets crew is doing with snow removal. It reflects very well on Juneau as the Capital City.

#### 1. Updates from Senator Jesse Kiehl and Representatives Andi Story and Sara Hannan

Senator Kiehl provided an overview of the state budget and how the numbers look going into the legislative session. He said when it comes to the governor's budget proposal that he submitted in December, the legislature is still waiting for some key pieces to come from the governor. He has until February 15 to get those amendments to the legislature. He said that in broad strokes, it looks like a flat budget, especially with respect to service delivery. There are no significant new programs proposed, nor major cuts proposed. He said there are several things the legislature will be looking at carefully. He gave an example of the former Senior Longevity Bonus, now known as the Needs-Tested Senior Benefits program, which is due to sunset this year.

Senator Kiehl noted that overall, they will be looking at a \$4.6B operating budget when they are talking about general funds. The governor's capital budget is looking to be around \$305M general funds which, when supplemented by federal dollars, will be approximately \$3.5B total. He mentioned that they do have some money in savings with the Constitutional Budget Reserve (CBR), which is sitting at approximately \$2.7B and is the one buffer they have without needing to dip into the permanent fund, to be able to counteract any problems with oil prices or other investment earnings. He noted permanent fund investment earnings that can be spent is the largest source of state revenue. He said it would really help if they were able to have a solid, sustainable budget plan, but he doesn't anticipate that will pass this year.

Senator Kiehl spoke to recent major oil projects that are being developed such as the Willow and Pica projects. These will likely result in increased revenues in the next five to six years.

Senator Kiehl shared that a long-term priority of his, as well as the Assembly, is to restore a public servants' defined benefits pension. He said that a defined benefits pension bill was moved out of the Senate Finance Committee yesterday and it will be headed to the Senate floor in the next week or two, which is tremendous progress. He said that he has set his own bill on the back burner and is supporting his colleague, Kathy Gissel's, pension bill just so that something can get passed.

Ms. Hale asked, as a beneficiary of a good pension plan now, what is the best way for us to advocate for a better pension plan.

Senator Kiehl listed a variety of options for providing public comment on the legislation including tracking the bill via the AKLEG.gov bill tracking management system, sending emails, writing letters, and that local governing bodies can send resolutions in support of the legislation.

Representative Hannan then provided updates about the education funding path. She noted that the pace has been very fast and last Thursday there was a joint session with three days of continued negotiations to try to override the governor's veto of the BSA education funding bill. Unfortunately, they were not successful in overriding the veto. She said the effort to increase the BSA has accelerated the pace at which the legislature is dealing with things. She noted there had been arguments and legal opinions on the state constitution use of the directive "shall" language and that may have been precedent setting. She said that has added to the pressure to take up SB140, which provides internet for schools. Last spring the House added additional items into SB140 including transportation for schools, BSA, and some others. That didn't happen and that bill didn't make it to the floor. Representative Hannan said last Saturday there were six hours of public testimony on the bill in the Rules Committee. That is a first for the Rules Committee to take substantive policy hearing on a bill; typically, they haven't done testimony as they are generally just scheduling things. She noted that the Rules Committee Chair and Speaker of the House are running things a little differently than in the past. She is anticipating the floor discussion and amendments to the bill may go all day tomorrow when the bill comes back to the floor for the second reading.

Representative Hannah said with respect to the overall budget and how it impacts local governments, they received overviews this week with Revenue, Office of Management & Budget (OMB), and Legislative Finance. It was pointed out that the Governor put the community revenue sharing back into the budget this year even though he had vetoed it last year. She said the amount in the governor's proposed budget is only \$20M rather than the \$30M that had previously been vetoed. She said that the governor's budget includes school maintenance

but only for one project a year in the amount of \$4M. While it is nowhere sufficient in many of their estimations, this is a step forward because at least these are in the Governor's budget.

Representative Story said her update will provide more details to Representative Hannan's update. Currently with respect to education funding, the Base Student Allocation (BSA) is \$300 BSA permanent reoccurring amount in the omnibus bill which is about \$2.4M per jurisdiction. There is a separate bill that came out of the Senate at \$1000 BSA that would mean \$8M for Juneau. The Alaska Association of School Boards and the Municipality of Anchorage are asking for \$1400 BSA. Schools are in crisis across the state. If this were just Juneau in a unique situation, that would be one thing, but the state has been flat funding education for 8 years and it is impacting jurisdictions statewide. Many people are concerned about the test scores based on National standards. While that is one measure that we can take seriously, there are many other measures that indicate positive trends. After COVID it is great to see most everyone back at school and we know that remote learning, especially for our younger elementary students, doesn't work as effectively. Representative Story said that we don't have enough teachers nationwide to meet the teacher shortage and for recruitment, we need to be able to say that funding is stable and not constantly being cut. Their caucuses in the House and Senate are working hard to make a significant increase in the BSA. She said the funding and other education bills will be ones to watch closely during this session.

Representative Story then expressed her appreciation to community members and the Assembly for their response to the Mendenhall River Flooding event this past year. The legislature is looking at some legislation to increase the amount for disaster assistance. It hasn't been increased for a long time and they are also looking at adding in condominium association homeowners to fall within those guidelines.

Representative Story then spoke to a bill she has sponsored and is carrying related to the Alaska post-secondary education and the university system which proposes an increase to the amount of money per student as well as increases to technology infrastructure and eliminates the SAT/ACT testing requirements. She noted that Senator Dunbar has introduced a companion bill on the Senate side. There is scholarship money set aside but right now they don't have enough students who are signing up for it. She said the timeline for scholarship awards and notifications are being moved up to help students in making their post-secondary education decisions. The House Education Committee put incentives that would award those students in the second tier, a higher tier award if they improve their GPAs because the University of Alaska (UA) system needs Alaska students to stay in Alaska. She noted that another bill is moving through the House for UA maintenance funding, and they have been fighting for more University of Alaska Southeast (UAS) maintenance projects to be done.

Deputy Mayor Hale noted that Assemblymember Paul Kelly was able to join the meeting at 7:45 a.m. after having been snowed into his home this morning.

Deputy Mayor Hale then provided an opportunity for the Assembly to ask questions of the legislators. Questions were primarily related to the way the BSA is calculated and how school funding overall is determined.

## **2. Update from CBJ State Lobbyist Kevin Jardell**

Kevin Jardell reported they are pretty much in the same place where they were last year. He said the Permanent Fund Dividend (PFD) amount is going to drive a lot of the pressure on how much the capital budget could expand during the upcoming session. How much money is going to be used for the PFD will impact what additional things can be funded in the capital budget. Right now, if they go with the statutory dividend, there would be about a \$1B deficit. If they go with the \$1300 dividend, which is what it was this past year, it will go to roughly a \$1B surplus. There is still, as Senator Kiehl pointed out, some amendments to the governor's budget that will be coming such as Medicaid funding as well as others that have yet to come in. He noted somewhere between those numbers, the legislature will eventually settle on a final budget. He said right now, a lot of the focus in the building is on the rail belt, which will be dealing with potential energy shortages in the near term. Education is running parallel with that. He said we'll see, starting tomorrow, where the House comes out. He said the Senate and House will need to negotiate that with the Governor. He expects some increase to the BSA will eventually pass. He also noted how the population and demographics across the state and workforce shortages will be significant issues for Juneau, especially regarding state employment in Juneau. There are not a lot of solutions but the vacancy rate across the

state has been recognized as a growing concern. Mr. Jardell said he will be pushing the items in the packet that were received from Manager Koester but right now, the state budget is flat funded.

Mr. Smith asked if there was a pathway towards the city obtaining the 2<sup>nd</sup> & Gold parking lot. Mr. Jardell said he and the mayor have been engaged with the Department of Natural Resources (DNR) Commissioner about that. Mr. Jardell said he thinks there is a possibility of that. The State has not indicated an interest in developing that site to its fullest capability, so he believes it is a possibility.

### **3. Update from CBJ DC Lobbyists Katie Kachel and Dave Jansen**

Ms. Katie Kachel said they arrived in Juneau safely Tuesday night, on time and she expressed her appreciation of all the snow removal efforts.

Ms. Kachel said Congress is in its second session. She said all the Juneau-related bills are aligned but it is a matter of getting them across the finish line. She noted the items in the Senate called Congressional Directed Spending (CDS) are known in the House as Community Project Funding and are often referred to as earmarks. She noted Juneau has a number of items in appropriation bills but also policy bills such as a bill directing the US Army Corps of Engineers about the wave attenuator and another bill reauthorizing programs in the FAA. She said the pending items in those bills and the passage of those are subject to bigger issues that are part of the negotiations. She said in D.C. there are impacts to bills based on various strategies going forward and while the saying is “hurry up and wait” they have to prepare for the next budget cycle while the negotiations are taking place and waiting for the current cycle to be complete. It depends on whether Congress gets its act together or if they will need to reintroduce at the next Congress. She then set out the next timelines of budget adoption. They will be closely watching the continuation resolution on the budget for the March 1 deadline. Congress has bifurcated the bills/deadlines so with the March 1 deadline, they are watching the Auke Bay wave attenuator. The next deadline of March 8, they will be watching the other two Juneau projects, BRH and police radios. She said she is hoping if Congress is able to agree on the March 1 deadline, they may also be able to agree on the March 8 deadline items as well. She said with respect to CFY24, there is an agreement on top overall numbers, and it will be up to the subcommittees to determine the outcome of each of the specific Juneau projects.

Deputy Mayor Hale noted that ‘Wáahlaal Gidaag had to leave at 8 a.m. to attend another meeting.

Mr. Dave Jansen spoke about the acquisition of an ice breaker by the USCG. He said there was a CFY23 appropriation to the Department of Homeland Security (DHS) of \$120M for the purchase of an icebreaker but after that, the money disappeared, and they did not receive it. The USCG is still behind the project and has asked for \$140M for the CFY24 Budget. The USCG has first right of refusal authority to obtain the National Oceanic and Atmospheric Administration (NOAA) property/pier in Juneau. NOAA knows that this is going to be an agency-to-agency transfer of the NOAA property. When Admiral Fagen, USCG Commandant, testified to Congress last year, she stated strong support for the USCG to have an icebreaker up here. Mr. Jansen said that was recently followed up by Senators Sullivan and Murkowski sending letters of support for it. He said additional good news is the Alaska Congressional delegation is fully supportive of capital acquisition for the NOAA pier in Juneau. He said the catch right now is that the USCG wants to obtain the asset prior to developing the overall plan. He said that the timelines Katie mentioned with respect to appropriation bills will determine the timeline on how quickly the USCG can act on this matter to begin the capital planning.

Mr. Jansen said with respect to the Auke Bay wave attenuator, they were successful in getting language in last year’s Water Resources Development Act which authorized a study for the feasibility of that project. That doesn’t come with funding but it is a precursor that is necessary before the USACE can begin the study. He said they are trying to work with the appropriators to get that money included in the appropriation budget as a CDS earmark so the feasibility study could go forward with a federal match. He has heard nothing but positive remarks, but it remains to be seen with the current budget impasse on what the USACE receives in the final budget.

Ms. Kachel noted that another project is pending passage of an appropriations bill, which is a CDS earmark item for the Airport that would allow money for FAA lighting equipment. If passed, it would allow Juneau International

Airport to use federal lighting equipment. That bill is pending in the House version of the FAA bill. She said it is a must pass bill but it has been held up due to larger issues related to the number of flights permitted at the Ronald Regan Airport in DC and on pilot training issues.

Ms. Kachel said there have been a number of federal grants they were able to successfully get across the finish line for Juneau. She gave kudos to the staff and grant teams that pulled those together and worked so hard to get them through. The biggest one was for the Juneau-Douglas North Crossing. That was one of the largest planning grants that was funded under RAISE. She said another successful grant last year was Safe Streets for All for the Lemon Creek neighborhood. She said they will be building on those federal grants this next year. She noted that the delay with the appropriation bills has put a damper on moving grants forward as it takes the passage of the appropriations bills in order to fund the projects. She said their team will be helping Juneau for the next round of grant applications, how to apply, and determine which will be most competitive.

Mr. Jansen said going back to the operating requirements, the agencies are faced with the current administration trying to get money out the door but then Congress is not passing the appropriation bills that will allow them to distribute the money. This has led to agencies trying to expedite the process and the upcoming budget cycle will see a compression of time in the next cycle's process. They are going to try to front load as much as they can with "skinny" notices of funding capabilities and then providing more robust documentation later on supporting those. He said the Department of Transportation (DOT) may take proposals for two fiscal years because they already have money that was approved through the bipartisan Infrastructure Law and the Inflation Reduction Act. He said that is money that has already been appropriated, plus any additional money that comes from what Congress ends up appropriating in CFY24. He said everyone will need to be alert for when notices of availability are sent out. He said it will be important for CBJ to have its priorities aligned and ready to apply when those opportunities come up. This will be a different year in that regard.

Assemblymembers, the lobbyists and the Juneau Legislative Delegation then discussed the various reasons for success of the projects that have made it over the finish line, as well as what they might be able to do to increase the chances of pending projects to make it through the system. A key piece of the success of these projects is due to the Alaskan Congressional delegation having key committee assignments and their support of the projects in the CDS bills. Another key piece is having alignment and cooperation between the state and local legislative and administrative entities pulling together for Alaskan/Juneau goals and projects.

Representative Story thanked Mr. Barr for his role with the Child Care Task Force and she noted the key role having childcare resources in Juneau plays in being able to bring an icebreaker to Juneau will be.

Mr. Smith noted once the legislative priority list is complete, the Assembly will be forwarding a resolution with those to the congressional and state delegations.

#### **4. Review of Legislative Capital Priorities**

Ms. Hale noted the draft list of Legislative Capital Priorities was included in the packet, and she asked Manager Koester to provide an overview with the understanding that the meeting has a hard stop of 8:45 a.m. due to legislators' schedules.

Manager Koester set out the process that has occurred so far and noted that these are scheduled for the Assembly Committee of the Whole (COW) meeting of January 29 with adoption scheduled for the Assembly meeting on February 5 in time for the February 16 CAPSIS deadline. The purpose of this list is not only to get the decision makers the resources they need to advocate for Juneau but also to give our community a better look at the bigger projects. She said the number one priority is Juneau-Douglas North Crossing and that the City was successful in getting the RAISE grant for that, which also requires local match for the federal funds. She said they still do not have a preferred alternative as that is part of the NEPA process. She noted the second priority is the Telephone Hill development will be one of the projects the Assembly will be discussing at the February 12 COW meeting. She asked members to give her or her staff a call if they have questions about specific projects or need more information. She highlighted that in addition to this being a list to provide to the state, they also pulled from

this list to send items to the Federal delegation. She noted that they can be looked at as having two different directions: 1) going to the state, and 2) going to the federal government but all coming from the same overall list.

Ms. Hale noted that while the priorities fall in a certain order on the list, what they have come to understand based on what may or may not get funded at the congressional level isn't the order of priority, but whether they are on the list in the first place. She asked Ms. Kachel if she could elaborate on those nuances.

Ms. Kachel said it isn't necessarily a numbers issue but we don't want two projects trying to pull funding from the same buckets during the same earmark cycle. If there are two competing projects, such as Fats, Oils, & Grease (FOG) and Composting, which would be coming from the same subcommittee's appropriations bill they would look to the priorities list to help determine which fiscal year earmark cycle they would be pushing each of those. She also gave the Lemon Creek Multi-Modal Path project as an example of one before the Transportation Committee which they would be pushing in a different earmark cycle than the Juneau-Douglas North Crossing project. Other projects she noted that could potentially be put into other earmark buckets included the Museum project, so long as it did not compete with the Capital Civic Center project. Also, in looking at the workforce housing item for the ski area, she said that sends up some possible red flags optically since it may not hold up well against a competing workforce housing project in an underserved area of Detroit for example. She noted that other projects that may run into similar challenges would be skate parks, parking garages unless they tie into other things such as underserved communities or park and ride situations. She said with respect to earmarks for school buildings she will need to check on that, but her understanding is there are no earmarks for school brick and mortar needs but rather only for programmatic issues.

Ms. Kachel and Mr. Jansen then spoke to the work that Congress has done to authorize funding for harbor rebuild projects in the last Defense reauthorization bill for 15% funding of port/harbor projects.

***[Clerk's Note: the Zoom connection rebooted at 8:36 a.m. and was reconnected at 8:40 a.m. Audio/video for the meeting was lost during that time.]***

Ms. Hale led the discussion with the legislative delegation and Assembly regarding the list of priorities and noted housing is the top priority for this Assembly, and they are working hard on all the issues related to that since it affects everything else on this list.

Senator Kiehl, Representative Story, and Representative Hannan reiterated their appreciation for the list as well as the close relationship they have with the CBJ Assembly and staff, and they look forward to working together on these issues.

Ms. Hale thanked everyone for attending and recognized and thanked Carra Hall for attending the meeting. Ms. Hall is the local staff representative for the Alaska Congressional delegation.

#### **G. SUPPLEMENTAL MATERIALS**

5. **RED FOLDER: FY2025 Legislative Priorities Memo**
6. **RED FOLDER: Summary of Assembly Member Scores: FY25 Draft Legislative Priorities Revised 1/24/24**
7. **RED FOLDER: FY25 CBJ Legislative Capital Priorities List (DRAFT)**

#### **H. ADJOURNMENT**

***Deputy Mayor Hale adjourned the meeting at 8:47 a.m.***



**MEMORANDUM**

**DATE:** November 26, 2024  
**TO:** Assembly Committee of the Whole  
**FROM:** Alexandra Pierce, Visitor Industry Director  
**SUBJECT:** Huna Totem Dock Public Process

**Purpose:**

Please review and provide feedback on the proposed public outreach schedule. Provide input the Assembly’s preferred conditions for the tidelands lease to help inform the public process and what is reasonable to expect out of the lessee.

**Background:**

On November 4, 2024, the Assembly Lands, Housing, and Economic Development Committee received a [presentation](#) regarding Huna Totem Corporation’s (HTC) proposed development of the Aak’w Landing site adjacent to the U.S. Coast Guard facility on Egan Drive. The more detailed version of this memo submitted to the LHED Committee describes the public process to date and the links therein provide access to all public comments received through CBJ-led public process since 2019. Assemblymembers are encouraged to review the feedback received to date, as it has informed the current iteration of the project and the public process.

**Tidelands Lease Process:**

The tidelands lease discussion is the Assembly’s opportunity to add conditions to the project and to ultimately approve or deny the development. There are two different tidelands leases required for a dock to be constructed. CBJ owns the tidelands directly adjacent to the waterfront. The state owns the adjoining tidelands and either party can apply to the Alaska Department of Natural Resources (AKDNR) for a tidelands lease. Typically, in these situations, CBJ applies to the state on behalf of the lessee and the lessee ultimately has one lease with CBJ. HTC has indicated a preference for this approach.

CBJ Tidelands application: Huna totem applied for a tidelands lease from CBJ on September 29,2022. It was heard by the Lands, Housing and Economic Development Committee in November 2022. This application did not move forward to other committees or to the full Assembly.

State Tidelands application: Following approval of the CUP, Director Uchtyl submitted an application for state tidelands to the Alaska Department of Natural Resources (AKDNR). Similar processes have taken up to four years for AKDNR to complete, regardless of the applicant (HTC or CBJ). AKDNR will require more information before issuing a lease, including meets and bounds and a clear indication that the CBJ Assembly has approved the project.

**CBJ Concerns:**



The Planning Commission approved a Conditional Use Permit for the site in August 2023 (a subsequent appeal was unsuccessful). The discussion at the Planning Commission centered around overall approval or denial of the project and a number of the comments submitted by CBJ departments (Docks & Harbors, Parks & Rec, and Tourism) were not addressed. These items are detailed in the attached spreadsheet. Huna Totem has submitted a letter (attached) describing how they will be resolved. By resolving these minor considerations at this stage, staff can avoid including them in the lease.

It is in the best interest of CBJ to keep the lease as concise as possible. This process is unique in that City leases are not typically used to address a complicated mix of policy and operational concerns. The outcome of the public process should be an agreement with HTC on the lease provisions and amenities that the Assembly and community need to ensure that the project, if approved, mitigates community concerns and maximizes community benefit within the realistic constraints of the development to the greatest extent possible. This final agreement will then be put to a vote of the Assembly to approve or deny the lease.

#### **Other Agency Approvals needed:**

The Aak'w Landing project is subject to review and approval from the following agencies:

- Alaska Department of Transportation and Public Facilities: Traffic Impact Analysis
- Alaska Department of Environmental Conservation: Clean Water Act section 401 certification
- US Army Corps of Engineers: Coordination with federal agencies including USCG and NMFS

Huna Totem is also coordinating with adjacent property owners, including the United States Coast Guard, concerning facility design, construction, and operations to ensure compatible operations and navigability.

CBJ staff have requested more detail about the scope of these reviews in an effort to avoid overlapping requirements with other agencies.

#### **Proposed Public Process:**

The Assembly is aware of CBJ staff's ongoing efforts to reinvent public process to ensure that the broader community is both aware of and able to provide input on the decisions that impact residents. For this development, this needs to be balanced with staff time and recognition of the feedback received to date. Below is a proposed public process, the first step of which is currently before the body and informed by this memo:

Input from Assembly on process: Staff is seeking input from the Assembly on the process and initial feedback on the important elements of a potential subport development. Important elements could include, but are not limited to, the following:

- Criteria from [Visitor Industry Task Force](#)
- Seawalk connection
- Cultural center with year-round orientation
- Housing
- Meeting space
- Downtown passenger shuttle
- Public space
- Water access

The elements listed above have been discussed in public process to date.

Public survey: In an effort to gauge general public opinion, staff is including a question in CBJ's annual random sample public tourism survey about support for a fifth dock, as well as the elements that are most important to include in the development. Survey data will be available to inform the public meeting. This is a unique opportunity to gauge broader community perception beyond those who typically engage in CBJ public process. The survey will be presented to the Assembly at a COW or LHED meeting in the new year.

Public Meeting: Following the survey, CBJ staff will present the compile input from the Assembly and the results of a survey to be presented at an open house with additional opportunities for input. Following this meeting, staff would work with HTC to develop a draft set of lease criteria to be presented online prior to the Assembly listening session.

Second COW Review: Assembly discussion and public testimony at COW or special meeting to receive Assembly and public input on the proposed lease criteria before the final lease is submitted to the Assembly for a decision.

Final Lease submitted to Assembly for adoption: This is the Assembly's ultimate approval or denial of the lease.

**Recommended Action:**

Direct staff to initiate a CBJ-led public process for a tidelands lease with HTC.

ROW	Comment	Department/Agency	CUP Condition	NOD Language	Notes
2	Clarify long-term for non-ship side of cruise ship dock	CBJ - Tourism	yes	The dock is limited to one large cruise ship (750 feet or more in length or 950 or more passengers) each 24 hour period beginning at midnight.	Need to include in lease that dock shall only accommodate one large ship per day - need to revise NOD language stating that a second small ship allowed
3	Projections for passenger numbers and sizes (pax capacity) for facility per season	CBJ - Tourism	no	n/a	Pax capacity must fit within negotiated agreements between CBJ and cruise lines
4	Annual passenger volume projections for the next 5-10 years	CBJ - Tourism	no	n/a	Pax capacity must fit within negotiated agreements between CBJ and cruise lines
5	No hot berthing	CBJ - Tourism	yes	The dock will not accommodate hot berthing	Resolved - may include in lease
6	No lightering	CBJ - Tourism	yes	The dock will not accommodate lightering from a cruise ship at anchor if that ship is more than 750 feet in length or accommodates more than 950 passengers at full capacity.	Need to include in lease that dock shall not accommodate lightering under any circumstances except in emergency situation.
7	Clarify plans for shore power	CBJ - Tourism	yes	The dock owner will, at their own expense, provide shore power within 24 months after an appropriately sized power line is within 25 feet of the property line. When shore power is provided, large ships using the dock will be required to use shore power instead of ship power.	Unclear on what the applicant suggests for shore power - is it the applicant's intent to pay for power to the property? Or is it the intent that another party pay to install shore power? There are no municipal or AEL&P plans to extend power infrastructure or shore power to this area. Important that the Assembly clearly understands issues and plans associated with shore power before making a decision
8	Clarify who would pay for seawalk extension within the property boundary	CBJ - Tourism	yes	The minimum width of the Applicant-constructed seawalk on the south side of the lot will be 16 feet wide. The minimum width of the Applicant-constructed seawalk on the west side of the lot will be 20 feet.	Seawalk within property boundaries may be included in lease as well as CUP.
9	Clarify who would pay for seawalk extension outside the property boundary (Gold Creek connection)	CBJ - Tourism	no	n/a	Potential lease condition.
10	Provide renderings that show pedestrian flow - how will passengers be directed in case of an emergency	CBJ - Tourism	no	n/a	The applicant states that "The Gangway and Welcome Center building will direct the flow of passengers around the southeast corner of the Plaza. The flow will be efficient and clear, but will not directly lead to an exit, providing a large amount of retail frontage and opportunities." This statement contradicts itself and suggests that the development is designed to keep passengers on site.
11	Will AVISTA dock be removed or left in place. Who is responsible for removal?	CBJ - Tourism	no	n/a	Need more information - removal could be lease condition
12	Clarify diagonal parking on Whittier Street and other offsite improvements	CBJ - Tourism	no	n/a	USCG also expressed concern
13	TIA indicates 30% of vehicles exiting the site will come towards town, review for accuracy - there are currently only 2 tours that would necessitate buses to travel through town	CBJ - Tourism	no	n/a	The TIA does not reflect typical cruise visitor traffic patterns
14	TIA indicated 10% of vehicles exiting the site will go directly across Egan (towards Museum) please clarify plans	CBJ - Tourism	no	n/a	The TIA does not reflect typical cruise visitor traffic patterns

ROW	Comment	Department/Agency	CUP Condition	NOD Language	Notes
15	TIA estimates 10-15 buses per hour. This seems contradictory to typical cruise ship operations. For example, the Norwegian Bliss has about 85 vehicle (55-65 bus) departures in the hour after docking, and traffic slows until just before departure. A smaller ship like the Norwegian Jewel has closer to 65 vehicle departures. Please clarify plans for spikes in vehicle activity and how vehicle volume will be managed.	CBJ - Tourism	no	n/a	The TIA does not reflect typical cruise visitor traffic patterns
16	TIA suggests longer light times at 10th and Egan. The applicant is encouraged to consider community needs and rush hour congestion on the bridge in making this recommendation.	CBJ - Tourism	no	n/a	The TIA does not reflect typical cruise visitor traffic patterns
17	TIA suggests that 600 pedestrians will walk off the site per hour via Egan Drive. Please clarify whether pedestrian volumes at peak times (arrival/departure) have been analyzed.	CBJ - Tourism	no	n/a	The TIA does not reflect typical cruise visitor traffic patterns
18	Does the applicant plan to provide a shuttle or rely on a future CBJ circulator? The Assembly has elected not to pursue a circulator at this time. CBJ has not supplied data on the timing or trips per hour of a future circulator, however the TIA discusses a municipally operated circulator that operates on a 15-minute interval. If a shuttle is planned, please clarify the number of buses and trips anticipated. For reference, the AJ Dock has up to six buses operating on a continuous loop. It is unlikely that a municipal circulator, if implemented, would be able to handle this volume.	CBJ - Tourism	no	n/a	Need to include a dock shuttle in the lease
19	Provide more information on managing offsite impacts with and without a passenger shuttle	CBJ - Tourism	no	n/a	insufficient information about offsite impacts
20	Request to know the city's setback requirements on a public road. For example Whittier Street has USCG Station Juneau and "Future Retail Store Front Parking with Bus traffic using the same road. A concern I have is, if parking is allowed on the side of Whittier Street will buses be able to move safely in the same area?	USCG	no	n/a	Clarify with USCG

ROW	Comment	Department/Agency	CUP Condition	NOD Language	Notes
21	As a condition of this permit and consistent with the Long Range Waterfront Plan, the Parks & Recreation Department recommends that the Applicant be required to construct and grant a permanent easement to CBJ for a public Seawalk through the proposed development. The Seawalk shall be a minimum of 20 feet wide without obstructions for pedestrian flow, as this is the minimum width necessary to accommodate pedestrian traffic resulting from increased numbers of visitors. The applicant should be required to include CBJ in the design process for the Seawalk and required to obtain design approval from CBJ prior to construction. Upon completion of the Seawalk and easement, the permit should be clear that the Seawalk will be managed and maintained by CBJ Parks & Recreation.	CBJ- Parks & Rec	yes	The minimum width of the Applicant-constructed seawalk on the south side of the lot will be 16 feet wide. The minimum width of the Applicant-constructed seawalk on the west side of the lot will be 20 feet. Before TCO for any phase or element of the project, the Applicant will record an easement for CBJ maintenance and management of the seawalk. The easement will be at least 16 feet wide on the south side of the lot and 20 feet wide on the west side of the lot. The easement will be comperable to such easements in place for other dock owners.	Seawalk within property boundaries may be included in lease as well as CUP.
22	The Applicant proposes several "parks, " including a 1.14-acre landscaped park and performance area, a 0.68-acre public plaza, and a 0.48-acre public area. These areas are intended "for year-round activities." While these parks will be constructed, owned, managed, and maintained by Huna Totem, the permit should require that public access to these areas be maintained consistent with other public parks in Juneau.	CBJ- Parks & Rec	yes	The applicant will maintain and operate paths, parks, landscaping, and other amenities (other than the seawalk) for year-round use	Public park access and maintenance may be included in lease as well as CUP
23	As a condition of the permit, the Applicant should be solely responsible for maintenance and operation of all paths, parks, landscaping, and other public amenities, except that portion of the Seawalk which passes through or adjacent to the development. This point is critical: In the past, CU permits for large developments have required public amenities but remained silent on who is responsible for maintenance. This leads to confusion, poor maintenance, and ultimately incurs significant costs to CBJ years or decades later.	CBJ- Parks & Rec	yes	The applicant will maintain and operate paths, parks, landscaping, and other amenities (other than the seawalk) for year-round use	CBJ should not be responsible for park maintenance
24	Please advise of: The locaton of your mooring dolphin. The depth and width of area you'd need to operate effectvely at your dock.	USCG	no	n/a	Clarify with USCG whether this has been resolved

ROW	Comment	Department/Agency	CUP Condition	NOD Language	Notes
25	Right of Way: Per 17 AAC 10.060 the developers will be required to submit an application for an approach road permit as the proposed development significantly changes the current land use of the subject property and traffic flow into the established DOT&PF facility, specifically at the Egan/Whittier intersection. As part of the permitting process, the Department will build a memorandum of agreement with the developer to address any and all mitigation measures needed to alleviate traffic flow issues that may arise from the subject properties change of use. At this time, the subject Traffic Impact Analysis is preliminary and will be modified to address potential traffic flow mitigation measures as they are identified.	DOT	no	n/a	Clarify that this has been resolved between applicant and DOT
26	Docks & Harbors requests a navigability study be conducted to ensure the alignment of the proposed HTC dock does not impede access to the AS/CT Docks or to the USCG/NOAA Docks. The study should also evaluate any unreasonable impact to larger vessels (i.e. fuel/material barges) transiting Gastineau Channel under the bridge. The AJT Dock (former Standard Oil Dock) also should be addressed as the proposed HTC appears to block reasonable access to this derelict pier which is legally on patented private tidelands.	CBJ - Docks & Harbors	yes	Prior to issuance of a building permit, the Applicant must provide a navigability study that includes explicit consideration of access impacts to: - Alaska Steamship Dock - Cruise Ship Terminal - USCG/NOAA Docks - Large traffic, such as material or fuel barges, transiting Gastineau Channel under the bridge - The AJ Dock - Aircraft using the area for landing and taxiing to the float plane docks	This study needs to happen early in the process. Need clarity on who reviews and approves the study and Docks & Harbors' level of input.
27	Docks & Harbors recommends that Wings and FAA be consulted to ensure access, landing and taxiing to the float plane docks are not unduly restricted.	CBJ - Docks & Harbors	yes	Prior to issuance of a building permit, the Applicant must provide a navigability study that includes explicit consideration of access impacts to: - Alaska Steamship Dock - Cruise Ship Terminal - USCG/NOAA Docks - Large traffic, such as material or fuel barges, transiting Gastineau Channel under the bridge - The AJ Dock - Aircraft using the area for landing and taxiing to the float plane docks	Need confirmation that this will be resolved
28	Docks & Harbors, on behalf of CBJ requests as a condition of the permit, the ability to petition the State of Alaska (DNR) for state submerged tidelands to be conveyed to CBJ in accordance with AS 38.05.820 (Occupied Tide and Submerged Land) necessary for the HTC dock construction.	CBJ - Docks & Harbors	no	n/a	Need confirmation that this will be resolved

ROW	Comment	Department/Agency	CUP Condition	NOD Language	Notes
29	Docks & Harbors recommends the CUP address dock electrification and expected commitment from HTC to achieve shore power (conceptual planning document, by date certain, anticipated financial investment, etc.).	CBJ - Docks & Harbors	no	n/a	Unclear on what the applicant suggests for shore power – is it the applicant’s intent to install shore power? Or is it the intent that another party pay to install shore power? There are no municipal or AEL&P plans to extend power infrastructure or shore power to this area. Important that the Assembly clearly understands issues and plans associated with shore power before making a decision
30	Docks & Harbors requests the applicant provide clarity to the finger floats shown in the renderings. What size of slips are proposed and how will these slips be utilized in the off-season.	CBJ - Docks & Harbors	no	n/a	Need confirmation that this will be resolved
31	Docks & Harbors requests to know if HTC will be providing navigation safety measures such as real time current monitoring and/or meteorological sensors.	CBJ - Docks & Harbors	no	n/a	Need confirmation that this will be resolved
32	Given a that very large cruise ships will be moored perpendicular to shore and in close proximity to the bride, request a hydraulic study be conducted to determine whether disruptions to the tidal flushing under the bridge or if siltation issues will be anticipated. Additionally, evaluate safety concerns to very large cruise ships mooring with current abeam in the proposed dock alignment.	CBJ - Docks & Harbors	no	n/a	Need confirmation that this will be resolved
33	An evaluation to view-shed impacts should be considered/addressed for both the dock (with vessel) as well as the proposed upland building.	CBJ - Docks & Harbors	no	n/a	Viewshed information would be helpful in public process



# HUNATOTEM

## CORPORATION

### Memorandum

**DATE:** November 21, 2024

**TO:** Alexandra Pierce, CBJ Visitor Industry Director

**FROM:** Susan Bell, Huna Totem Corporation

**RE:** Aak'w Landing Development

Thank you for summarizing questions and comments from CBJ departments and other agencies during the 2023 Planning Commission CUP process. We provided responses below, using the agency name and excel row to help organize comments.

#### **CBJ – Tourism**

2, 5, 6: Huna Totem will comply with the CUP concerning one large cruise ship per day, no hot berthing, and no lightering. The dock will accommodate other vessels (such as tour vessels, buoy tenders, NOAA vessels). In emergency situations, the dock may also be needed for cruise ships.

3, 4: Passenger capacity will align with negotiated agreements between CBJ and cruise lines. We anticipate the schedule to be reviewed by CBJ for all docks concurrently, as counts are cumulative.

7: The dock will be constructed with connections for shore power when available. We are in discussions with AEL&P to understand the logistics, cost, and timing for providing power at the dock. (See response 29, below.)

8: Huna Totem is responsible for seawalk construction adjacent to the property on the south and west sides of the development. As required by the CUP, we will record an easement for CBJ maintenance and management.

9: There are potential design and construction efficiencies if CBJ coordinates with Huna Totem on seawalk construction outside our property boundary for a Gold Creek connection funded by passenger fees.



10: Pedestrian exits and emergency traffic flow will be clearly identified in future, detailed architectural plans and plans will be reviewed by Community Development. Current drawings are at the conceptual design phase.

11. We are finalizing an MOU between Huna Totem and AJT Mining Properties, owner of the nearby dock. Huna Totem will remove the derelict dock as a service to the community, creating new and safer opportunities for the AJT site. The AJT dock is also included in the required navigability study, ensuring safe navigation if it remains in place. As such, we don't believe removal should be a lease condition.

12: The diagonal parking on Whittier Street has been removed from conceptual drawings.

13-14: The Traffic Impact Analysis (TIA) was updated with more detailed information from ADOT&PF on signal timing. We will submit the report when it is finalized by DOWL. The estimates for 30% of traffic heading west towards town and 10% of traffic heading north towards the State Museum are inclusive of pedestrian and vehicular traffic.

15: Following site development, TIA calculations reflect an additional 149 vehicles entering and 145 vehicles exiting the site during the morning peak hour. Afternoon peak hour calculations reflect 172 vehicles entering and 169 vehicles exiting. The predominant vehicle travel pattern is a right turn from Egan onto Whittier to enter the site and a left turn from Whittier onto Egan to exit. (See TIA Figure 4, page 18)

16: Updated analysis from DOWL no longer recommends longer light times at 10<sup>th</sup> and Egan, based on more detailed information from ADOT&PF on signal timing.

17: The TIA also includes an analysis of pedestrian operations with site development. TIA calculations estimate 431 pedestrians leaving the site and 439 entering the site during the morning peak hour. Afternoon peak hour calculations indicate 741 pedestrians leaving the site and 211 entering the site during the peak hour. (See TIA Table 11, page 13) For comparison, the maximum number of passengers counted returning to the *Norwegian Bliss* on a sunny day in June 2024 for a 2:00 pm ship departure was 505 per hour.

18-19: Huna Totem does not plan to operate a shuttle, nor rely on a CBJ-provided circulator. The distance from Aak'w Landing to shopping near Marine Park is identical to the distance from the South Franklin dock to shopping on Franklin Street near the Tram. In both instances, there also is shopping enroute. Passengers can cross the street safely at signalized intersections at Whittier, Willoughby, and Main Streets – and may choose to continue walking along the seawalk or Franklin Street towards the Tram. Pedestrian patterns will vary with the time of day, weather, and number of other ships in port.

## USCG

20: The diagonal parking on Whittier Street has been removed from conceptual drawings.

24: The specific location of the mooring dolphin and depth/width of the operating area will be addressed in the Lease Exhibits for CBJ and DNR and in the required Navigability Study. We are contracting with PND Engineers for both items.

## CBJ Parks & Rec

21: Huna Totem will comply with CUP requirements for seawalk width on the south and west side of the property and will record an easement for CBJ maintenance and management.

22-23: Huna Totem will comply with CUP requirements for year-round use and maintenance of parks, paths, landscaping, and other public amenities on the site.

## DOTPF

25: Huna Totem will work DOTPF to develop an MOA that addresses mitigation measures resulting from site development. The TIA is a first step in complying with state statutes.

## CBJ Docks & Harbors

26-27: Huna Totem contracted with PND Engineers for the required navigability study. It will specifically address existing docks, floatplane traffic, and large vessel traffic transiting the Channel and bridge. As noted in Row 11, Huna Totem is also developing an MOU with AJT Mining Properties and plans to remove the derelict dock to improve safety for residents and visitors.

28: Huna Totem supports CBJ's desire to have state submerged tidelands conveyed to CBJ, allowing lease funds to flow to CBJ.

29: Huna Totem intends to construct the dock with shore power capability. Acquisition of the transformer needed to energize the dock is expected to take at least two years.

30: The finger floats included in conceptual drawings showed commitment to the CUP condition of one large cruise ship/day. We will remove the fingers from conceptual drawings, as the dock will be constructed to accommodate other vessels.

31: We understand that other Juneau docks have incorporated navigation safety measures such as real time current monitoring or meteorological sensors. We can discuss with our contractors as the project shifts from conceptual design to construction.

32: Ships have anchored in the proposed dock location for many years without known issues. Juneau contractors have the expertise and equipment to perform this analysis if needed.

33: The upland development is within CBJ's height restrictions. We can provide additional renderings to illustrate views that incorporate the building, dock, and vessel.

# Aak'w Landing Tidelands Lease Process

Section F, Item 3.

Assembly COW, December 2, 2024



# Aak'w Landing Development:

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- Property Acquired by NCL in 2019
- Transferred to Huna Totem in 2022
- Long Range Waterfront Plan amended 2022
- CUP issued and appealed in 2023
- CUP appeal resolved in 2024

# Project Timeline:

Aak'w Landing Process		September	October	November	December	January	February	March	April
Planning / Permitting	LRWP Amendment	COMPLETE							
	Conditional Use Permit	COMPLETE							
Tidelands Issues	HTC Dock Proposal				HTC updates Assembly on project and design concerns	Public outreach on tidelands lease elements	Assembly listening session and discussion on project plans	First reading of tidelands lease	Second reading of tidelands lease
	State Tidelands	CBJ Applied to DNR for state tidelands lease	Comments received from DNR requesting more information						CBJ submits final comments DNR for state tidelands

# Potential Lease Conditions:

- Criteria from VITF
- Seawalk connection
- Cultural center with year-round orientation
- Housing
- Meeting space
- Downtown passenger shuttle
- Public space
- Water access



# Proposed Public Process:

1. **Public Survey** – Random sample survey currently underway
2. **Public Meeting** – Open house to present the project to the public with Assembly and survey feedback incorporated. Gather and incorporate public feedback.
3. **COW** – Presentation of final project proposal. Assembly's discretion whether to take public testimony.
4. **Public Hearing** – Public hearing to approve/deny the tidelands lease with approved conditions.





**HUNATOTEM**  
CORPORATION

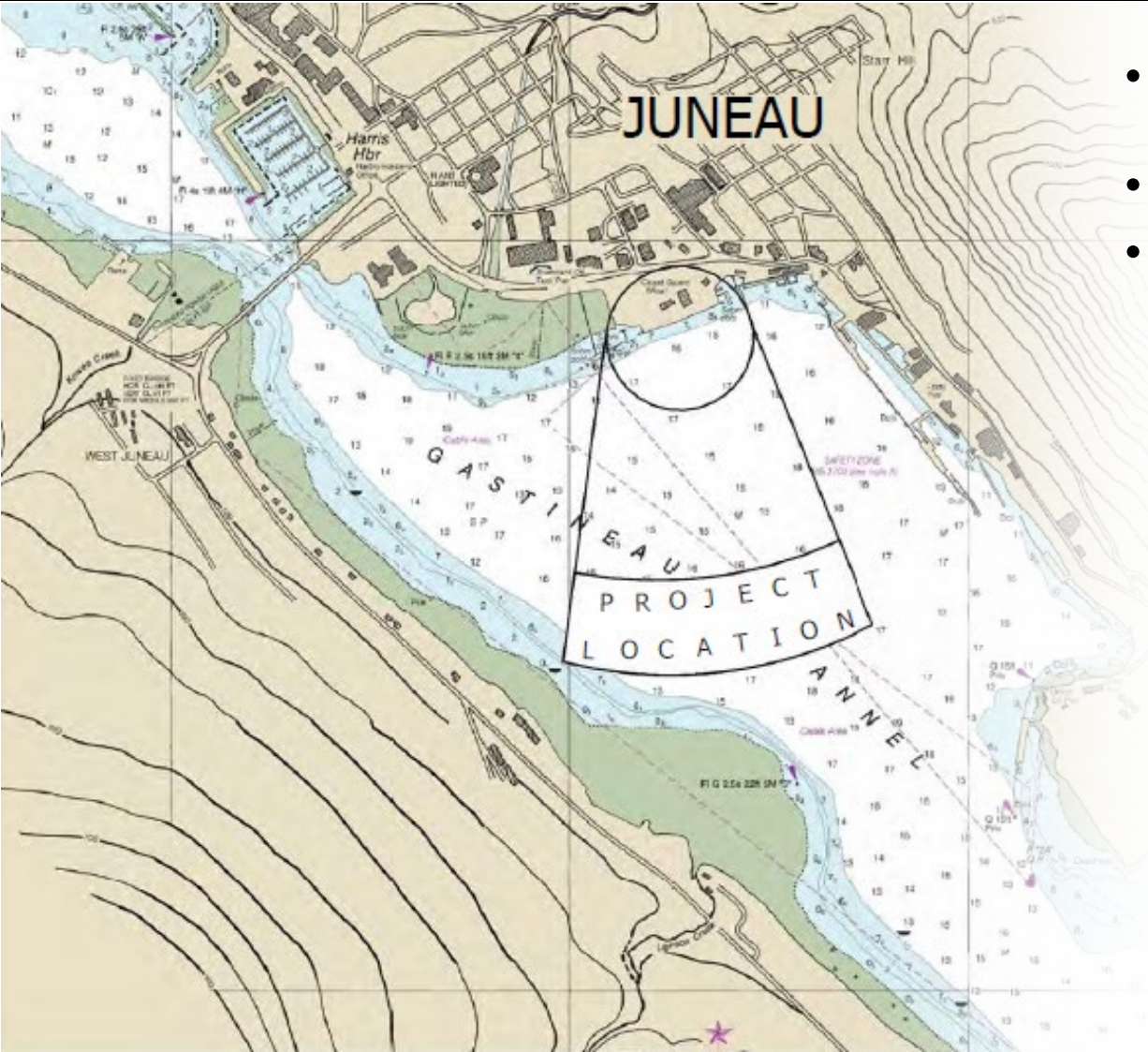
# Áak'w Landing Update

CBJ Committee of the Whole  
December 2, 2024

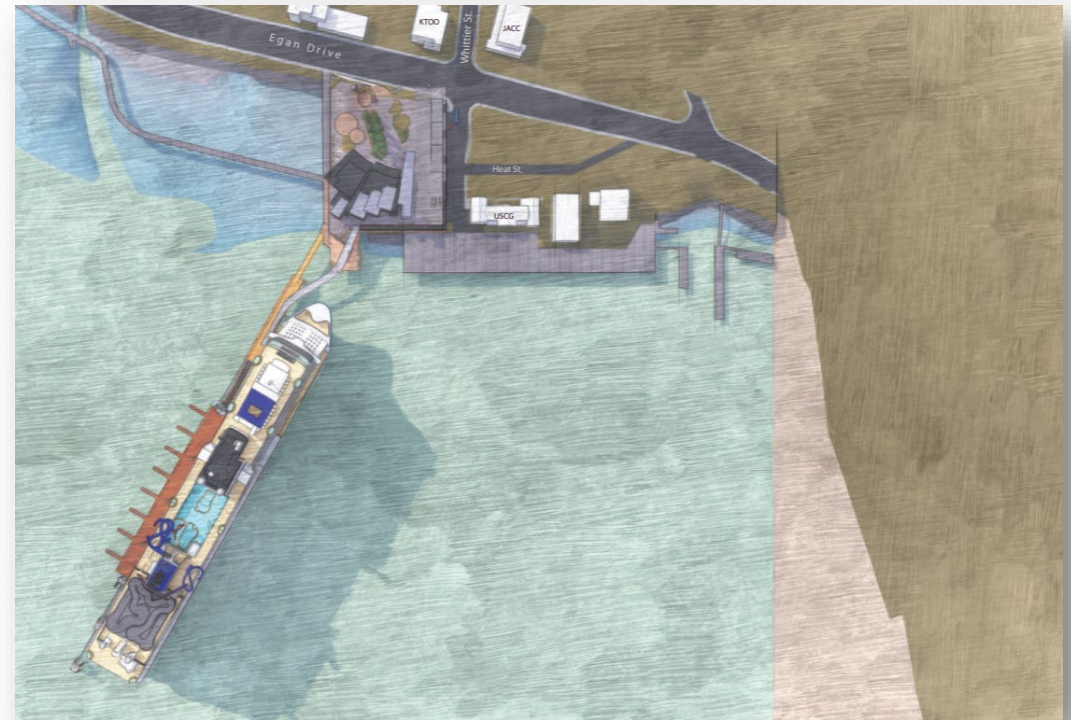




# Conceptual Design



- Welcome Center, retail, dining, public park, and underground parking
- Indigenous Knowledge, Science, and Cultural Center
- Floating dock

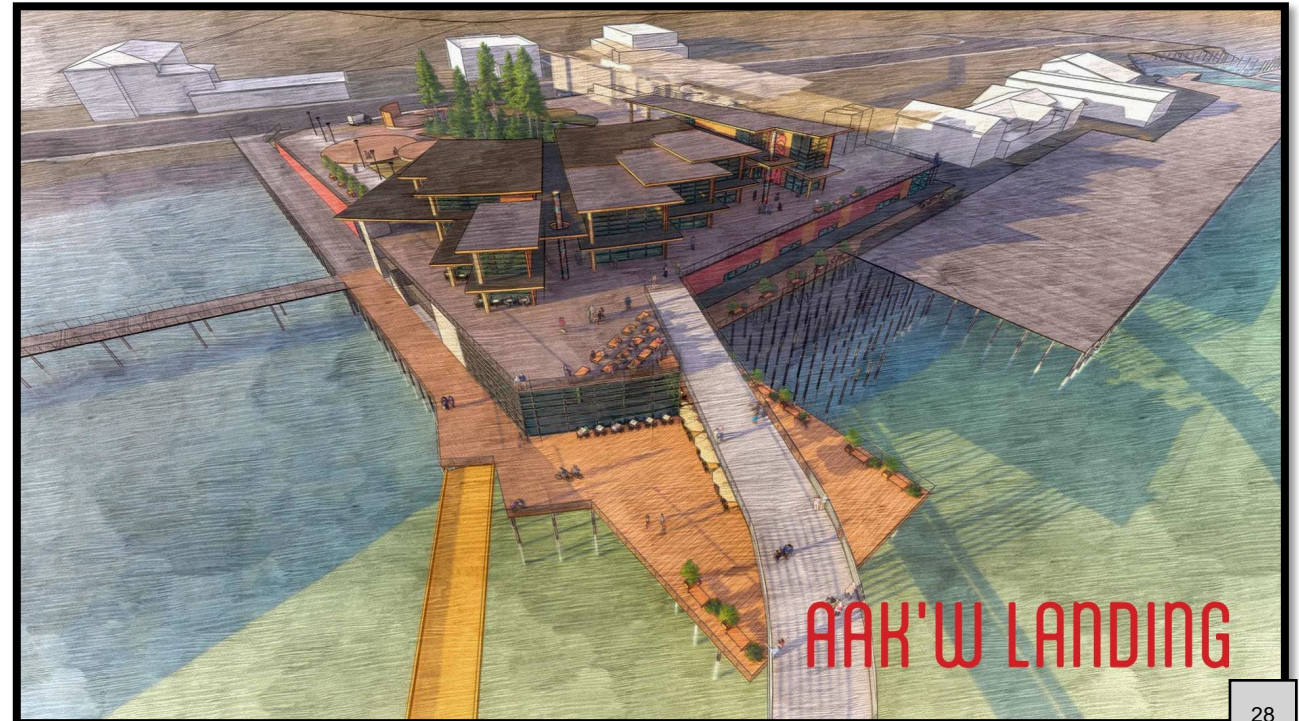






# Landmark Community Asset

- Engaging plaza and park in downtown Juneau
  - Distinctive visitor experience, incorporating Tlingit culture and scenic views
  - Year-round use by residents, regional neighbors, business travelers, and independent visitors
- Pedestrians flow easily through site, to tours, and into downtown
- Efficient and safe vehicle traffic
  - Vehicle access at Whittier Street
  - Underground parking





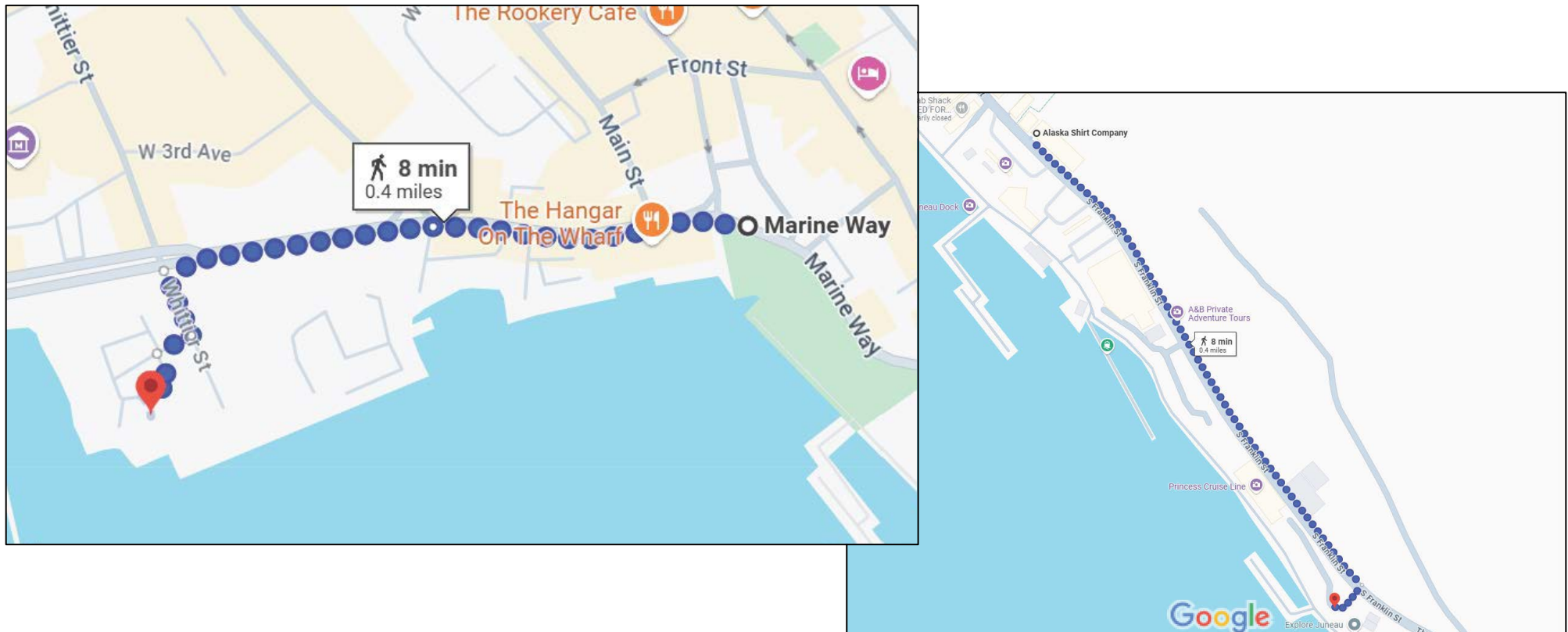
# Community Benefits

- Reduces downtown congestion
  - Removes thousands of buses from Marine Way and Franklin Street
  - Eliminates lightering to downtown docks
  - Expands Seawalk
  - Honors 5-ship limit
- Promotes environmental sustainability
  - Constructed with shore power capability
  - Reduces up to 40% of emissions compared to ships at anchor
  - Eliminates emissions from lightering vessels



# Pedestrian Access to Downtown

- Similar distance from Áak'w Landing and Franklin Street dock
- Shopping and attractions enroute







# Community Benefits cont.

- Enhances safety when ships are docked
  - Fewer passenger movements and accidents
  - Improves overall vessel safety
- Increases economic activity
  - Proximity encourages spending on shopping, dining, and attractions
  - Passengers spend more time and money when ships are docked





# Community Benefits cont.

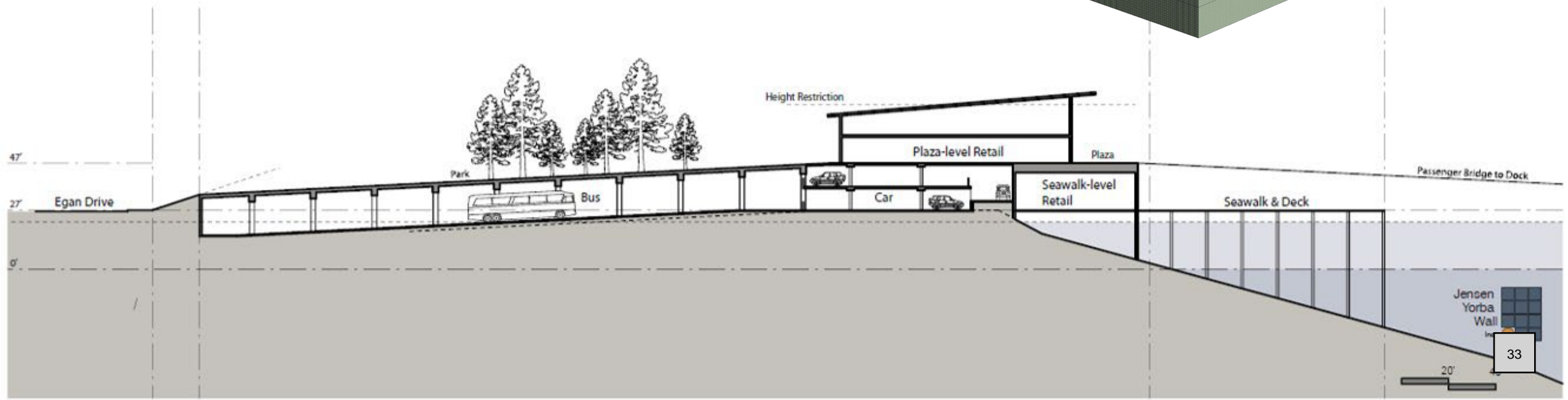
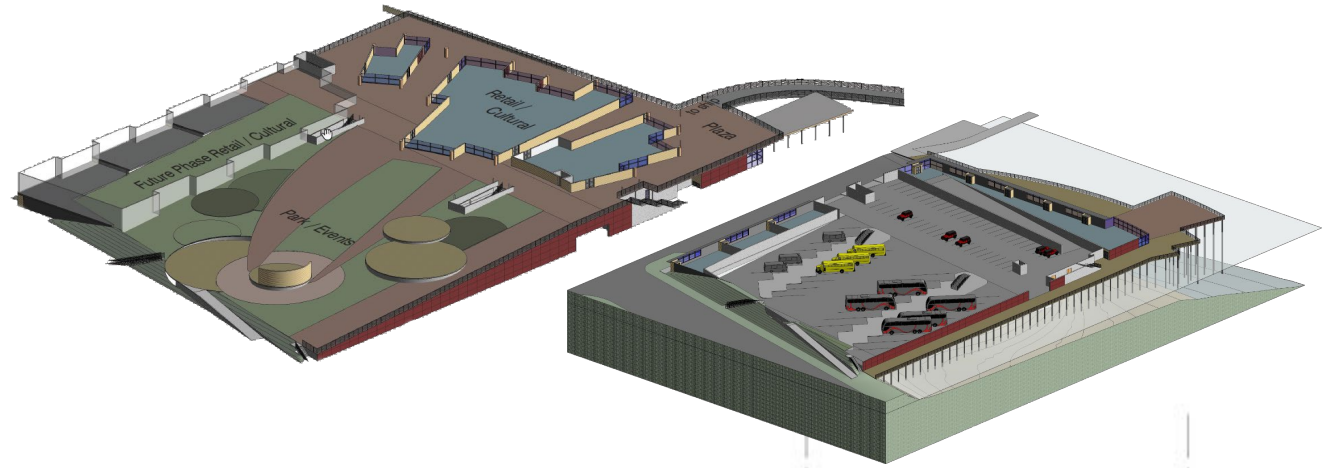
- Strengthens Juneau's cultural offerings
  - Indigenous Knowledge, Science, and Cultural Center
  - Tlingit culture featured throughout site
  - Complements cultural & event spaces
    - Alaska State Museum
    - Juneau Arts & Culture Center
    - Centennial Hall
    - Elizabeth Peratrovich Hall
    - Walter Soboleff Building
    - Sealaska Heritage Arts Campus
    - Tlingit & Haida Willoughby District





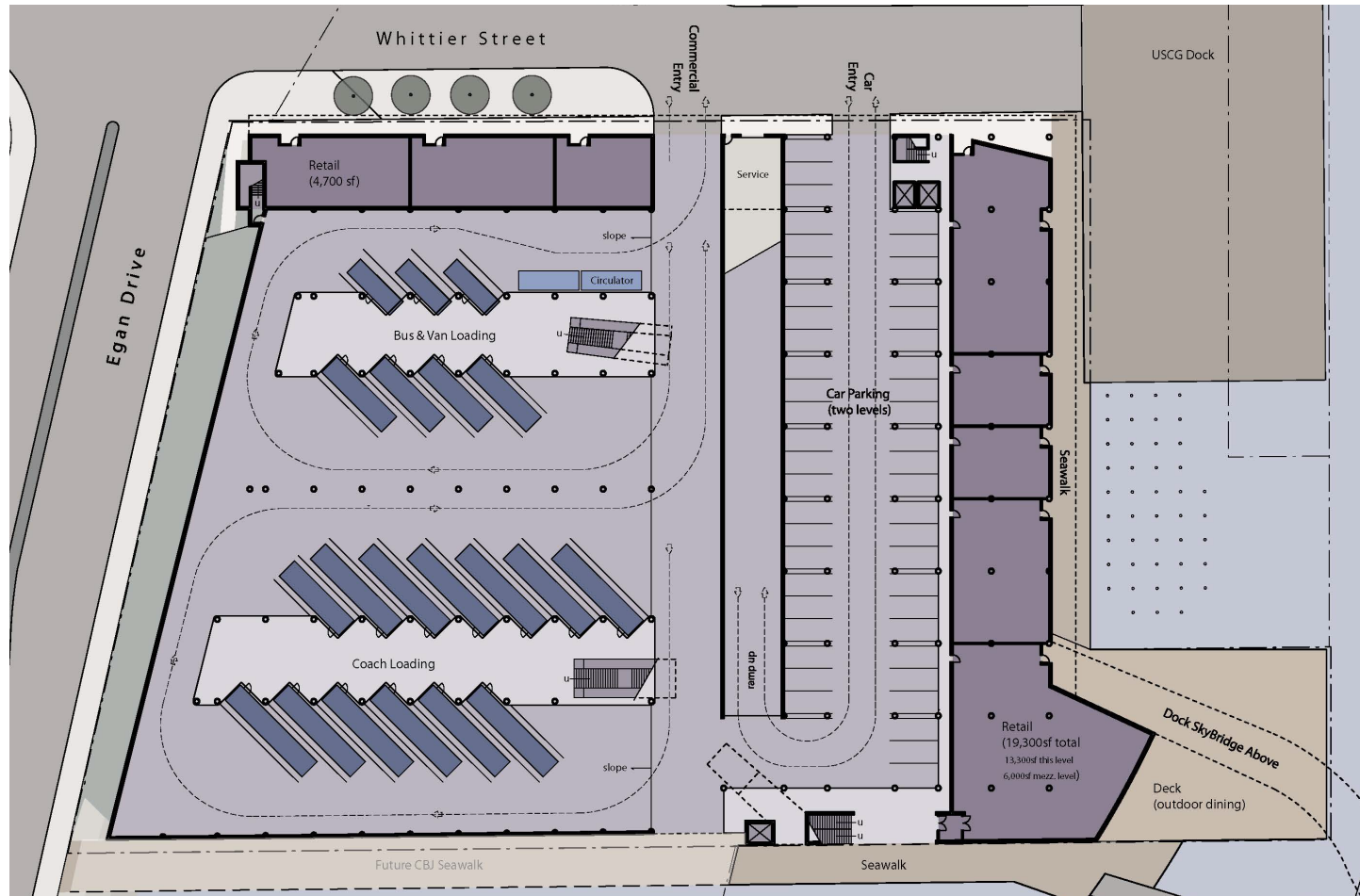


# Aerial and Side Views





# Underground Parking



- Two parking levels
  - 93 vehicle spaces
  - 24 bus spaces
- Emergency vehicle access

# Community Commitment





# Incorporating Public Input and Experience

- Norwegian Cruise Line purchased the property from Alaska Mental Health Trust Authority in a public auction (2019)
  - Series of meetings to capture public input
- NCL gave the property to Huna Totem (2022)
  - Entrusted Huna Totem with development
  - Continued gathering public input and working on conceptual design
- 20+ years of destination development
  - Icy Strait Point is Hoonah's largest employer and a catalyst for local business creation
  - Developments in Whittier and Klawock reflect community vision and needs



# Collaborative and Transparent Process

- Multiple layers of CBJ input
  - Visitor Industry Task Force recommendations
  - Planning Commission process and conditions
  - Department input including Tourism Manager, Docks & Harbors, Parks & Recreation, Community Development
  - Addresses priorities and issues in annual resident surveys
  - Honors CBJ MOAs with cruise lines
- Navigability Study
  - Ensures project is compatible with docks, floatplanes, and vessel traffic
- US Coast Guard
  - Compatible with adjacent property use and vessel operations



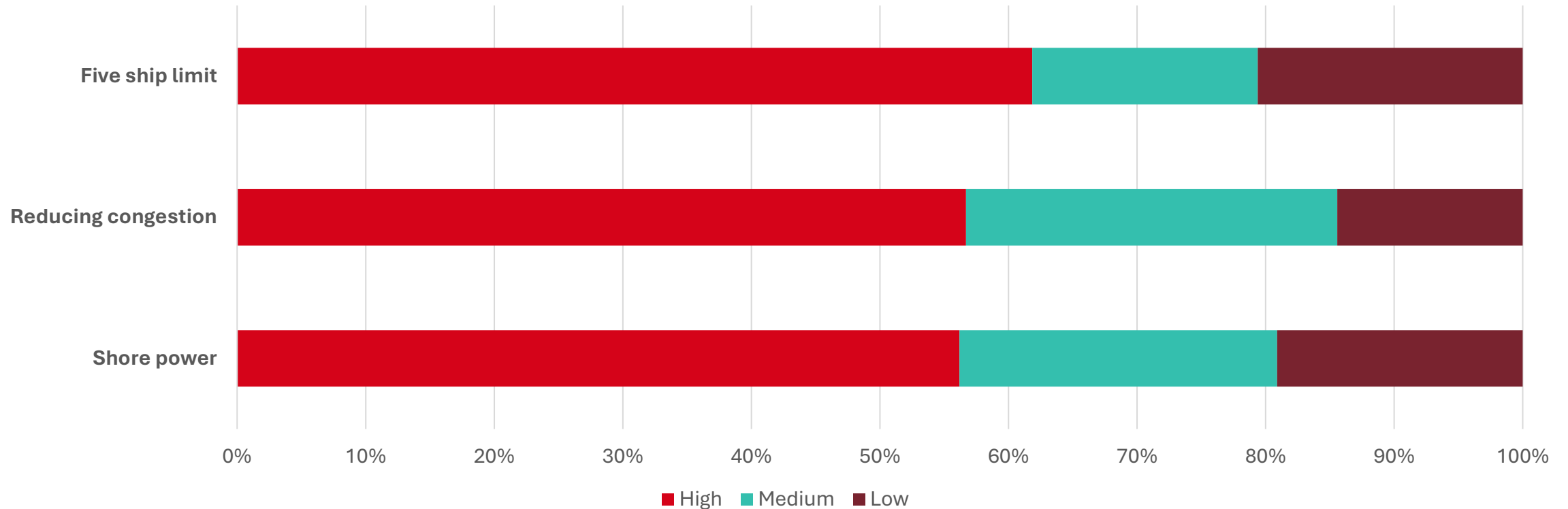
# Collaborative and Transparent Process cont.

- US Army Corps of Engineers
  - Coordination with federal agencies, including NMFS and USCG
- Alaska Department of Transportation
  - Traffic Impact Analysis
- Alaska Department of Natural Resources
  - State-owned submerged lands
- Alaska Department of Environment Conservation
  - Clean Water Action section 401 certification



# Aligns With CBJ Tourism Priorities

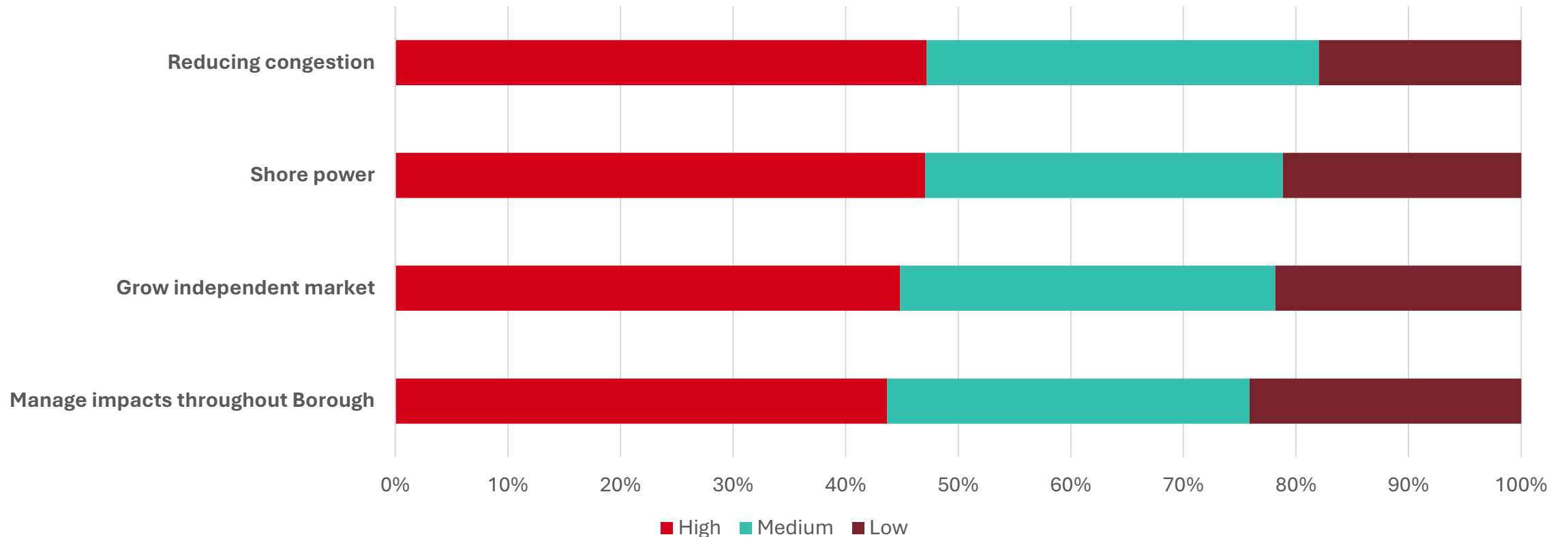
## Juneau Tourism Survey 2022





# Aligns With CBJ Tourism Priorities cont.

## Juneau Tourism Survey 2023







# Visitor Industry Task Force Recommendations

- One large cruise ship per day
- Maximum of five large ships in port
- No hot berthing at the new facility
- High quality uplands development
- Year-round development
- Management agreement with CBJ
- Dock is electrified





# Planning Commission Approvals and Conditions

- Dock Conditional Use Permit (approved July 2023)
  - Limited to one large cruise ship per day, no hot berthing, no lightering
  - Large cruise ships required to use shore power
  - Width requirements for Seawalk adjacent to site, plus easement for CBJ maintenance and management
  - Huna Totem maintains park, paths, landscaping, and amenities
  - Provide shore power within 24 months after an appropriately-sized power line is within 25 feet of property line
  - Navigability study required
- Uplands Conditional Use Permit (approved August 2023)

# Next Steps





# Moving From Concept to Completion

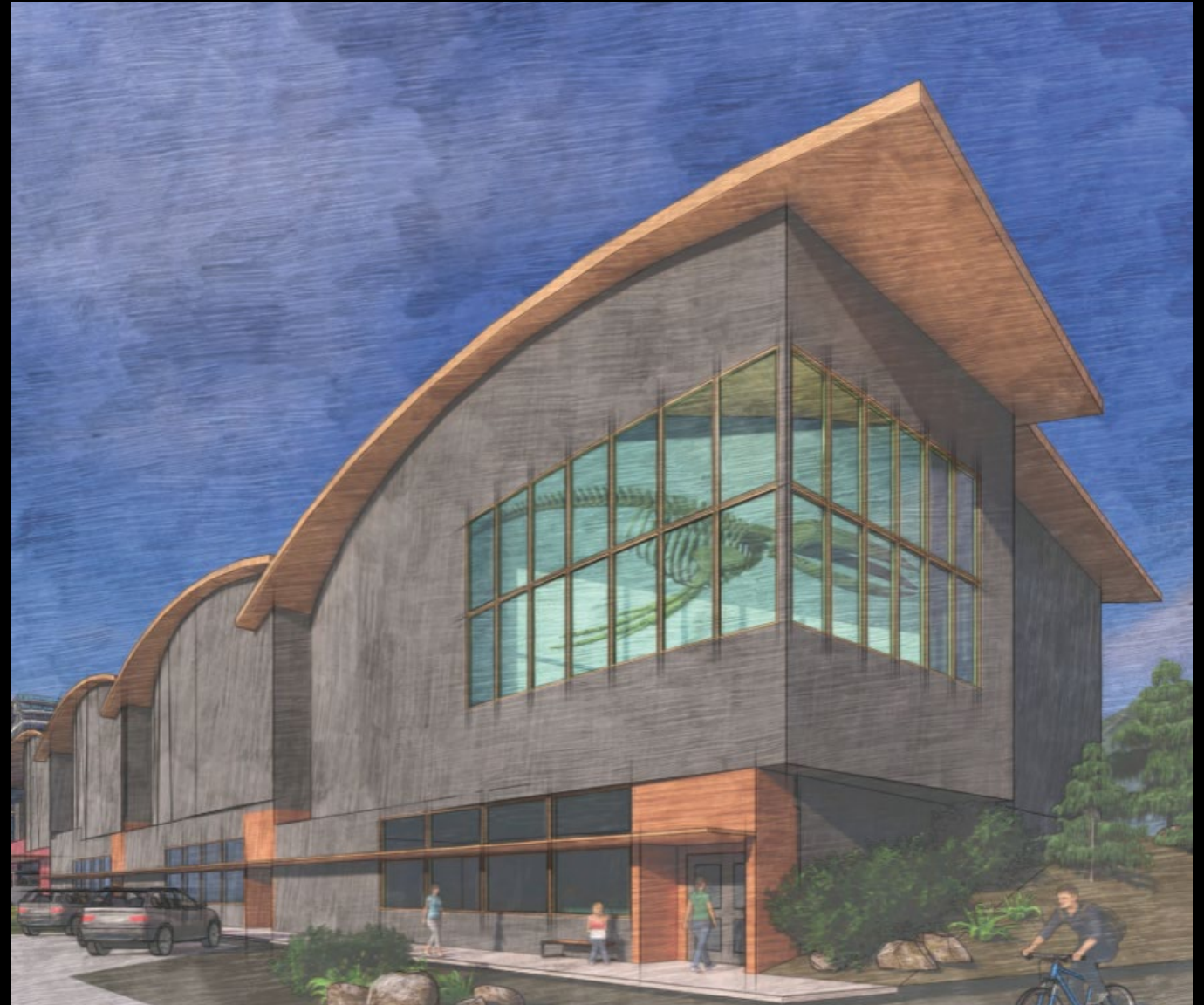
- Continued work with CBJ Assembly and staff
  - Public input this fall and winter
  - City tidelands lease
  - City leading on state-owned submerged lands
- Finalize agreements with USCG and AJT Mining Properties
- Continued technical studies to inform engineering and design
- City, state, and federal agency permits
- Goal: initiate construction in 2025; completion in 2027

# Thank You!

**Russell Dick**  
**Huna Totem CEO**  
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**Susan Bell**  
**Huna Totem VP**  
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**DATE:** November 26, 2024  
**TO:** Committee of the Whole  
**FROM:** Angie Flick, Finance Director

155 Heritage Way  
Juneau, AK 99801  
Phone: (907) 586-5215

**SUBJECT: Fiscal Update – FY 2024, FY 2025 and FY 2026**

The purpose of this memo is to provide an overview of city’s ending financial position from FY 2024, an update on major revenues for FY 2025 as well as setting the stage for conversation and direction around the FY 2026 budget preparation.

The Assembly is, has been and will be called upon to rescue and resolve a variety of situations in our community. Since the budget was adopted in June of 2024, the Assembly has funded \$6.5M in one-time needs. There is no shortage of requests coming your way for consideration as the calendar year wraps up, we move into spring and we enter into the FY 2026 budget development process. Using very rough estimations and knowing that not all additional requests have been accounted for, you could easily see requests over \$30M in operational, capital and one-time needs.

Looking back at FY 2024, our property tax and sales tax revenue finished short of the budget by about \$1.6M. The sales tax revenue is understated in FY 2024 by roughly \$3M because the FY 2023 sales tax revenue was overstated by that amount due to a filing error. The main excitement in the revenue arena was great returns from the market. The Fed had indicated rate cuts early and often in calendar year 2024, this did not play out. The additional \$9.5M in interest revenue over budget and \$7.5M over the forecast used to build the FY 2025 budget allowed the general government to complete the year adding just under \$6M to the fund balance. The expense side of the equation for FY 2024 also finished under budget by approximately \$6M; but only \$3.7M from the forecast. The savings is equally split between salary savings and from supplies and services (commodities and services). In total, the FY 2024 ending general government fund balance is increasing by \$10M.

FY 2025 revenue was built aggressively per the Assembly’s direction. After one reporting quarter of the variety of sales-type taxes, the outcome is within \$400K of budget. Property taxes are currently \$1M under budget, with all property taxes having been due back on September 30<sup>th</sup>. This number may reduce further with the approval of late-filings for exemptions and also the finalization of disaster relief applications which are in process now. Additionally, there are always a few property owners which are late to pay which would increase property tax revenue. The property valuation from FY 2024 to FY 2025 only increased by 0.6%. The market does not feel as ‘hot’ as it has in previous years, which points towards relatively flat growth in property values in the next cycle.

Looking forward to the Assembly’s upcoming retreat and preparation for the FY 2026 budget, there are a few assumptions and risks that are presented in the packet for your consideration and direction. **Please note that everything presented regarding FY 2026 is completely draft and prepared for discussion purposes. The Assembly has not made any decisions about the assumptions, risks or direction for the Manager and CBJ operations.** The biggest unknown economically is the transition of power and policies in Washington D.C. and impacts to the market, state and local governments. Internally, the labor negotiations that will commence shortly will have an impact on the budget, although the extent of that impact is unknown at this time.

The Debt Service Mill Rate chart for current and approved debt is included. Note that the recently voter-approved bonds have not been issued.

Finally, there are several questions for you to consider over the next few days prior to the retreat.

1. What is the comfort level with the assumptions (slide 20)?
2. Do you wish to explore revenue changes?
3. Do you wish to adjust levels of service?
4. Do you want to seek voter approval for bonds in October 2025?



# Fiscal Update

FY24 Year End

FY25 Update

FY26 Looking Ahead

Committee of the Whole

December 2, 2024

# Never-ending Need for Resources

## \$6.5M in Fund balance uses since the approval of the FY25 Budget (June)

Item	Source	Amount
Glacial Outburst Flooding		
Flood Levee Barriers	RBR	2,000,000
Flood Study (Total of \$3M)	GF Reapprop	2,000,000
Flood Study (Total of \$3M)	RBR	1,000,000
Inundation Maps & Hydrological Modeling	GF	100,000
Aug 6 Response	GF & RBR	655,000
Rainforest Recovery Transition	GF	500,000
Home Health & Hospice	GF	200,000
Civic Engagement & Communication	GF Reapprop	50,000
St. Vincent de Paul Grant	GF	35,025

# Never-ending Need for Resources

## Estimated amounts for anticipated requests in FY25 and FY26

Item	FY25	FY26
Flood Barriers (total construction)	\$6M	
Childcare		\$500K - \$1M
Floyd Dryden & Marie Drake		
Operations	\$1M	
Capital	\$2M	\$6M - \$9M
Cubicles and Floorplan Reversal		\$4M
Eaglecrest		
Operations	\$200K - \$1M	\$200K - \$1M
Capital	\$750K	\$1M
Crisis Now	\$200K	\$200K
DZ Playground	\$1.8M	
Communication Implementation		\$250K-\$500K
Expanded Sheltering Operations	\$400K	\$400K
Negotiated Wage Changes		\$???

# Restricted Budget Reserve

## Resolution 2629, Section 1

It is the intent of the Assembly that the amount of the CBJ budget reserve be adjusted on an annual basis based on general governmental revenues from the most recently audited annual financial statements, using the Government Finance Officers Association's recommended reserve target of not less than two months (16.7%) of annual operating revenues.

### FY24's Revenue

\$151,715,725

x           .167

\$ 25,336,526 in Restricted Budget Reserves

# CBJ Funds that go outside CBJ

Section F, Item 5.

Category	FY24 Actuals	FY25 Budget
Arts & Entertainment	670,000	955,500
Childcare	2,330,000	2,655,000
Economic Development	4,526,900	5,908,300
Housing	7,123,700	4,000,000
Human Services	2,186,200	2,768,100
<b>Grand Total</b>	<b>\$ 16,836,800</b>	<b>\$ 16,286,900</b>

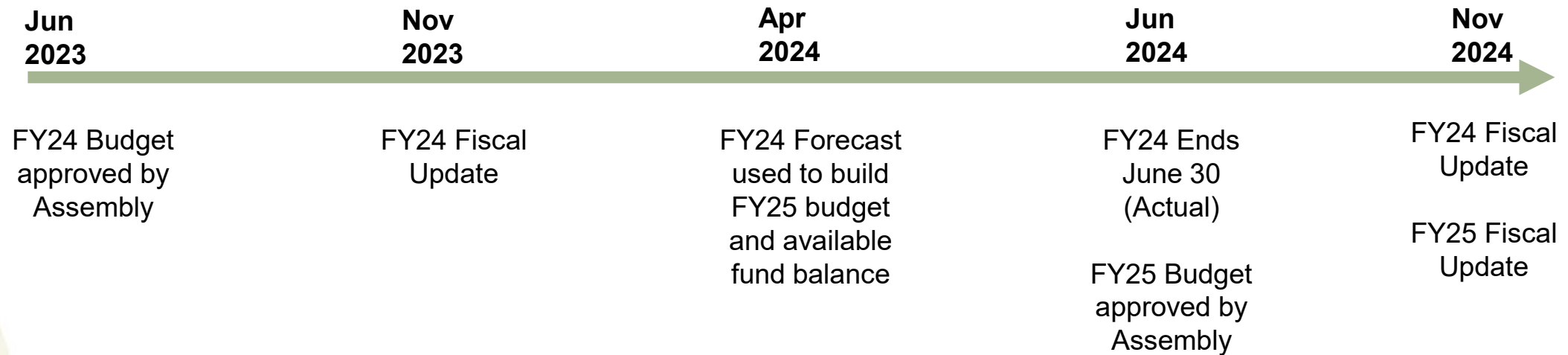
# FY 2024 Year-End Update

# Budget vs. Actual vs. Forecast

**Budget** – The Assembly approved or amended expenditure and revenue amounts. An approved plan for the future.

**Actual** – The amounts physically received or spent. The reality of the approved the plan.

**Forecast** – A projection or prediction of actual expenditures and revenue.





# General Government Operations

Type of Revenue	FY24 Budget	FY24 Actuals	FY24 Budget Surplus/ (Deficit)	FY24 Forecast	FY24 Forecast Surplus/ (Deficit)
Charges for services	7,845,900	8,142,508	296,608	7,845,900	296,608
Federal	3,227,900	3,286,563	58,663	3,227,900	58,663
Investment	3,306,400	12,787,334	9,480,934	5,306,400	7,480,934
Motor Vehicle Registration	762,000	720,678	(41,322)	762,000	(41,322)
Property Tax	56,739,100	55,884,579	(854,521)	57,307,377	(1,422,798)
Sales Tax *	67,790,000	66,926,631	(863,369)	67,190,000	(263,369)
State	3,350,800	3,967,432	616,632	4,157,994	(190,562)
<b>Total</b>	<b>\$ 143,022,100</b>	<b>\$ 151,715,725</b>	<b>\$ 8,693,625</b>	<b>\$145,797,571</b>	<b>\$ 5,918,154</b>

\* Remember FY24's sales tax revenue was lowered by \$3.4M due to an FY23 revenue recorded in error.

# General Government Operations

Section F, Item 5.

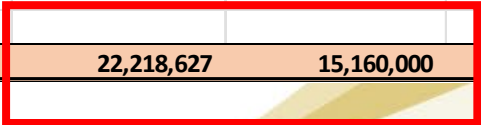
Type of Expense	FY24 Budget	FY24 Actuals	FY24 Budget Surplus/ (Deficit)	FY24 Forecast	FY24 Forecast Surplus/ (Deficit)
Salaries, Wages and Benefits	60,920,857	54,965,987	5,954,870	56,920,857	1,954,870
Commodities & Services	32,747,804	29,010,904	3,736,900	30,747,804	1,736,900
Grants	11,768,900	12,060,693	(291,793)	11,768,900	(291,793)
Capital Outlays	752,724	599,332	153,392	752,724	153,392
Full Cost Allocation Abatements	(6,031,700)	(6,165,676)	133,976	(6,031,700)	133,976
<b>Total</b>	<b>\$ 100,158,585</b>	<b>\$ 90,471,241</b>	<b>\$ 9,687,345</b>	<b>\$ 94,158,585</b>	<b>\$ 3,687,345</b>

# Non-General Government Expense

Department/Fund	FY24 Budget	FY24 Actuals	FY24 Budget Surplus/ (Deficit)	Percent Under Budget
Arboretum	107,300	107,300	-	0%
Downtown Parking	782,400	630,942	151,458	19%
Risk Management	36,190,890	32,575,635	3,615,255	10%
Facilities Maintenance	3,403,561	3,166,009	237,552	7%
Lands & Resources	2,395,700	1,899,725	495,975	21%
Fleet	2,825,345	2,457,290	368,055	13%
Wastewater	16,410,143	13,786,847	2,623,296	16%
Water	7,804,670	7,426,064	378,606	5%
Eaglecrest	3,910,551	3,873,033	37,518	1%
Airport	15,100,780	15,085,093	5,686	0%
Bartlett	157,369,040	150,694,306	6,674,734	4%
Docks	2,542,473	2,433,107	109,366	4%
Harbors	5,194,288	5,048,691	145,597	3%
<b>Total</b>	<b>\$ 254,037,140</b>	<b>\$ 239,184,042</b>	<b>\$ 14,843,098</b>	

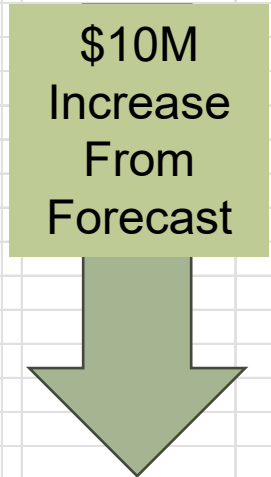
# Budget Summary Used for FY25 Budget

				Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance	Combined General and Sales Tax Fund Balance	
								Restricted Reserve	Total
256	<b>FY2024</b>								
365	<b>Assembly Adopted Budget</b>			<b>184,537,622</b>	<b>(203,425,017)</b>	<b>(18,887,395)</b>	<b>22,257,367</b>	<b>19,030,000</b>	<b>41,287,367</b>
366									
368									
369	FY24 Estimated JEDC COVID Emergency Loan Repayment							\$ 230,000	
371	FY24 JSD One-Time Loan							\$ (4,100,000)	
372	FY24 JSD One-Time Funding				\$ (3,922,787)				
373	Gastineau Human Services Grant				\$ (2,000,000)				
375	Affordable Housing Fund				\$ (1,600,000)				
376	North Douglas Crossing Grant Match				\$ (1,213,423)				
378	Suicide Basin Monitoring				\$ (28,000)				
379	State Funding for Childcare - Deappropriation of General Funds				\$ 950,000				
380	Supplemental Appropriations			\$ -	\$ (7,814,210)				
382									
383	Investment Income Above Estimates			2,000,000					
385	Property Tax Deferral from FY23			977,422					
386	Community Assistance Program Award Above Estimates			412,594					
387	Transit State Grant Increase			394,600					
389	Property Tax Certified Roll True-Up/Flood Impacts			(409,145)					
390	Sales Tax Revenue Below Estimates			(600,000)					
392	Anticipated Non-Personnel Services Lapse				\$ 1,000,000				
393	Anticipated Personnel Services Lapse				\$ 4,000,000				
394	Anticipated Variances			\$ 2,775,471	\$ 5,000,000				
396									
397	<b>Final Year-End (projected)</b>			<b>187,313,093</b>	<b>(206,239,227)</b>	<b>(18,926,134)</b>	<b>22,218,627</b>	<b>15,160,000</b>	<b>37,378,627</b>



# Updated for FY24 Actuals

	Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance	Combined General and Sales Tax Fund Balance	
					Restricted Reserve	Total
249 <b>FY2024</b>						
327 <b>Assembly Adopted Budget</b>	<b>184,537,622</b>	<b>(203,425,017)</b>	<b>(18,887,395)</b>	<b>22,270,063</b>	<b>19,030,000</b>	<b>41,300,063</b>
328						
329						
330					\$ 30,000	
331					\$ -	
332		\$ (3,922,787)				
333		\$ (2,000,000)				
334		\$ (1,600,000)				
335		\$ (1,213,423)				
336		\$ (34,367)				
337		\$ (28,000)				
338		\$ 950,000				
339 <b>Supplemental Appropriations</b>	\$ -	\$ (7,848,577)				
340						
341						
342						
343						
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348						
349						
350						
351						
352						
353						
354 <b>Anticipated Variances</b>	\$ 8,622,502	\$ 9,322,990				
355						
356 <b>Final Year-End (projected)</b>	<b>193,160,124</b>	<b>(201,950,604)</b>	<b>(8,790,480)</b>	<b>32,366,978</b>	<b>19,060,000</b>	<b>51,426,978</b>
396						
397 <b>Final Year-End (projected)</b>	<b>187,313,093</b>	<b>(206,239,227)</b>	<b>(18,926,134)</b>	<b>22,218,627</b>	<b>15,160,000</b>	<b>37,378,627</b>



# FY 2025 Mid-Year Update

# Budget Summary FY25

		Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance	Combined General and Sales Tax Fund Balance	
						Restricted Reserve	Total
249	<b>FY2024</b>						
356	Final Year-End (projected)	193,160,124	(201,950,604)	(8,790,480)	32,366,978	19,060,000	51,426,978
357							
358	<b>FY2025</b>						
435	Assembly Adopted Budget	195,730,529	(211,647,029)	(15,916,500)	16,450,478	20,060,000	36,510,478
436							
437							
438	Glacier Outburst Flood Levee Barriers (RBR)	\$ -	\$ -			\$ (2,000,000)	
439	USACE Glacial Outburst Flood Study (offset by Fisheries Terminal deappropriation) (GF and RBR)	\$ 2,000,000	\$ (2,000,000)			\$ (1,000,000)	
440	GHS Grant for Rainforest Recovery Transition - <i>pending adoption</i>	\$ -	\$ (500,000)			\$ -	
441	BRH Home Health and Hospice	\$ -	\$ (200,000)			\$ -	
442	Glacial Outburst Flood Response (GF and RBR)	\$ -	\$ (150,000)			\$ (505,000)	
443	Expanded Inundation Maps and Hydrological Modeling of the Mendenhall River	\$ -	\$ (100,000)			\$ -	
444	Civic Engagement and Communication Strategy (offset by Hut to Hut deappropriation)	\$ 50,000	\$ (50,000)			\$ -	
445	St. Vincent de Paul Grant for Property Taxes (offset by property tax revenue)	\$ 35,025	\$ (35,025)			\$ -	
446	Supplemental Appropriations	\$ 2,085,025	\$ (3,035,025)			\$ (3,505,000)	
447							
448	Community Assistance Program Award Above Estimates	\$ 374,914					
449	Property Tax Certified Roll True-Up	\$ (192,189)	\$ -				
450	Anticipated Variances	\$ 182,725	\$ -				
451							
452	Final Year-End (projected)	197,998,279	(214,682,054)	(16,683,775)	15,683,203	13,050,000	28,733,203

Should be \$25M



# Budget Summary FY25

FY25 Adopted Budget includes ONE-TIME expenditures:

\$6,000,000	Public Safety Communication Infrastructure
3,000,000	Title 49 Re-Write
1,650,405	JSD One-Time Cost Share
632,300	Departmental One-Time Expenses
120,000	Maintenance for JSD Admin, Marie Drake & Floyd Dryden
14,000	Juneau Festival Committee Equipment Replacement
2,000,000	Affordable Housing Fund
1,000,000	Contribution to Restricted Budget Reserve
668,800	Alaska Heat Smart (3-year operational support)
518,800	Eaglecrest GF Support
500,000	Sealaska Heritage Institute STEM Fab Lab

498,400	CCFR Aerial Ladder Truck
400,000	AEYC (3-year operational support)
151,000	JAHC Regranting Program
80,000	Strategic Long-Term Planning Tool
75,000	Dzantik'I Heeni Playground Design
50,000	Independent Analysis of Eaglecrest Revenue Projections
40,000	Juneau Mountain Bike Association
40,000	Downtown Business Association Operational Support
28,500	AK Small Business Development Center Operational Sppt
\$17,467,205	TOTAL One-Time Expenditures in Adopted Budget

FY25 Adopted Budget includes ONE-TIME Revenue of \$2,500,000  
(Triangle Dock Project repayment to General Fund)

# Revenue

## FY 2025 Quarter 1 Revenue

*(in millions)*

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Sales Tax	22.7	22.9	0.2
Remote Sales Tax	1.16	1.26	0.1
Hotel Tax	1.41	1.57	0.16
Liquor Tax	0.47	0.46	-0.01
Marijuana Tax	0.13	0.09	-0.04
Tobacco Tax	0.78	0.74	-0.04
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	26.65	27.02	0.37

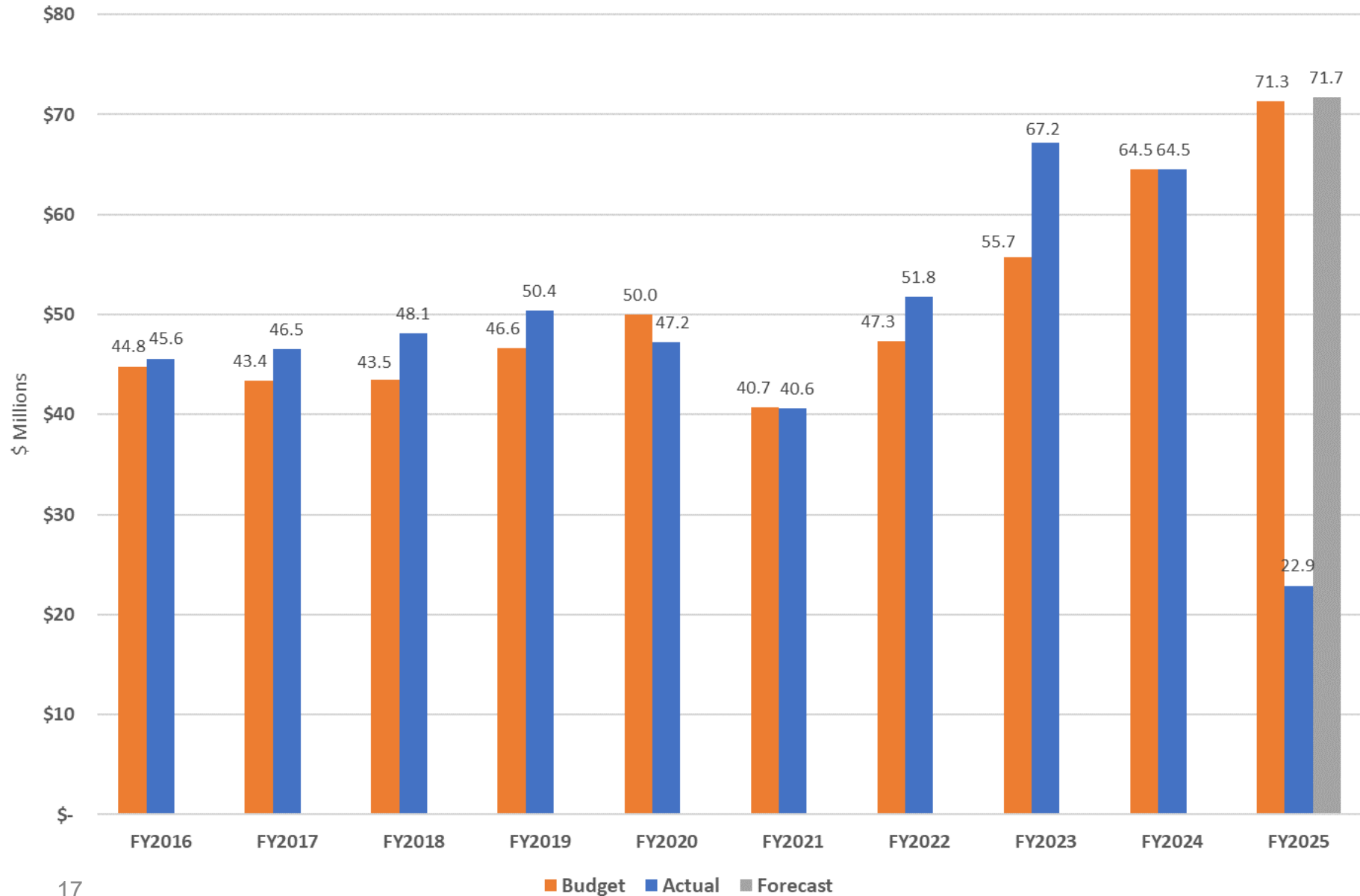
### Annual Amount, YTD Actuals

Property Tax	57.08	56.09	(0.99)
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# Revenue

## Sales Tax (including remote) in \$Millions - updated 11/22/24

Section F, Item 5.



# FY 2026 Budget Preparation

# Disclaimer

Information presented in the FY26 Forecast,  
especially Budget Assumptions and Manager Proposed Budget are

**VERY DRAFT**

and intended for discussion with the Committee of the Whole.

No direction has been given to the Manager, nor have any decisions been made.

# FY26 Budget Assumptions for Retreat Discussion

- Inflation – anticipate ‘normal’ inflation overall for Alaska, perhaps some deflation in some sectors.
  - Impacts: commodities, supplies, services, sales tax revenue
  - National GDP expected to grow 2.1% in calendar year 2025
- Tourism – anticipate cruise ship activity and other tourism to be flat compared to summer 2024
- Salaries – unknown as we engage in labor negotiations
  - Salary savings being analyzed by department and fund
- Benefits – projecting an 0% increase to employer-paid benefit costs to departments
- Property Assessments – too early in the assessment cycle to know, assume 0.0% value increase
  - Last year’s growth was 0.6%
- General Receipts – programmatic revenue (permits, participation fees, etc.) assume 2.0% growth
- Structurally Balanced Budget – recurring revenue is sufficient to pay for recurring expenditures
  - Backing into the area-wide property tax mill rate as the last piece of revenue to balance the budget.
  - No one-time funding for operating expenses
- FY26 Debt Service Mill Rate flat from FY25 at 1.08

# FY26 Budget Risks for Retreat Discussion

- Property Valuation
  - Stagnant property values and sales (excluding flood area)
  - Potential reduction in assessed property values due to:
    - Additional exemptions – state imposed, late filing approvals
    - Flood-related relief
- Wage Negotiations
- Aging infrastructure – physical and software
- Expectation of community grants and subsidies
- Aggressive FY25 budgeting of revenues
- Continuing shift of funding from Federal and State governments to Local government



# FY26 Budget Estimations

We anticipate natural operational expenditures to increase and be offset by natural revenue increases.

Excludes:

Moving operating items out of one-time from FY25

Anticipated operational asks (Eaglecrest support, homelessness support, childcare)

Negotiated wage changes

A rough FY26 budget estimate including base budget increases with assumptions, operational items previously one-time, additional communications and continued Eaglecrest support easily results in at least a \$5M increase. Natural revenue growth would include an additional offset the increase by \$2M, leaving \$3M of additional funding needed.

If only mill rate, based on FY25's assessed values – approximate mill rate of 10.44 (compared to 10.04)

# Revenue

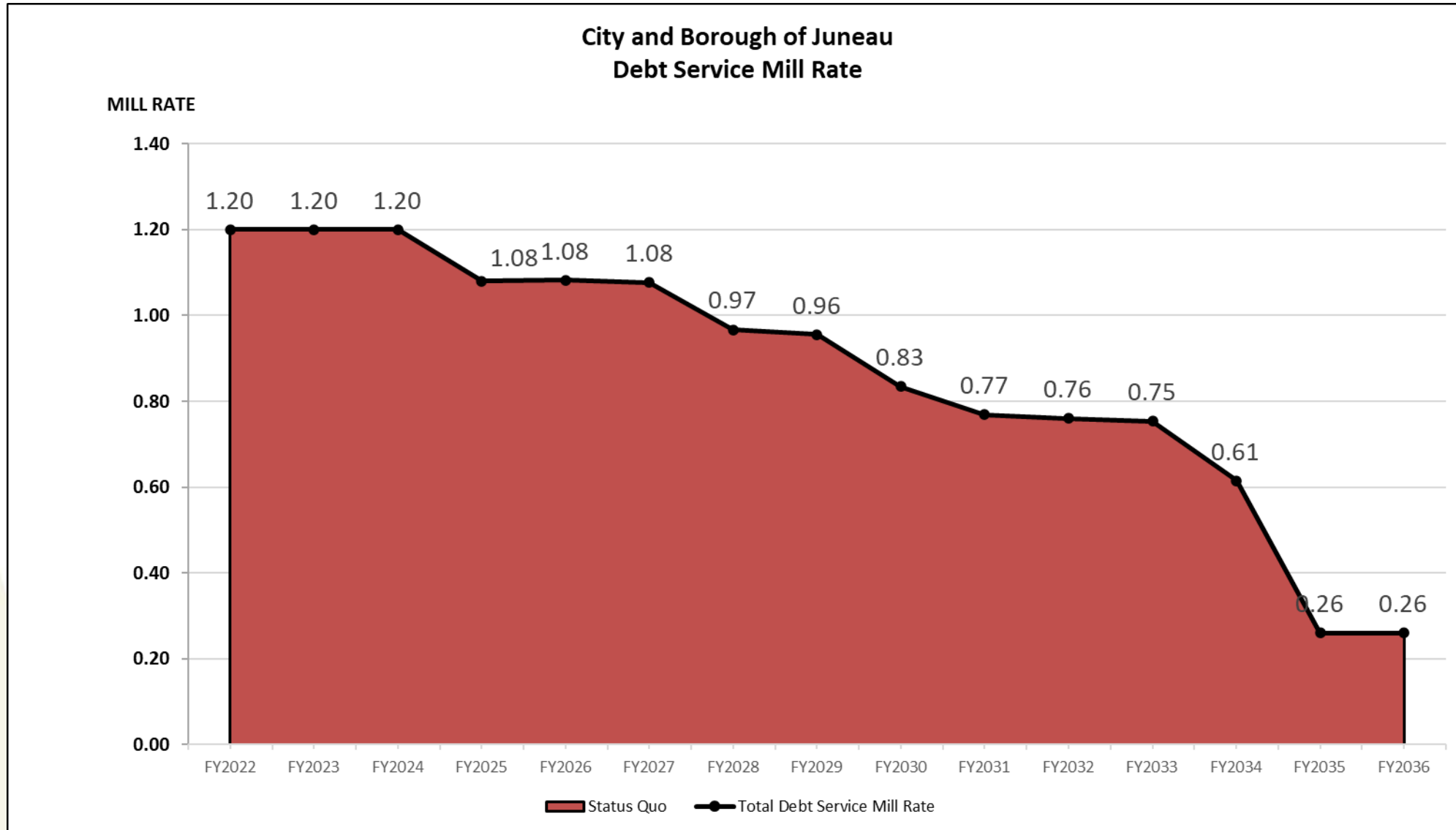
For basic calculations, every additional \$1M added to the budget requires a 0.16 increase to the mill rate.

An increase in summer sales tax (April – Sept) of .5% increases revenue by approximately \$4M based on FY25 budgeted sales tax receipts. This time period represents approximately 65% of reported sales tax.

0.5%	→	\$4.3M
1.0%	→	\$8.6M

# Debt Service Mill Rate

Note – the bonds approved by voters in 2024 have not been issued yet, but are included here.



# FY26 Questions for Retreat Discussion

Section F, Item 5.

1. What is the comfort level with the assumptions presented on slide 20?
2. Do you want to explore revenue changes?
3. Do you wish to adjust levels of service?
4. Do you want to consider bond initiatives for October 2025?