



ASSEMBLY WORKSESSION-ANNUAL RETREAT AGENDA

December 02, 2023 at 8:30 AM

JNU Airport Alaska Room

This annual Assembly Worksession will be an in-person meeting only being held from 8:30a.m. - 4:30p.m. at the Juneau International Airport Alaska Room. There will not be Zoom webinar offered and no public testimony will be taken during this event.

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. AGENDA TOPICS

1. **8:30am-10:00am - Introduction/Goals of the Retreat/Team Building/Visioning**
2. **10:00am-12:00pm - Housing Discussion**
3. **12:00-12:30pm - Lunch Break**
4. **12:30-2:00pm - Budget Discussion**
5. **2:00pm-3:00pm - Tourism discussion**
6. **3:00-4:30pm - Assembly Goals**

F. SUPPLEMENTAL MATERIALS

G. 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.

09.18.2023 LHED Committee Meeting

- **Inventory of Vacant and Underdeveloped Properties** within the Urban Service Area map;
- **Accessory Dwelling Unit Grant Program** updated to offer greater funding amounts (\$13,500);
- **Juneau Affordable Housing Fund Round 3** currently out for competition at \$1.1 million;
- **Sale of a portion of Pederson Hill** to Tlingit Haida Regional Housing Authority (THRHA);
- **Riverview Senior Housing** operational and will use tax abatement starting January 1, 2024;
- **Short Term Rental registration program** and database created to start on October 1, 2023

CBJ Housing Action Plan & Housing Tracker

- (A) Aggressive use of Housing Fund & Incentive Programs
- (B) CBJ redevelopment of Telephone Hill, Pederson Hill, Second & Franklin Properties
- (C&D) Revise and improve Title 49 and CBJ Systems
- (E) Reduce barriers to downtown housing development
- (F) Monitor and Track Goals of Housing Action Plan

Juneau Affordable Housing Fund

- Juneau Affordable Housing Fund ArcGIS Dashboard
- In the FY23 budget, fund balance is approximately \$1.4 million with \$1.1 million allocated for the Round 3 competition
- Additions to the Fund in FY24 include \$500K/year for the next five years from 1% sales tax collection;
- Round Three Awards



(907) 586-0715
 CDD_Admin@juneau.org
 www.juneau.org/community-development
 155 S. Seward Street • Juneau, AK 99801

MEMORANDUM

DATE: 09/18/2023

TO: Alicia Hughes-Skandijs, Chair of the Lands, Housing, and Economic Development Committee

FROM: Joseph Meyers, Senior Planner, Housing & Land Use Specialist and Scott Ciambor, Planning Manager

SUBJECT: Housing Alaskans Data and Housing Progress Tracker, and Housing Development Background for 2nd and Franklin Property

This memo and packet include information on recent housing activities.

Housing Alaskans Data

Housing Alaskans, a statewide public-private partnership that also functions as the state Housing Trust, provided a 2023 Housing Data report prepared by Agnew::Beck Consulting at the recent Alaska Housing Summit.

Findings in the report are comparable to those in the 2016 CBJ Housing Action Plan that noted in regards to housing development that Juneau has a “stuck market” and CBJ would need to utilize its resources to encourage the creation of the housing that it needs.

Staff want to highlight slide #24 of the 2023 Housing Data report that shows *the gap between development cost and rents that prevents new housing from being built*. A similar gap has been well-documented in Juneau over time.

- 1980 Multi-Family Feasibility study;
- 1990’s Multi-Family development loan program;
- 2014 Juneau Economic Development Plan;
- 2016 Housing Action Plan;
- Previous Affordable Housing Commission meetings; and
- 2018 Eagle Rock Ventures testimony on 2nd and Franklin proposal

Housing Progress Tracker Update

To answer the question on how the CBJ has addressed *the gap between development cost and rents* to encourage housing development, the Housing Progress Tracker provides the details. The tracker was introduced at the [February 17, 2023 LHED committee meeting](#).

Key highlights since the last tracker update in February 2023 include:

- Creation of the “[Inventory of Vacant and Underdeveloped Properties within the Urban Service Area](#)” map;
- Accessory Dwelling Unit Grant Program updated to offer greater funding amounts (\$13,500);
- Juneau Affordable Housing Fund Round 3 currently out for competition at \$1.1 million;
- Sale of a portion of Pederson Hill to Tlingit Haida Regional Housing Authority (THRHA);
- Riverview Senior Housing operational and will use tax abatement starting January 1, 2024;
- Short Term Rental registration program and database created to start on October 1, 2023;

Juneau Affordable Housing Fund Project Update

Round	Project Name	Organization	Description	Status
1	Channelview	Saint Vincent de Paul	\$50,000 grant for repair and preservation of facility fire suppression system	Complete
1	Glory Hall Renovation	The Glory Hall	\$350,000 grant to convert Glory Hall into seven (7) apartments; Six (6) efficiency units and one one-bedroom unit	Building permit issued on 06/06/2023; update due on 3/31/2024
1	Teal Street 1	Saint Vincent de Paul	\$50,000 grant for preservation and rehabilitation of the Teal Street Shelter and Hillview Apartments	Complete
1	Cordova Street Apartments	AWARE	\$150,000 grant: First request for funding. Seven (7) SRO units	Complete; grand opening occurred on 9/8/2023
1	Gastineau Lodge Apartments	Gastineau Lodge Apartments, LLC	\$700,000 loan for a 72-unit apartment building on Gastineau Avenue	Received partial funding; CUP scheduled for Oct. 24 Planning Commission. Update due 3/31/2024
2	Ridgeview	Glacier Heights, LLC dba Glacier Heights Juneau, LLC	\$1.2 million loan for the first 24 units of a potential 444 unit development	Received funding for construction; update due 3/31/2024
2	Kowee Phase 1	THRHA	\$500,000 grant for partial funding toward construction of ten single-family dwelling units reserved for buyers making less than 80% AMI	Funding provided; update due on 3/31/2024
2	Cordova Street Apartments	AWARE	\$200,000 grant: Second request for funding. Seven (7) SRO units	Complete; grand opening occurred on 9/8/2023

2	Teal Street 2	St Vincent de Paul	\$100,000 for Teal Street Shelter modernization and fire escape installation	Funding provided; update due 3/31/2024
2	Forget-Me-Not Manor Phase 3	Housing First	\$1 million for 21 units of permanent supportive housing	Update due 3/31/2024
Round 3 In Progress: Applications Due September 17, 2023				

Status of the Fund

In the FY23 budget, the JAHF fund balance is approximately \$1.4 million with \$1.1 million allocated for the Round 3 competition.

Additions to the Fund in FY24 include \$500K/year for the next five years from 1% sales tax collection. Returns from current workforce housing development loans not expected until January 2026. Some payments may resume sooner depending on the progress of each project.

The Assembly will receive a status report on all projects in April 2024 to help with future budget funding decisions and to set the Round 4 competition allocation amount.

Attachments:

- Housing Alaskans Data
- Housing Progress Tracker Update
- CBJ Housing Programs Flyer

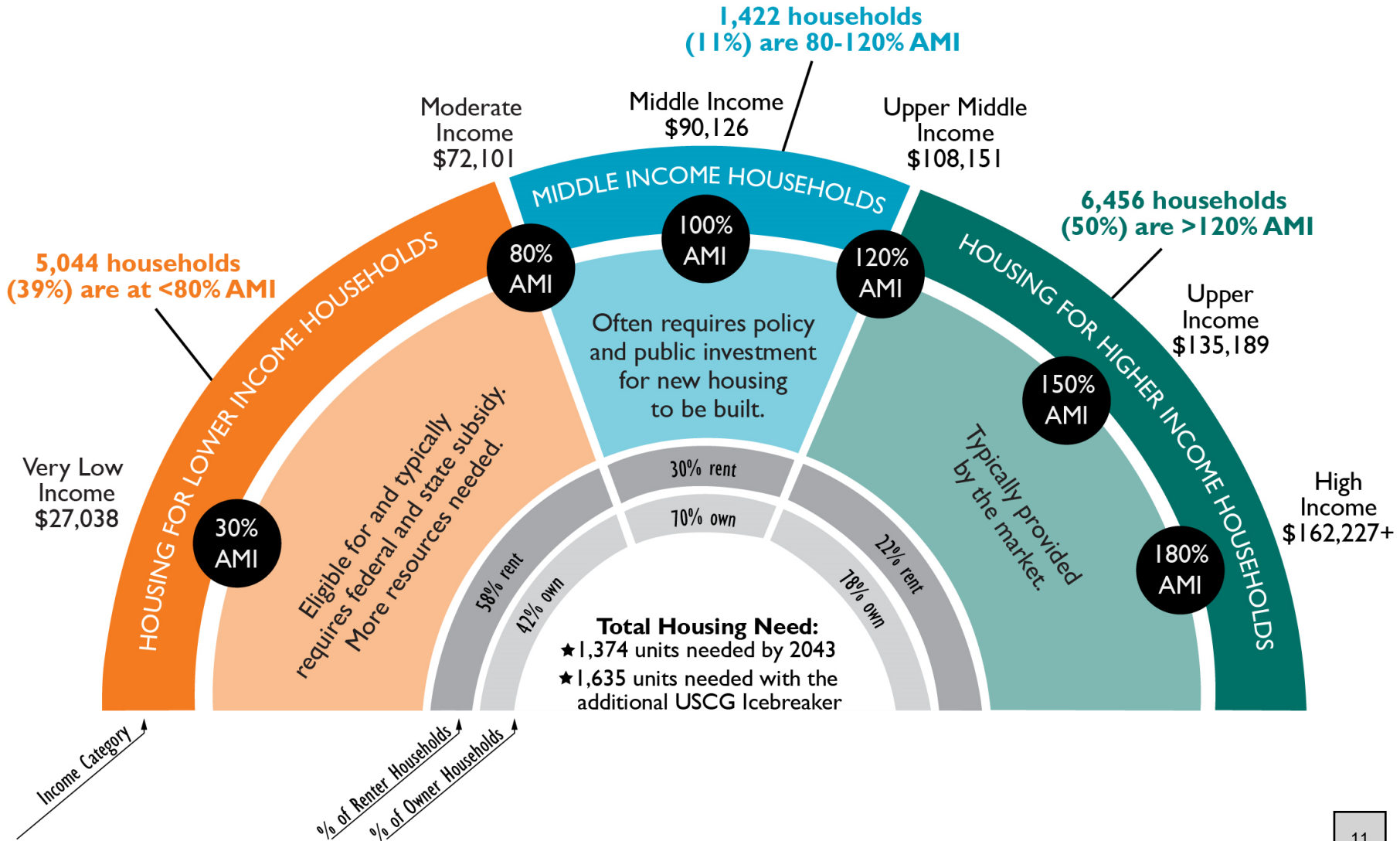
Action #	Implementing Actions (How do we get there?)	Status	Completed	Comments	Relevant documents
Goal A: Continue aggressive use of the Affordable Housing Fund, tax abatement, and other incentives					
Summary: Providing financial options for developers of housing to stimulate housing development and increase the housing supply					
A1	JAHF: Determine whether priorities/criteria need adjusting	75%	Ongoing	Round Three open. There have been some minor refinements to the application criteria including a 25-page limit to support an efficient review process. Other changes can be made at conclusion of funding round in preparation for Round IV	
A2	JAHF: Determine if loan terms for private developers should be clarified in guidelines.	0%		Seeking to move this forward for a Round IV competition	
A3.1	JAHF suggestions: a) Pre-development loan: add funding cap of \$250K; \$500K w/acceptable collateral determined (that includes x,y,z)	50%		10% funding cap exists on renovation projects; assess other funding caps for Round IV	
A3.2	JAHF suggestions: Construction loan: add details such as: up to 15 year loan w/monthly payments to start with CO or six months after CO. Loan to be in second position if coupled with construction loan.	0%		Assess for Round IV	JAHF Program Description and Guidelines
A5	JAHF – Identify dedicated revenue sources	0%		Current: 1% tax allocation, Assembly allocation; Potential: bed tax, STR license fees?	
A6	Assess Accessory Apartment Grant Program, Mobile Home Down Payment Assistance Program and determine if kept, modified, or eliminated	50%		ADU Grant Program is undergoing changes; may discontinue the Mobile Home Down Payment Assistance Program	
A7	Accessory Apartment Incentive Grant Program (ends June 30, 2023); ADU Grant Program in approval process	75%		Two-tier program recommended at LHEDC on 04/24/2023 and COW on 05/22/2023 and 06/26/2023. Tier 1: approved on 08/21/2023. Tier 2: Additional discussion on Tier 2 PENDING	CDD – Services – Grants – Accessory Dwelling Unit Grant Program – City and Borough of
A8	Mobile Home Loan Down Payment Assistance Program	0%		Evaluate with True North FCU changes to encourage more program usage. (Increase loan amount to deal with rise in cost of manufactured homes)	Mobile Home Down Payment Website
A9	Tax-abatement: Monitor the impact of senior assisted living, downtown, and high-density tax abatement programs and consider expanding to other targets	0%	Ongoing	Riverview Senior Living to being receiving tax abatement Jan. 1, 2024 for 12-years. Interest indicated for future projects.	ORD2022-042
A10	Downtown Rehabilitation loan program	0%		Still under consideration	
A11	Public-Private-Partnerships	0%		Housing Action Plan suggests multiple PPP attempts per year and tracking them; Riverview Senior Living project is operating; Pederson Hill land agreement with Tlingit-Haida Regional Housing Authority	
A13	JAHF – Determine Round Four funding amount	0%		April/May 2024 during the CBJ budget process	
A14	Loan Program for roads at sale of property	0%		Chamber of Commerce committee looking into the concept	
A12	JAHF: Determine if competition should remain annually or semiannually	100%		Running annually; round 3 started August 7, 2023; time constraints prevent this program from running annually	
Goal B: Continue planning and implementation of (re)development of Telephone Hill, Pederson Hill, and Second/Franklin Properties					
Summary: The CBJ has the opportunity to leverage land resources to create more housing through new and infill development					
B1.2	Telephone Hill: Engage in planning to answer these questions: What is the vision? What kind of housing/use provides the maximum public good?	50%	In progress	Kick-off meeting for consultants and City, Community engagement meeting at JACC in August, COW in September	
B2.1	Pederson Hill: Determine cost estimates for "moving up the hill"	0%			
B3.1	Second/Franklin: Acquire 2nd and Gold parking garage	25%	6/26/2023	CBJ has applied for acquisition of this parcel	
B3.2	Second/Franklin: Apply similar process to Vintage Park: Decide what should go there and then RFP	25%		Need Assembly direction on whether to continue waiting for the SOA to respond to the application to acquire the adjacent property.	
B4	Pursue Public-Private Partnerships (RFP/competitive bid packages): Land Banking strategy of purchasing property and or units for redevelopment of workforce housing	0%			
B5	Community land trusts: Learn more about and engage community in developing these	0%		Further vet and prioritize these suggested ideas for other "lands" projects:	
B6	Analyze state and vacant lands / subdivisions for acquisition	25%		Further vet and prioritize these suggested ideas for other "lands" projects: City land Subdivisions/rezones/ management re-designation	2006 Buildable Lands Study
B7	Develop process to use CBJ land for housing for potential partners; USCG, Bartlett Regional Hospital, Tourism, Housing Developers, and State of Alaska	0%		Further vet and prioritize these suggested ideas for other "lands" projects: RFP's for Development/Subdivision	
B8	Further "CBJ develop and sell" efforts	50%		Further vet and prioritize these suggested ideas for other "lands" projects: Update Implementation plan. Project Manager for Auke Bay property and access stidy funding; Ord adopted to dispose of Pederson Hill Phase 1B and 1C. To the THRHA	
B2.3	Pederson Hill: Potential rezone	100%		CBJ property adjacent to Pederson Hill phase 1 has been rezoned.	
B1.1	Telephone Hill: Hire project manager for land redevelopment study	100%		Hired: First 40 Feet	RFP E23-197
B1.3	Telephone Hill: Potential rezone	100%		This property is already properly zoned	
B2.2	Pederson Hill: Determine vision for what community/assembly wants to see there	100%		Assembly adopted Ordinance to dispose of Pederson Hill Phase 1B and 1C to THRHA for housing	
B2.3	Pederson Hill: Potential rezone	100%		CBJ property adjacent to Pederson Hill phase 1 has been rezoned.	

Action #	Implementing Actions (How do we get there?)	Status	Completed	Comments	Relevant documents
Goal C: Revise and improve Title 49 to facilitate housing					
Summary: There are areas of Title 49 that can be modified to allow more flexibility to create additional housing units					
C1	Title 49: Chapter 35 Short-term fixes	50%		Chapter 35 updates: Planning Commission on 8/22/23; Bungalow lot standards: 8/22/23	ORD2022-50; AME2023-0003
C3	Hazard mapping and regulations	50%		CDD wrapping up memo/staff report; law has drafted ordinance; CDD needs to review. 3/14 @ 5:30pm T49 Committee sitting as COW. 4/11 PC public hearing regular meeting	
C4	Accessory Apartments Ordinance	25%		CDD and Law working on draft; discussed at last T49 committee meeting 8/17/2023	ORD2021-21 (draft), AME2018-01
C5	Eliminate SF zoning / and create inclusionary zoning or "Transformative Zoning Reform"/middle-housing focus	0%			
C6	Add more flexibility to the table of dimensional standards, including floating setbacks and relaxation of minimum lot sizes and maximum heights	0%		Discussed at T49 09/2022 & 10/2022	
C7	Increase density wherever possible by setting minimums and rewarding maximums	0%			
C8	Consider making CBJ 49.35 - Public and Private Improvements variable	0%			Chapter 49.35
C9.2	Update land use code to facilitate better regulation of STR's	0%		STR tracking software and registration program has begun	
C10	Incentivize tiny homes/manufactured home villages/senior 1-story housing	0%			
C11	Customize or eliminate pieces of ICC for Juneau	0%			
C12	Creation of a modified building code for historic downtown area to allow housing to return to upstairs units of historic building w/consideration for the age/limitations of the buildings	0%			
C13	Consider decreasing road standards and changing UD code (so that roads built past houses aren't primarily paid for by CBJ)	0%		Could help City-owned property also	
C9.1	STR: Register and define short-term rental policy; Create a STR permit to gather more data	100%		City now has access to Harmari tools to access STR listings. STR registration program created 7/10/23; STR registrations due October 1, 2023	ORD2022-06(b)(B) ;
C2	Streams ordinance (anadromous waterbodies)	100%		Adopted July 10, 2023: ORD2023 0029	ORD2023-29; AME17-01
Goal D: Evaluate and revise current CBJ systems associated with managing land and revising Title 49 in order to get big things done fast					
Summary: Process has many layers and no deadline to move through the Title 49 Committee					
D1	Evaluate options/cost to bring on more lands staff	0%			2006 CBJ Lands Buildable Sites Criteria and Results
D2	Evaluate LHED committee staffing (should more departments help staff these meetings)	0%			
D3	Evaluate permit prioritization to institute a "cut the line" (fast track) program to prioritize CDD staff resources and permits to development of housing projects that include affordability component	0%		CDD has three programs to "fast-track" permits, however none have an affordability component; it is difficult to fast-track large projects because of the large number of inputs and process control required	Outline document on request
D4	Explore streamlined alternatives to make changes to Title 49 with the idea of lightening loads, not removing authority	0%			
Goal E: Reduce barriers to downtown housing development					
Summary: There are a number of properties downtown that are suitable for additional dwelling units					
E3	Develop and implement Upstairs Downtown program	25%		Research phase	
E5.1	Second/Franklin: Approach state about acquiring 2nd and Gold	50%		CBJ has applied for acquisition of this parcel	
E5.2	Second/Franklin: Apply similar process to Vintage Park: Decide what should go there and then RFP	0%		Determine if CBJ wants to apply for the State's parking garage adjacent to this	
E6	Purchase properties to put into competitive bid process to get concessions that further housing goals: Similar to Riverview assisted living	0%			
E4	Developed the JAHF to provide funding for projects downtown	100%	6/28/2010		ORD2010-11(G)(b)
E1	Reduction or elimination of parking requirements downtown	100%	4/25/2022		ORD2022-01(b)
E2	Created downtown tax abatement program	100%	3/1/2021		ORD2021-01(c)(am)
Goal F: Continue to monitor and track progress toward advancing the goals of the Housing Action Plan					
Summary: The Housing Action Plan is a road-map that identifies and attempts to correct Juneau's "stuck" housing market through strategic policy interventions. This plan has already facilitated the creation of tax abatement, JAHF, a housing role, zoning changes, etc.					
F2	Update housing needs assessment and housing plan metrics	0%		10/2022 JEDC Report to COW; Housing Action Plan updates https://juneau.org/community-development/grants-housing-action-plan	
F3	Evaluate Tax Increment Financing (TIF) districts	0%			
F5	CBJ requirement to register rental property and have 24-7 reachable point of contact	0%			
F6	Make a downtown area plan and set a goal for number of residential units desired downtown	95%		Blueprint Downtown being prepared for Planning Commission; Downtown Housing Inventory Storymap created 2019.	
F8	Properties transferred incrementally to developers	50%	Ongoing	Lena Point, Renninger, Pederson Hill	

Action #	Implementing Actions (How do we get there?)	Status	Completed	Comments	Relevant documents
F9	Establish policies that stipulate CBJ does not have to spend money on infrastructure unless for workforce senior housing	0%			
F14	Create an annual Housing Report Card	0%		CBJ Housing Progress Tracker v.2	
F1	Consider tax abatement programs	100%		Downtown, High-density Residential, Subdivision, Subdivision, and Senior Assisted Living Tax Abatement	
F4	Reinstate code enforcement officer	100%			
F7	Finalize land management plan to include inventory of buildable land	100%		2006 Buildable Lands Inventory	https://cbj-gis.maps.arcgis.com/apps/webappviewer/ind
F10	Adopt Housing Action Plan	100%	12/19/2016		Resolution 2780
F11	Create a Housing Trust Fund	100%	7/19/2010	Created using a non-code ordinance	ORD2010-11(G)(b)
F12	Full-time housing staff	100%	8/15/2022		N/A
F13	Parking minimum reduction and elimination downtown	100%	4/25/2022		ORD2022-04(b)

Last Updated: 11/29/2023

Housing Needs Summary



MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
 155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.gov
 (907) 586-5252

TO: Mayor Weldon and the Borough Assembly
FROM: Dan Bleidorn, Lands and Resources Manager
THROUGH: Katie Koester, City Manager
SUBJECT: CBJ Led Development Projects
DATE: November 29, 2023

The purpose of this memo is to provide a brief history of recent land disposals and to provide an overview of ongoing land disposal and development projects related to the 2023 Assembly goals. In the last 10 years the Assembly has authorized the disposal of 52 properties, most notably 16 lots at Pederson Hill, the remaining 17 lots at South Lena Subdivision, four lots in the Renninger Subdivision, two properties in Lemon Creek on Shaune Drive and Commercial Blvd to the Alaska Brewing Co., 139 S Franklin Street to Franklin Foods LLC., and most recently a 10-acre lot to the Tlingit Haida Regional Housing Authority (THRHA). There continues to be a steady flow of applications from residents for easements, leases or to acquire CBJ property. Remaining large tracts of disposable land in the CBJ portfolio will likely require planning and infrastructure construction prior to, or as a stipulation of, disposal.

Past CBJ led development projects:

South Lena Subdivision: This subdivision was in part completed as a result of the Ted Stevens Marine Research Institute access road being constructed. Final Plat was signed in 2006 and 32 lots were sold in 2007. A total of 47 lots were sold in this subdivision, the final lot being sold in 2018.

Renninger Subdivision: Final Plat was recorded in 2015 after CBJ led the design and construction of Renninger Drive. In October 2016 three ~1 acres lots were sold to the Alaska Housing Development Corp at fair market value and one lot was sold to the Juneau Housing Trust for less than fair market value because it is being utilized as the location for the Educational Home Build Program to build seven homes. There are two lots totaling ~8 acres with road frontage remaining. These lots are costly to develop because of wetlands and topography.

Pederson Hill Phase 1A: Phase 1A mainly consisted of designing and building an access road to CBJ property that previously did not have road frontage. CBJ facilitated a land trade to gain road frontage, rezoned the property, worked with consultants on design, and hired a contractor to build Karl Reishus Blvd. The new street provides access to 16 lots, which the CBJ sold, in addition to providing five additional road frontages with utilities to CBJ property.

Pederson Hill Phase 1B & 1C: In October 2023, the City Manager finalized the disposal of ~10 acres to the Tlingit-Haida Regional Housing Authority (THRHA). THRHA plans to build out

the subdivision in a similar layout to that of the approved preliminary plat that was provided by CBJ at the time of the sale. This property will be a mix of market rate housing and THRHA housing. Staff will continue to provide updates on the progress of development of this property throughout the 10-year term of the disposal agreement.

Ongoing/current CBJ led development Projects:

Second & Franklin: In August 2023, the City Manager applied to acquire the State of Alaska (SOA) owned two-story parking garage located adjacent to the CBJ property at Second Street and Gold Street. Staff have been in communication with the Department of Natural Resources, Land Conveyance Section Chief and have been informed that the standard process for reviewing this type of disposal will take approximately four years (CBJ process takes approximately 4-6 months). With this information, the Assembly will need to provide the City Manager with direction on how to proceed with the disposal of the CBJ property.

Pederson Hill Phase 2: In 2023, the Assembly authorized the City Manager to negotiate the sale of a large tract of Pederson Hill to Moline Investment Management in order to utilize it for tax credits and provide housing at 60% AMI and below for a minimum of 15 years. When staff last communicated with Mr. Moline, he indicated that the tax credit value had plummeted, and they would not be applying for tax credits in 2023 and the future is unknown. Mr. Moline completed a rezone which is expected to have increased the value of the City property, but this applicant has failed to continue to progress any further in the development process and the application has been closed. Any additional requests from the applicant will be forwarded to the Assembly for discussion.

One option for the next development of CBJ property at Pederson Hill is to work towards the right-of-way (ROW) connection to Hamilton Street. This connection is crucial for future development because a secondary access road is required for emergency response and thus must be constructed in order to permit more development. The design and construction of this connection will be costly in both time and money yet will allow for the development and disposal of CBJ property once completed. The Assembly has not provided direction to the City Manager on the proposed next phase, because the previously proposed phase was sold to THRHA, which provides the Assembly this opportunity to simultaneously plan the adjacent development. In 2024, the LHED Committee will review Pederson Hill options in order to provide the City Manager direction on how to proceed.

Telephone Hill: CBJ Engineering and the consultants hosted a public meeting for the initial planning and design services for Telephone Hill and a public meeting to introduce preliminary design concepts. Currently staff are reviewing preliminary concepts with cost estimates and two documents related to historic preservation and will provide the Assembly with a status update and draft documents in the next few weeks. The property manager has been working with the residents who live on the Hill, and rent will be adjusted to fair market value beginning January 1st. Two structures, each containing two units, are vacant. Both structures are in a state of disrepair that would cost upwards of \$100,000 each to bring them to the state at which the property manager would agree to add them to the actively managed properties. As per previous Assembly direction this December, the structures will be winterized and boarded up to prevent unlawful access.

Auke Bay Property (PF-0315): As part of the 2024 Lands Budget, \$450,000 has been included in a CIP which is allocated towards pursuing the development of CBJ property in Auke Bay. The Lands Office is working with CBJ Engineering to hire a consultant to design a preliminary access corridor and road alignment. Currently this property does not have any road frontage, lacks utilities, and will need to be rezoned in order to be more cost effective. A rezone application will be submitted in December 2023, and reviewed by the Community Development Department in January 2024. If a zone change is successful, the Assembly will need to provide the City Manager with direction on how to proceed with the development.

Potential future CBJ led development

Auke Bay Property (PF-0315): Pending the outcome of the initial ongoing investigation this property has potential for a future CBJ led development.

Pederson Hill: The CBJ owns large tracts of land at Pederson Hill and there is potential for future CBJ led development.

Renninger Subdivision: There are two lots totaling ~8 acres with road frontage remaining. These lots are costly to develop because of wetlands and topography. There is potential for future CBJ led development at this location. Alaska Housing Development Corporation (bought 3 lots for fair market value) has yet to develop the property, there may be potential for future collaboration on development.

Telephone Hill: The CBJ was conveyed ownership of the property in March 2023. This property is just now being explored for potential redevelopment and the development timeframe will likely take years to complete. Telephone Hill has potential for future CBJ led developments.

Mayflower Island: CBJ staff have met with the Douglas Indian Association (DIA) and the Bureau of Land Management (BLM) with regards to language that was included in the P.L. 104-134, Omnibus Consolidated Rescissions and Appropriations Act of 1996 which became law April 26, 1996 that states that “the Secretary is authorized to convey, without reimbursement, title and all interest of the United States in property and facilities of the United States Bureau of Mines in Juneau, Alaska, to the City and Borough of Juneau, Alaska. Mayflower Island is slated for disposal by the BLM, and DIA believe that BLM should convey the property to DIA, rather than the CBJ. Staff are meeting with BLM and DIA in early December, the results of which will be brought to the LHED Committee in early 2024. There is no funding in the budget to cover expenses, utilities, and maintenance for this property if it is conveyed to the CBJ, and at this time CBJ has no identified use for the property.

450 Whittier Street

The CBJ purchased this property from the Alaska Mental Health Trust Land Office in 2018 in order to demolish the structure to facilitate development on the site. This is the previously proposed location for the New City Hall and could still serve as a location if that direction is pursued in the future. This property has potential for a future CBJ led development.

Utility Expansion to CBJ property: The Assembly could take the opportunity to evaluate the extension of CBJ utilities to areas that are currently underserved. The majority of CBJ owned property does not have access to utilities and this needs to be completed prior to any development.



(907) 586-0757
Jill.Maclean@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

November 29, 2023

MEMO

To: Mayor Weldon and Assembly Members

From: Jill Maclean, Director, AICP *Jill Maclean*

RE: Options for Land Use Code Regulatory Changes

Purpose

Two options to update land use regulation in Juneau.

Option 1 – Existing Approach

Process requires:

- Assembly identify a section of code to rewrite
- Staff researches and drafts language
- Title 49 Subcommittee; Public Outreach; Planning Commission; Law; Planning Commission; Assembly; and at any of these stops a small change may require a return visit to the same committee or commission
- Requires multiple, sometimes conflicting adoption processes

Vulnerabilities:

- Competing workload (permits, natural disasters and other urgent work)
- Changing priorities (Assembly driven)
- Length of time can cause stops and starts with new staff, commissioners, assembly.
- Law changes are not always reviewed by Planning Commission
- Attempts to fix a code that does not work for Juneau (intended for flat, urban locations)

Examples of this approach and approximate adoption times include:

- Downtown Juneau Alternative Development Overlay District
- Downtown Parking
- Nonconforming Situation Review

Timeline: Two years per section of code rewritten

Option 2 – Complete Re-Write

Process requires:

- Dedicated CDD and Law staff
- Contractor / consultant
- Process with public engagement (may be combined with Comp Plan process)
- Streamlining review and adoption processes
- 3 to 5 years for entire code rewrite

Vulnerabilities:

- Cost

Advantages:

- Land use regulations
 - Crafted with a Juneau lens
 - Consistent within itself
 - Consistent with Comp Plan visioning; and
 - Consistent with or complimentary to building and fire codes (Title 19)
- Protects against changing priorities

Timeline: 3-5 years for entire code



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

TO: Mayor Weldon and Assembly
FROM: Katie Koester, City Manager
DATE: November 29, 2023
RE: Debt Capacity and Fund Balance Usage for Capital Projects

Due to a variety of factors discussed at the 11/29/22 Assembly Finance Committee meeting, Finance staff project a large FY25 fund balance. As we approach the FY25 budget planning process, we want to provide the Assembly context as you make decisions about the potential use of fund balance above what is necessary to hold for cash flow purposes. This memo is intended to provide a starting point for Assembly deliberation and decisions.

We had a similar conversation last year and ultimately an additional \$10M was added to the City Hall CIP – those funds remain, and a discussion about the future of City office space is planned for the December Committee of the Whole discussion.

For a variety of reasons (cash flow, cushion, funds available for one-time opportunities) staff recommend a fund balance floor of \$9M – which is separate from and in addition to the Restricted Budget Reserve. The Assembly may determine an alternate floor.

The Assembly has many potential uses for one-time funding. Staff recommend the Assembly consider the use of fund balance in excess of the floor with the following conceptual framework:

- 1) Funds should work towards achieving Assembly goals
- 2) Funds should be used on non-recurring costs that the current or a future Assembly will need to address
- 3) Funds should be used in a manner that reduces future CBJ operating costs

For context, it may be helpful to recall the 1% sales tax list that was proposed by the Assembly and recently adopted by the voters. It may additionally be helpful to recall the major one-time funding adoptions made at the end of FY22. Both lists are attached.

Working within this framework and with the understanding that fund balance projections are at this time still projections, I propose the Assembly prioritize projects from the 6 year CIP for a combination of spending of fund balance and request to the voters for bond initiatives. The 6-year CIP has a total of \$730M in outstanding future needs. Obviously, some of these projects fit the above criteria better than others. Things that come to top of mind include:

- JPD Radio Project
- Water and Wastewater infrastructure
- JSD infrastructure
- CBJ facilities, including Centennial Hall and City Hall

Recommendation: Discuss the Assembly's comfort level with using fund balance and or bond capacity for one-time expenditures that meet the listed criteria. Give staff direction on the level of spending the Assembly is comfortable with and the types of projects you would like to see included on a future discussion on investment in key capital projects.



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 | Facsimile: 586-5385

TO: Chair Woll and Assembly Finance Committee

DATE: November 29, 2023

FROM: Katie Koester, City Manager

RE: Assembly Retreat – Budget Questions

Finance Chair Woll will pose the following high-level questions for your deliberation and direction at the Assembly Retreat. Please feel free to reach out to the Manager's Office or Finance Director as you develop your thoughts in advance of the retreat.

- How aggressive/conservative are you with revenue forecasting, especially sales tax?ⁱ
- Levels of service – are there areas you want more, or less?
- How should we manage the debt service mill rate and bond capacity?
- What is your comfort level with spending fund balance on operations, increasing revenue, and/or decreasing services?

Recommendation:

Information only ahead of Assembly Retreat

ⁱ Of the information Finance Director Flick has included in the 11/27/23 AFC packet are a series of budget assumptions that staff would make in under a "status-quo" set of directions from the Assembly. Those are summarized here:

- Inflation – anticipate 'normal' inflation overall for Alaska, perhaps some deflation in some sectors.
 - Impacts: commodities, supplies, services, sales tax revenue
- Tourism – anticipate cruise ship activity to be flat compared to summer 2023.
- Salaries – wage increases per the approved bargaining agreements
- Benefits – projecting a 5% increase to employer-paid benefit costs
- Property Assessments – too early in the assessment cycle to know, assume 2.5% value increase
- General Receipts – programmatic revenue (permits, participation fees, etc.) assume 2.5% growth
- General Fund Lapse – standard \$1M general fund lapse included in assumptions
- Structurally Balanced Budget – recurring revenue is sufficient to pay for recurring expenditures
 - Backing into property tax as the last piece of revenue to balance the budget.

**General Government (inc. Sales Tax)
One-Time Expenditures FY12-FY23 Actuals, FY24 Projected**

Section E, Item 4.

General Fund (Inc. Sales Tax) One-Time Expenditures FY12-FY24

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	13-YR Total
Capital Improvement														
Enterprise/School/Eaglecrest														
Rainforest Recovery Center Detox Addition	-	-	-	-	-	-	700,000	-	-	-	-	-	-	700,000
Airport Grant Match	-	-	-	-	-	-	321,600	170,100	300,000	-	-	-	-	791,700
JSD Deferred Maintenance	-	-	-	-	800,000	450,000	600,000	-	-	-	2,000,000	-	-	3,850,000
Seawalk/Statter Harbor	-	-	-	-	-	-	-	-	-	-	5,500,000	-	-	5,500,000
Eaglecrest Gondola	-	-	-	-	-	-	-	-	-	-	2,500,000	-	-	2,500,000
Fisheries Terminal Land Purchase	-	-	-	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
Total	-	-	-	-	800,000	450,000	1,621,600	170,100	300,000	-	12,000,000	-	-	15,341,700
CBJ														
AJ Mine	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Centennial Hall Expansion Concept	-	-	-	-	-	-	-	-	-	75,000	-	-	-	75,000
New City Hall	-	-	-	-	-	-	-	-	-	-	6,300,000	-	10,000,000	16,300,000
CBJ Deferred Maintenance	-	-	-	-	-	696,800	-	-	-	-	3,500,000	-	-	4,196,800
Augustus Brown Pool Renovation	-	-	-	-	-	-	-	-	-	-	3,000,000	-	-	3,000,000
Capital Civic Center CIP	-	-	-	-	-	-	-	-	-	-	2,000,000	2,500,000	-	4,500,000
IT Infrastructure Upgrades	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-	1,500,000
Lemon Creek Multi-Modal Path	-	-	-	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000
Ballot Processing Center	-	-	-	-	-	-	-	-	-	-	700,000	-	-	700,000
JPD Radio System Upgrade	-	-	-	-	-	-	-	-	-	-	500,000	-	2,000,000	2,500,000
North Douglas Crossing	-	-	-	-	-	-	-	-	-	-	250,000	-	-	250,000
Sigoowu Ye Park Lighting Improvements	-	-	-	-	-	-	-	-	-	-	-	300,000	-	300,000
Telephone Hill Redevelopment	-	-	-	-	-	-	-	-	-	-	-	100,000	-	100,000
Jackie Renninger Park Planning	-	-	-	-	-	-	-	-	-	-	-	75,000	-	75,000
Juneau Trails Plan	-	-	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Total	250,000	-	-	-	-	696,800	-	-	-	75,000	18,750,000	2,975,000	12,080,000	34,826,800
Capital Improvement Total	250,000	-	-	-	800,000	1,146,800	1,621,600	170,100	300,000	75,000	30,750,000	2,975,000	12,080,000	50,168,500
Community Projects/Support														
Vulnerable Population/Affordable Housing														
Housing First	-	-	-	-	1,288,360	1,200,000	-	1,800,000	-	-	-	-	400,000	4,688,360
Senior Assisted Living	-	-	-	-	-	-	-	-	1,600,000	-	-	-	-	1,600,000
The New Glory Hall	-	-	-	-	-	-	-	-	-	2,300,000	-	-	-	2,300,000
UHS Teal Street Center	-	-	-	-	-	-	-	-	-	1,100,000	1,300,000	-	-	2,400,000
Affordable Housing Fund	-	-	-	-	-	-	-	-	-	-	5,000,000	-	-	5,000,000
Total	-	-	-	-	1,288,360	1,200,000	-	1,800,000	1,600,000	3,400,000	6,300,000	-	400,000	15,988,360
Arts and Culture														
SHI - Walter Soboleff Center	-	-	1,550,000	1,450,000	-	-	-	-	-	-	-	-	-	3,000,000
SHI - Arts Campus	-	-	-	-	-	-	-	-	-	1,500,000	-	-	-	1,500,000
SHI - STEAM FABLAB	-	-	-	-	-	-	-	-	-	-	-	-	320,000	320,000
Total	-	-	1,550,000	1,450,000	-	-	-	-	-	1,500,000	-	-	320,000	4,820,000
Misc. Support														
UAS Teacher's Excellence Fund	-	-	-	-	-	250,000	-	-	-	-	-	-	-	250,000
Alaska Committee Grant	-	-	-	-	-	-	-	-	-	300,000	-	-	-	300,000
AEYC - Parents as Teachers & Operations	-	-	-	-	-	-	-	-	-	-	-	243,000	75,000	318,000
Alaska Heat Smart	-	-	-	-	-	-	-	-	147,000	30,000	135,000	142,000	235,100	689,100
Downtown Business Association	-	51,000	56,300	44,700	56,000	-	-	-	-	75,000	101,000	75,000	40,000	499,000
Gavel Alaska Equipment	-	-	-	-	-	-	-	-	-	-	-	-	168,000	168,000
Rock Dump	-	-	-	-	-	-	-	-	-	-	-	-	50,000	50,000
Nordic Ski Club	-	-	-	-	-	-	-	-	-	-	-	-	25,000	25,000
Total	-	51,000	56,300	44,700	56,000	250,000	-	-	147,000	405,000	236,000	460,000	593,100	2,299,100
Community Projects/Support Total	-	51,000	1,606,300	1,494,700	1,344,360	1,450,000	-	1,800,000	1,747,000	5,305,000	6,536,000	460,000	1,313,100	23,107,460

**General Government (inc. Sales Tax)
One-Time Expenditures FY12-FY23 Actuals, FY24 Projected**

Section E, Item 4.

General Fund (Inc. Sales Tax) One-Time Expenditures FY12-FY24

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	13-YR Total
Operations														
 CBJ General Operations														
Unreimbursed School Bond Debt	-	-	-	-	-	3,075,600	-	-	-	5,900,000	824,800	-	-	9,800,400
RecycleWorks/Waste Mngt Program	-	-	-	-	-	-	600,000	-	-	-	-	-	-	600,000
Permitting Software	-	-	-	-	-	-	-	-	-	-	-	500,000	-	500,000
River Road Junk Vehicle Cleanup	-	-	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Removing Sales Tax on Food Survey	-	-	-	-	-	-	-	-	-	-	-	40,000	-	40,000
Comprehensive Plan	-	-	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Total	-	-	-	-	-	3,075,600	600,000	-	-	5,900,000	824,800	790,000	250,000	11,190,400
 Enterprise/School/District/Eaglecrest														
JSD Prior Year Deficit Funding	-	-	-	-	-	-	-	-	-	-	-	2,320,800	-	2,320,800
Hospital Operating Support	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Eaglecrest Operating Support	-	-	-	-	-	-	-	-	-	-	-	-	125,500	125,500
Total	-	-	-	-	-	-	-	-	-	-	-	2,320,800	2,125,500	4,446,300
 COVID-Related														
COVID Response	-	-	-	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000
Eaglecrest Operations (not covered by CARES)	-	-	-	-	-	-	-	-	-	160,500	-	-	-	160,500
DT Parking Fund Lost Revenue Replacement	-	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
Total	-	-	-	-	-	-	-	-	-	160,500	1,300,000	-	-	1,460,500
Operations Total	-	-	-	-	-	3,075,600	600,000	-	-	6,060,500	2,124,800	3,110,800	2,375,500	12,650,900
One-Time Expenditures Total	250,000	51,000	1,606,300	1,494,700	2,144,360	5,672,400	2,221,600	1,970,100	2,047,000	11,440,500	39,410,800	6,545,800	15,768,600	85,926,860
Plus: Annual Budget Surplus (Deficit)	(710,000)	3,520,000	1,230,000	1,560,000	2,450,000	(2,190,000)	4,780,000	1,170,000	7,010,000	1,910,500	(18,735,700)	21,351,444	21,351,444	
Annual Budget Surplus/(Deficit) without One-Time Exp.	(460,000)	3,571,000	2,836,300	3,054,700	4,594,360	3,482,400	7,001,600	3,140,100	9,057,000	13,351,000	20,675,100	27,897,244	37,120,044	



MEMORANDUM

Date: November 29, 2023

To: Borough Assembly

From: Alexandra Pierce, Tourism Manager

Re: Background for Assembly Retreat

At the November 6 COW, the Assembly expressed an interest in understanding CBJ’s options around further limiting the number of cruise passengers visiting Juneau. This memo is intended to provide the Assembly with background data pertaining to implementing further limitations on cruise tourism with a goal of managing daily impacts on Juneau residents. At the retreat, I will provide additional context around the information presented herein, the City Attorney will provide further detail on our legal options. There are two legal opinions on cruise limits attached to this memo. I have also included links to Visitor Industry Task Force (VITF) report and other relevant documents to help frame the dialogue.

Daily Cruise Passenger Numbers

When we discuss tourism impacts, we tend to focus on our high-volume days and how they impact residents. The below two charts show our busiest days by lower berth capacity and our median days by lower berth capacity. Note that we did not hit our capacity in 2022 because the ships were not sailing full. To inform the discussion around a reasonable number of passengers per day, I have provided this information to show how visitor numbers shift as the five-ship limit comes into effect and have also provided a chart showing the projected lower berth numbers for April and October. As part of the dialogue around our daily impacts and capacity, CBJ should articulate an official position on whether we consider the early and late ships to be problematic for the community.

Busiest Days by Capacity – 2019-2025							
	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
2019	12718	11398	17033	11538	10674	7420	6404
2022	12282	12854	20237	14502	12532	11072	9834
2023	12712	14242	19952	14502	12532	11572	10856
2024	9820	13680	17830	13442	13490	11122	9622
2025	12259	14292	17044	13824	12050	13214	8934

Median Days by Capacity – 2019-2025							
	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
2019	9448	10132	14834	8008	8090	5153	4526
2022	9344	11697	15618	11420	8080	8948	6605
2023	9730	11160	15930	10790	9232	8490	8224
2024	8093	12125	14658	11214	10408	9315	6560
2025	8648	11210	15140	11163	10232	9740	6266

April and October Ships				
Year	2022	2023	2024	2025
First day	Apr 25	Apr 17	Apr 9	Apr 9
Last day	Oct 18	Oct 25	Oct 24	Oct 21
Total off season pax	50527	52230	115274	79277

Hot Berthing

There is some confusion in the public discourse about the five-ship limit and hot berthing. The limit does not prevent a private company from continuing that practice at a private facility that is also owned by the company that produces the ship schedule. Cruise Line Agencies of Alaska (CLAA) and Norwegian Cruise Line are continuing to hot berth per their long-term berthing agreement, and CLAA is simply not scheduling a ship at anchor on Tuesdays to adhere to the five-ship limit. Both parties are fully aware of the community’s sentiment towards this practice. As the Assembly considers further limits, it is important to consider whether to explicitly restrict hot berthing.

Negotiated Agreements

Negotiated agreements are flexible by nature and there are several options for further negotiated limits, including a daily passenger limit, a ship size limit, and/or certain “ship free days”. In preliminary discussions about future negotiated agreements, the cruise lines and CLIAA are conceptually agreeable to the daily limit concept. There are several other ports in the world with negotiated agreements to limit cruise tourism. Some of these agreements set daily limits. For example, the Port of Palma, Spain sets a daily limit of 8,500 lower berth capacity and only allows one ship per day with over 5,000 lower berth capacity. The Mediterranean does not share Alaska’s geographic and dock size constraints and hosts much larger ships. The Palma agreement provides two interesting options for limiting visitation – a daily limit and a ship size limit. It also sets berthing priority based on criteria that are important to the port, including using shore power when available. These are the types of negotiated options that CBJ could consider moving forward.

Our two existing MOAs are critical to implementing the strategy set forth by the VITF. Further negotiated agreements would refine that work while also establishing a basis for evaluating our infrastructure needs and for decision making around an additional private dock. I suggest that the

Assembly consider what types of negotiated solutions the body prefers while also understanding the scope of CBJ’s legal options as presented by the City Attorney.

Current Shore Excursion Opportunities

There has been much discussion around Juneau’s shore excursion capacity and the need for more opportunities. The below table shows the upper capacities of the major available and planned activities in Juneau. Note that this is not comprehensive and several of the numbers are estimates. Also note that some people do multiple activities in a day or within the same excursion, for example, a whale watching tour with a stop at the Mendenhall Glacier Recreation Area (MGRA) Visitor’s Center, or a city tour that visits CBJ parks and the MGRA. There are also numerous smaller capacity activities that are not reflected in this chart. However, as we consider visitor infrastructure in the context of limits and capacity, it’s important to understand the major activities that are currently available and those coming online for 2026.

Shore Excursion	Regulator	Current Capacity	Future Capacity	Completion Date	Notes
Eaglecrest Gondola	Eaglecrest/ Goldbelt	0	~500/day	2026	
MGRA Improvements	USFS	~530K/season ~3500/day	30% increase per phase ~4550/day – Phase 1	Phase 1 - 2026	Three phases planned, only phase 1 funded. MGRA-based activities (rafting, hiking) are included.
CBJ park and trail-based tours	CBJ	1401	1401	n/a	Capacity may change with CRUS, assumes USFS permitted tours included in MGRA total
Helicopter tours	USFS	570	685	n/a	Limited by USFS EIS
Whale Watch	N/A	2898/day in 2019	3000/day	n/a	Increase based on more boats for 2024
Mt. Roberts Tram	N/A	7000/day	7000/day	n/a	
Total Daily Capacity		15369	16636		

As the Assembly considers community goals for tourism impacts related to shore excursions, it is important to consider the regional context. The Port Communities of Alaska are furthering their efforts to organize, and it is important to remember that limits in Juneau affect the entire region and that evaluating our capacity and negotiating with the industry is an ongoing process to be continually refined as circumstances change.

Attachments:

Law Memo to VITF

Corso Memo on Cruise Ship Limits

Helpful Links:

[Visitor Industry Task Force Report](#)

[2023 MOA](#)

[2022 MOA](#)



DATE: January 21, 2020
 TO: Chair Triem, Visitor Industry Task Force
 FROM: Robert Palmer, Municipal Attorney
 SUBJECT: Preliminary Legal Issues with Managing Tourism

I have been asked to provide preliminary legal guidance for managing tourism from cruise ships. This topic can be legally complicated. I am not aware of any definitive legal authority that would be helpful at this stage because the overarching policy visions need to mature. At this stage, the VITF should focus on the desired policy visions and how to achieve those policy visions, while having awareness of some potential legal sideboards. The following legal issues may arise depending on what policy and regulation, if any, the CBJ ultimately wants to impose.

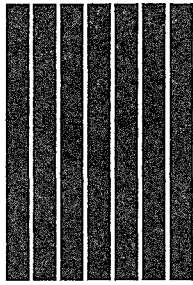
1. **U.S. Constitutional Right to Travel.** The Privileges and Immunities Clause limits laws that treat out-of-state citizens differently than in-state citizens. For example, there is a right to travel from one state to another and to use the instruments of interstate commerce, which includes “the right to be treated as a welcome visitor rather than an unfriendly alien when temporarily present in the second state.” *Saenz v. Roe*, 526 U.S. 489, 500 (1999).
2. **U.S. Constitution Commerce Clause.** Generally, laws that unduly burden interstate commerce are unconstitutional, which require courts to balance interests.
3. **U.S. Constitution Tonnage Clause.** See the recently settled *CLIAA v. CBJ* litigation. The Tonnage Clause limits fees imposed on vessels for entering a port and how those fees can be expended.
4. **U.S. Constitution Contract Clause.** The Contract Clause can limit laws that unreasonably and substantially impair existing contractual rights.
5. **Takings/Inverse Condemnation.** Private property shall not be taken or damaged for public use, without just compensation.
6. **Public Trust Doctrine.** The doctrine protects navigation on, commerce in, fishing on, and access to navigable water, but the rights protected are not absolute.
7. **Level of scrutiny.** All regulations must at least satisfy rational basis scrutiny (i.e. is the regulation rationally related to any governmental interest). Some regulations may need to satisfy a heightened scrutiny, which could require the CBJ to prove the regulation is

narrowly tailored to promote a compelling governmental interest and the regulation is the least restrictive means to vindicate that interest.

8. **Interference/Preemption of Aviation and Maritime Matters.** The federal government has primary jurisdiction of aviation (FAA) and maritime (USCG) matters. The FAA's jurisdiction is almost exclusive, and local governments have limited authority to regulate aviation matters. The CBJ has broader authority to regulate maritime matters especially if the local regulation does not conflict with a federal law.
9. **16B Revenue Bond limitations.** The 2015 revenue bonds include provisions that prohibit the CBJ from reducing the \$3 Port Development Fee or undertaking actions that put the debt service payments in jeopardy. The bonds are scheduled to be paid off in 2034, but the CBJ can prepay the bonds as early as March 1, 2026.
10. **CBJ as property owner versus CBJ as regulator.** The CBJ has broad authority to manage its property (i.e. CBJ docks, tidelands, trails). When the CBJ acts as a regulator of non-CBJ property (i.e. private docks, State tidelands), the CBJ has substantial authority but it is subject to a variety of other laws (i.e. Takings, Interference/Preemption). For example, the CBJ regulates commercial buses (CBJC 20.40) and land use/development (CBJC Title 49).

As the Visitor Industry Task Force and the Assembly consider the preliminary legal sideboards, the following policies may be worthy of further discussion:

- A. **Voluntary Action.** The recent cruise ship litigation settlement requires an annual consultation. As community concerns arise, the cruise ship companies may be willing to voluntarily adjust their practices, which would eliminate a substantial amount of legal risks then if the CBJ simply imposes regulations.
- B. **Prepay the 16B Revenue Bonds.** The CBJ could consider satisfying the debt service from the 16B revenue bonds at the earliest opportunity (\$12.8M on March 1, 2026), which would give the CBJ more discretion regarding how the CBJ docks are used.
- C. **Articulate Specific Governmental Interests.** Because of the potential constitutional rights implicated with restricting the number of cruise ship passengers, the CBJ could consider developing, measuring, and tracking indicators of tourism to establish specific governmental interests. Such indicators would be helpful to justify and defend any cruise ship or passenger restrictions or carrying capacities.
- D. **Proprietary Control of Docks.** The CBJ currently owns two of the four cruise ship docks. If the CBJ wants to have more control of when and how long ships are in port, the CBJ could consider purchasing the two private docks and having ownership control of any new docks.
- E. **Infrastructure and Geographical Limitations.** The size of ships, the location of docks, and the geographical features of Gastineau Channel can indirectly limit cruise ship tourism. Further consultation with the USCG could result in a regulatory scheme that prohibits "anchoring out" if a new dock was constructed, which would indirectly cap cruise ships.



CBJ Law Department
MEMORANDUM

To: Mayor and Assembly

From: John R. Corso, City & Borough Attorney

Subject: Cap on Tourism

Date: August 9, 1996

I. Introduction

You have asked whether the city and borough may lawfully impose a “cap on tourists”. If a cap on tourists is enacted into CBJ law it will, like any other governmental policy enacted into law, have a purpose and a method for advancing that purpose. If a court is called upon to review the law, it will examine both of these elements. It will determine whether the purpose is legitimate and the method is reasonable.

At this point it is difficult to determine what a court might do with a “cap on tourists” because the term has no settled meaning. One person might think that the purpose of a cap is to limit all tourists; another might think that the purpose is to limit only cruise ship tourists; to a third it might mean a limit on tourists who use local trails and other recreational facilities. Some people might believe that the best method of accomplishing their purpose is a direct limit expressed as the maximum number of tourists allowed in town in one year, others might prefer to arrive at their goal through indirect limitations imposed on ships, buses, and other parts of the tourism infrastructure.

I can identify some of the purposes that a cap might have, and some of the methods it might use. I can suggest the purposes and methods that are clearly illegal, and provide an analytical framework for considering the legal consequences of other programs that might be developed. However, lawyers should not initiate policy. If the city and borough is to limit or manage the local tourism industry, the purpose and method for doing so should be decided first by policy makers.

Part III of this memo discusses the different purposes that a cap on tourists might have. Part IV suggests some of the methods that might be used to accomplish these purposes. Part V identifies the legal theories that could be applied to these issues.¹

II. Short Answer

The short answer to your inquiry is that the U.S. Constitution prohibits the city and borough from directly limiting the number of tourists who enter our jurisdiction. The last time anything like that was attempted was during the Great Depression when the State of California attempted to limit the number of indigent immigrants arriving from Midwest dustbowl states. The Supreme Court struck

¹ My thanks to Assistant City & Borough Attorney Jonathan Sperber for his help in researching the legal issues discussed in this memo.

down the California law on the grounds that it violated the commerce clause of the Constitution and infringed on the basic right of U.S. citizens to travel throughout their country.² It would do the same if CBJ attempted to impose a direct numerical cap on tourists or any other group of Americans.

It may be possible to limit tourism through the use of regulatory mechanisms aimed at particular impacts of tourism.

III. Possible Purposes of a Cap on Tourists

A. Examples

Is your mother a tourist? If she comes to Juneau just to see her grandchildren, maybe not. But what if she wants to see the glacier, too? Suppose she is accompanied by a traveling companion: is the companion a tourist? They tell you that they don't want to impose on you, so they will stay at a hotel: are they tourists? If their real reason for staying at the hotel is the quilting convention that's held there: does that make a difference? If one of the grandsons lives in Hoonah and comes to Juneau for the visit, is he a tourist?

While in Seattle you meet someone who might be interested in investing in your business. She accepts your invitation to come to Juneau and inspect your business. She will bring her husband and make it a "working vacation". She doesn't like airplanes and the ferry is full, so they will arrive on a cruise ship. He likes to fish, she likes to hike. You might be able to take him on your boat and her on the trail, but business comes first, so you arrange a charter and a guided hike as backup. Is he a tourist? Is she? Does it make a difference that she is fascinated with your business and spends the entire visit pouring over your books?

A retired couple books passage on a cruise ship. They like the food and the view from deck, but they have trouble getting around and have no intention of debarking in Juneau. He enjoys the voyage through the Inside Passage, but he brought the wrong shoes, and his feet begin to hurt. By the time they arrive in Juneau his feet are really bothering him, so he decides to come ashore long enough to buy the shoes he needs. Is he a tourist? Does it make a difference if his new shoes feel so good he decides to walk around town before returning to the ship?

B. Types of Issues

The foregoing examples are the kinds of problems that law professors love to inflict on their students, but these "hypotheticals" are not entirely academic: judges are fond of posing them from the bench. And sometimes real life serves them up, too.³ They illustrate the need to clearly articulate the purpose of any cap on tourists. If the purpose is unclear, it is difficult or impossible to justify the reasonableness of the method used to accomplish the purpose.

² See page 6 of this memo.

³ The August 8 edition of the *Juneau Empire* reported that former Governor and Mrs. Jay Hammond would be traveling to Juneau on a Princess Lines ship for a book promotion tour. Are they tourists? Does it make a difference that they are traveling only intrastate between ports in Southeast?

1. Is our purpose to limit tourists? A subjective approach.

A tourist, according to the dictionary, is “one who travels for pleasure”. This definition is probably too broad for purposes of the present discussion. It would encompass people who travel for the pleasure of seeing their relatives and people who travel for the pleasure of attending a hobbyist convention. Maybe CBJ policy should be most concerned with people who travel for the pleasure of traveling. These are “sightseers”: the kind of tourists who have no real “business” to do.

This is a subjective approach to defining tourism and it suffers from the usual disadvantages of subjective measurement: it requires a judgement of somebody else’s intent. In the first example above, you thought your mother was coming to see you, but perhaps she was really interested in the quilting convention or a view of the glacier: should her real intention affect her status as a tourist?

2. Is our purpose to limit tourism activities? An objective approach.

Perhaps the policy could avoid some analytical difficulties if it defined tourists not by their intent, but by their actions: how they arrive, how long they stay, and what they do while they are here. People who arrive on cruise ships, who stroll on sidewalks, walk on trails, gather on beaches, paddle on lakes, leave within x days, and so on. These criteria have the advantage of objectivity, but they invite line-drawing problems. In the third example above, the man who came debarked from a cruise ship to buy some shoes for walking — slowly, no doubt — along a downtown sidewalk, but was he really a tourist?

Some kinds of activities are easy to categorize. An elderly couple who arrive on a cruise ship, shop at a gift store, go up a mountain on a tram, then go back to the ship are probably tourists. Other activities are more problematic. An adventure writer who arrives on the ferry, shops at the Nugget, rappels down a mountain on a rope, then goes to dinner at a restaurant, may not be a tourist.

These kinds of line-drawing and definitional problems are not very common, and can be addressed, at least initially, by good legislative drafting. However, technical solutions invite technical challenges. Inventive tour operators and their lawyers might be tempted to create tourism opportunities designed to avoid application of the tourism activities cap. This invites amendment of the tourism ordinance, further maneuvering by the industry, and yet more amendments in an endless process.

3. Is our purpose to manage tourism impacts? An analytic approach.

Perhaps it is not the tourists as such, but their impacts on the quality of life in Juneau that concerns us. Some of these impacts, such as crowds on sidewalks or a lack of seating in Marine Park, result from the physical presence of a particular number of tourists at a particular time. Other impacts, such as diesel smoke and airplane noise, vary directly but not one-to-one with the number of tourists. (Larger or quieter vehicles might accommodate more tourists but produce fewer impacts: at least for a while.)

Some impacts, such as groups of hikers or kayakers, are more or less objectionable according to time of day or location. Other impacts, such as the growth of low-skill seasonal service sector employment, may be benign or even positive, depending on who they affect.

If the purpose of the policy is to manage tourism impacts, a wide variety of management tools are available. These tools will be each more finely tuned and more legally defensible than the sledgehammer solution of a cap on the raw number of tourists.

IV. Possible Methods of Capping Tourism

The policy approach selected by the Assembly will dictate the method of regulation used to implement it. A variety of methods are possible.

A. Direct Limits on the Number of Tourists

It is difficult to hypothesize a practical method of directly limiting the number of tourists entering the city and borough. Presumably the Assembly would annually establish an upper limit expressed as a number. Perhaps this quota would limit the allowable number of tourists per year, per month, or during the tourist season.

Governments usually enforce these kinds of policies with passports, checkpoints, and border guards. But these are the tools of sovereign nations. The concept of CBJ visas and border guards is comical, but helps illustrate the basic interests at stake in any attempt to limit access by outsiders.

Another way to impose direct limitations might be to cap the number of tourists who could disembark from a tour ship after it had arrived in town. This might require posting CBJ agents at gangways, where they could count the number of passengers disembarking and returning to the ship. If this becomes unmanageable, the cruise ships could be issued a limited number of shore passes or medallions to be worn in a prominent manner by tourists while they are ashore. This approach would probably attract some sort of publicity for the Capital City.

B. Direct Limits on the Number of Tourist Vehicles

A more reasonable approach might be to limit the number of tourists by limiting the number, size, or schedule of vehicles and vessels that bring tourists to town. A rough limit is imposed by Juneau's lack of road access and the carrying capacity of its harbors and airport. A limit short of that capacity might be imposed in the form of docking or landing permits. These techniques would be of dubious utility for some forms of transportation: efforts to limit the number of landings at the airport might violate the terms of federal airport grants or federal statutes regarding airport accessibility⁴ and efforts to limit state ferries would be preempted by state law.

A program to limit cruise ship traffic could be more defensible: CBJ might be able to limit the number of cruise ships per day allowed in the harbor, or it might limit the hours for cruise ship operations. The City of Key West, Florida, has done this. We have spoken with Mr. Chuck Hamlin, Assistant Transportation Planner for Key West, who reports that his city has adopted a regulation imposing a limit of three cruise ships per day within the city limits. This regulation has never been enforced. Key West also has a regulation limiting the hours that cruise ships may use the city-operated Mallory Dock. The dock is reserved for the use of vendors, street performers, and the public during sunset. This regulation is enforced, but has never been challenged.

The port dues collected by CBJ pursuant to CBJ 85.02.105 would be a complicating factor in any attempt by CBJ to limit cruise ship use of municipal docks. The dues have been collected from cruise

⁴ See, e.g., 49 U.S.C.A. §47107

lines for the express purpose of maintaining port facilities⁵ and the cruise industry can be expected to object to any limitation on its ability to amortize this investment through passenger revenues.

Experience with dockside vending regulations suggests that any system for limiting ship visits would involve some form of lottery, auction, brokerage, or other system designed to address priorities and conflicts among tour ship companies. This could generate revenue, but would entail some administrative overhead.

C. Techniques for Managing Tourism Impacts

The techniques available for managing tourism impacts are as varied as the impacts themselves, and beyond the scope of this memo. They involve the issuance and revocation of permits, concessions, leases, and regulations. These tools address the number and type of tourists, tourist vehicles, and tourist businesses allowed to use public and private space in the city and borough. They would address hours, litter, noise, damage, fees, rates of return, and similar concepts. They could, if properly done, be rationally related to a legitimate government purpose.

V. Legal Theories Applicable to a Cap on Tourists

Most of the tourists subject to the cap would be traveling from other states or other countries. The primary legal authority applicable to state and local regulation of interstate and foreign travel is the United States Constitution. The Constitution is in large measure the result of need to regulate travel and commerce between the states. Prior to the Declaration of Independence, the British Board of Trade supervised commercial transactions between the colonies. After the signing of the Declaration of Independence, there was no central control over commercial transactions in the new states. The new states were fearful of having their trade subjected to discriminatory restriction either by states with conflicting commercial interests, or by a central government that could be controlled by such interests. Accordingly, when they formed a national government under the Articles of Confederation, they granted the Continental Congress some powers over national affairs, but none over commerce between the states. They even limited Congressional power over foreign affairs by providing that no federal treaties might limit the individual states' powers over commerce and the taxation of imports and exports.

The result was economic chaos. When trade with Britain declined, the states responded by protecting their positions in the newly limited marketplace. Individual states, especially port states like New York, set up trade barriers by imposing economic sanctions against the products of other states and by taxing trade passing through their territory. The target states retaliated with taxes so high as to foreclose access to their markets. The situation deteriorated to a state of economic warfare, and national leaders feared a dissolution of the union. They called for convention to amend the powers of the national government so that it could deal with multi-state commercial problems. A convention was held, but it soon became clear that more than a few amendments would be needed. There was a call for a new convention which we now know as the Constitutional Convention. This convention

⁵ CBJ 85.02.105(c): In changing the base rate, the factors to be considered shall be the amount of revenue necessary to: retire outstanding bonded indebtedness for port facilities; perform scheduled port facility improvements, major maintenance, and land acquisition; and maintain a fund balance in the port development and major maintenance fund sufficient to offset reasonable fluctuations in annual cruise ship visits without an additional change to the base rate, and reflecting changes in port usage.

began in May of 1787 and had as one of its principal achievements the creation of a national government authorized to regulate “commerce among the states”.⁶

Interstate commerce is one element in the concept of federalism; the central organizing principal of American government. For present purposes, this principal finds expression in four constitutional doctrines: the right to travel, the equal protection clause, the commerce clause, and the privileges and immunities clause.⁷ These constitutional provisions are the ones most likely to be used to test the legality of a cap on tourism. I cannot predict the various combinations of purposes and methods that would be tested, but whatever the mix, the following constitutional principles would be applied.

A. *The Right to Travel*

The concept of a constitutional right to travel is well established in American law. Although its origins are obscure — there is no express mention of a right to travel in the Constitution — it is often cited.⁸ Justice Potter Stewart observed that “[t]he constitutional right to travel from one state to another... occupies a position fundamental to the concept of our federal union... [A] right so elementary was conceived from the beginning to be a necessary concomitant of the stronger Union the new Constitution created.”⁹ The right to travel is recognized as a personal right.¹⁰

This right was clearly affirmed in two cases involving direct limitations on travel: *Crandall v. Nevada*¹¹ and *Edwards v. California*¹². In *Crandall*, Nevada attempted to impose a tax of one dollar on every person leaving the state by paid transportation. The Court struck down the tax, declaring “[w]e are all citizens of the United States, and as members of the same community must have the right to pass and repass through every part of it without interruption.” The *Edwards* case concerned a California law enacted to stop waves of immigrants from the dustbowl states during the Great Depression. Like some versions of the proposed cap on tourism, the law was a direct limit on entry into the state, forbidding “anyone knowingly to bring or assist in bringing into the state a nonresident ‘indigent person’”. The Court was unanimous in its decision to strike down this law, but split on the rationale for doing so: five justices relied on the interstate commerce clause, but four relied on the inherent right of Americans to travel throughout their country.

⁶ Nowak, Rotunda, and Young, *Constitutional Law*, West Publishing (1978)

⁷ To the extent that Juneau attracts tourists from other countries, a policy limiting their access might run afoul of the exclusive federal jurisdiction over foreign affairs and immigration. *Mathews v. Diaz*, 426 U.S. 67, 81-82, 48 L.Ed.2d 478, 490-91, 96 S.Ct. 1883 (1976) (“For reasons long recognized as valid, the responsibility for regulating the relationship between the United States and our alien visitors has been committed to the political branches of the Federal Government.”).

⁸ *Shapiro v. Thompson*, 394 U.S. 618, 630, 22 L.Ed.2d 600, 612, 89 S.Ct. 1322 (1969) (“We have no occasion to ascribe the source of this right to travel interstate to a particular constitutional provision.”).

⁹ *United States v. Guest*, 383 U.S. 745, 757-58 (1966)

¹⁰ *Williams v. Fears*, 179 U.S. 270, 274, 45 L.Ed. 186, 21 S.Ct. 128 (1900) (“Undoubtedly the right of locomotion, the right to remove from one place to another according to inclination, is an attribute of personal liberty, and the right, ordinarily, of free transit from or through the territory of any state is a right secured by the 14th Amendment and by other provisions of the Constitution.”).

¹¹ 73 U.S. 35 (1868)

¹² 314 U.S. 160 (1941)

This right to travel is not absolute: state and local governments may prevent a citizen from leaving if he is a fugitive from justice, carrying a contagious disease, or subject to criminal arrest. Likewise, a citizen may be prevented from traveling into an area if she would be endangered by flood, fire, or pestilence.¹³

B. The Equal Protection Clause

Both the federal and state constitutions require that citizens enjoy the equal protection of the laws: that persons similarly situated be treated the same. Courts require that if the government draws distinctions between groups of people and then treats them differently based on that distinction, that it have some rationale basis for doing so. If a state distinguishes between residents and nonresidents, courts will apply a "strict scrutiny" test requiring that the policy serve some compelling government interest and be narrowly drawn to effectuate that purpose. The requirement that the policy be narrowly drawn is best served by tourism regulations aimed at particular impacts rather than broad classes of persons.

Some equal protection cases dealing with residency, such as the famous *Zobel* case,¹⁴ which tested the residency requirements of the Alaska Permanent Fund Dividend, involve durational residency. In these cases the government discriminates among residents based on how long they have resided in the state. A different set of standards is used for these cases. They would probably not be involved in a tourism program, unless CBJ proposed to regulate resident seasonal tourism workers.

C. The Interstate Commerce Clause

It is settled law that the transportation of persons is "commerce" within the meaning of the commerce clause.¹⁵ Prohibiting the transport of a class of persons into a state is an unconstitutional barrier to interstate commerce.¹⁶ Such a regulation is unconstitutional, even when based upon a huge influx of migrants resulting in health, morals, and financial problems of staggering proportions.¹⁷ A state or locality may not close its borders.¹⁸

Although it is not possible for cities to prohibit or discriminate against a certain class of interstate commerce, it is possible for them to regulate commerce, including the interstate commerce. Courts

¹³ *Zemel v. Rusk*, 381 U.S. 1, 15, 14 L.Ed.2d 179, 189, 85 S.Ct. 1271, *reh'g denied* 382 U.S. 873, 15 L.Ed.2d 114, 86 S.Ct. 17 (1965).

¹⁴ *Williams v. Zobel*, 619 P.2d 422, 426 (Alaska 1980), *rev'd on other grounds*, 457 U.S. 55, 102 S.Ct. 2309, 72 L.Ed.2d 672 (1982), citing *Memorial Hospital v. Maricopa County*, 415 U.S. 250, 94 S.Ct. 1076, 39 L.Ed.2d 306 (1974) and *Sosna v. Iowa*, 419 U.S. 393, 95 S.Ct. 553, 42 L.Ed.2d 532 (1975).

¹⁵ *Edwards*, 314 U.S. at 172 ("[I]t is settled beyond question that the transportation of persons is 'commerce,' within the meaning of that provision.")

¹⁶ *Id.* at 173.

¹⁷ *Id.*

¹⁸ *Id.* (No boundary "to the permissible area of State legislative activity . . . is more certain than the prohibition against attempts on the part of any single State to isolate itself from difficulties common to all of them by restraining the transportation of persons and property across its borders.")

take a two-tiered approach¹⁹ to such regulatory activity, asking first: does the regulation regulate evenhandedly with only incidental effects on interstate commerce? If so, the regulation is valid unless the burden imposed on such commerce is clearly excessive in relation to the putative local benefits. This kind of analysis might apply to a CBJ program that limited *all* tourists, even those from within Alaska.²⁰

If the regulation discriminates against interstate commerce, (meaning differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter) it is virtually *per se* invalid: The regulation will be struck down, unless it advances a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives. A “strictest scrutiny test” will be applied and the regulator’s burden of justification is so heavy that it cannot, as a practical matter, be sustained.

D. The Privileges and Immunities Clause

The privileges and immunities clause of the U.S. Constitution states that the citizens of each state are entitled to all privileges and immunities of citizens in the several states.²¹ The U.S. Supreme court has interpreted this to mean that less favorable treatment by a state towards non-residents violates the privileges and immunities clause if the activity in question is sufficiently basic to the livelihood of the nation as to fall within the purview of the clause²², and is not closely related to the advancement of a substantial state interest. The availability of less restrictive means is relevant in determining whether the discrimination bears a close relationship to the permissible purpose.

An ordinance may pass muster under the clause if the city shows something to indicate that non-residents constitute “a peculiar source of evil” at which the ordinance is aimed. It is unlikely that the mere presence of people, tourists or otherwise, constitutes an “evil” warranting their exclusion. It is arguable whether tourism impacts are sufficiently “peculiar” that they justify a ban or limit on tourists or their activities, although regulation of the impacts of those activities would be more defensible, since that would be the least restrictive method of addressing the legitimate interest in quality of life issues.

¹⁹ *Oregon Waste Systems, Inc. v. Oregon Dept. of Env'tl. Quality*, 511 U.S. ___, 128 L.Ed.2d 13, 21-22 114 S.Ct. ___ (1994); *Barber v. State of Hawaii*, 42 F.3d 1185, 1194-95 (9th Cir. 1994).

²⁰ I am not altogether confident of this analysis: a municipal effort to limit tourism from outside the city but within Alaska might still be the kind of parochial legislation that would be struck down by the Alaska Supreme Court, if not the federal courts.

²¹ U.S. Constitution, Art. IV, § 2 (“The citizens of each state shall be entitled to all privileges and immunities of citizens in the several states”); *Toomer v. Witsell*, 334 U.S. 385, 395-96, 68 S.Ct. 1156, 1162, 92 L.Ed. 1460, *reh'g denied*, 335 U.S. 837, 69 S.Ct. 12, 93 L.Ed. 389 (1948) (“The primary purposes of this clause . . . was to help fuse into one Nation a collection of independent, sovereign States. It was designed to insure to a citizen of State A who ventures into State B the same privileges which the citizens of State B enjoy . . .”).

²² *Baldwin v. Montana Fish and Game Comm'n.*, 436 U.S. 371, 388, 98 S.Ct. 1852, 1862-63, 56 L.Ed.2d 354 (1978) (In holding that elk hunting by non-residents in Montana is not “fundamental” under the privileges and immunities clause, the Court stated that: “Equality in access to Montana elk is not basic to the maintenance or well-being of the Union. Appellants do not - and cannot - contend that they are deprived of a means of a livelihood by the system or of access to any part of the State to which they may seek to travel.”) (emphasis added); *discussed in Hawaii Boating Ass'n. v. Water Transp. Facilities*, 651 F.2d 661, 666-67 (9th Cir. 1981).

VI. Conclusion

James Madison, the principal architect of the Constitution wrote in *The Federalist Papers*, about the parochialism of the Continental Congress and how it justified approval of the new federal system:

What is the spirit that has in general characterized the proceedings of Congress? A perusal of their journals, as well as the candid acknowledgments of such as have had a seat in that assembly, will inform us, that the members have but too frequently displayed the character, rather of partisans of their respective States, than of impartial guardians of a common interest; that where on one occasion improper sacrifices have been made of local considerations, to the aggrandizement of the federal government, the great interests of the nation have suffered on a hundred, from an undue attention to the local prejudices, interests, and views of the particular States. I mean not by these reflections to insinuate, that the new federal government will not embrace a more enlarged plan of policy than the existing government may have pursued; much less, that its views will be as confined as those of the State legislatures; but only that it will partake sufficiently of the spirit of both, to be disinclined to invade the rights of the individual States, or the prerogatives of their governments. The motives on the part of the State governments, to augment their prerogatives by defalcations from the federal government, will be overruled by no reciprocal predispositions in the members.

James Madison, *The Federalist*, #46

The protection of interstate commerce and national citizenship, like the separation of powers and a republican form of government, is built into the bones of the Constitution. Judges, particularly federal judges, will look very closely at any effort by one state or locality to exclude or disfavor people from someplace else.

Tourists, by definition, are people from someplace else. The Assembly should proceed very carefully before imposing a cap on tourism. A better approach would be to limit the impacts of tourism.

JRC/szl

I:\AA\ASSEM\CAP.MEM

Assembly Goals 2023

Assembly Goals-Approved at the
1/30/2023 Assembly Meeting

1. Housing - Assure adequate and affordable housing for all CBJ residents

		Implementing Actions	Responsibility	Notes:
A	P	Revise and improve Title 49 to facilitate housing	Assembly, Planning Commission, Manager's Office, CDD	<i>ADU code changes are the next priority on the T49 cte docket</i>
B	P/F	Continue to monitor and track progress towards advancing the goals of the Housing Action Plan	Assembly, Manager's Office	<i>Housing tracker report provided to 9/18/23 LHEDC. New in 23: Vacant/underdeveloped property map, ADU grant award increase, AHF Round 3, opening of Ridgeview Senior Housing, STR Registration Program.</i>
C	P/F/O	Continue aggressive use of the Affordable Housing Fund, tax abatement, and other loan and grant programs	Assembly, Manager's Office	<i>Staff report on AHF, grants and loan programs in April. Review goals and set funding levels for Round 4 in budget process.</i>
D	P/F/AA	Evaluate and revise current CBJ systems associated with managing land and revising T49 in order to get big things done fast	Assembly, Manager's Office, CDD, Law	<i>Discuss/update during retreat</i>
E	P/F	Continue planning and implementation of (re)development of Telephone Hill, Pederson Hill, and the 2nd/Franklin property	Assembly, Manager's Office	<i>T-Hill acquisition complete, property manager in place. EPW/CDD/Lands/Consultant working on redevelopment plan for Assembly review in 2024. Community engagement ongoing. 10+ acres on Pederson Hill sold to THRHA. Potential disposal of 2nd/Franklin property in conj w/potential acquisition of 2nd/Gold from SOA (SOA timeline ~4 years)</i>
F	P/F	Reduce barriers to downtown housing development	Assembly, Manager's Office, CDD	<i>Non and reduced parking areas established downtown.</i>

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

AA*		Implementing Actions	Responsibility	Notes:
A	F/O	Update the Comprehensive Plan	Assembly, Planning Commission, Manager's Office, CDD	<i>Senior planning recruitment nearing completion.</i>
B	O	Draft a resolution adopting the long term goals of the VITF, establish contractual relationships with private dock managers, analyze existing passenger fee structure, and explore methods to create a pathway towards functional municipal management of the waterfront.	Assembly, Manager's Office, Docks & Harbors	<i>Resolution completed. Contract with CLAA completed. Currently working with private dock owners on options for municipal waterfront management.</i>
C	P/F/O/S	Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates	Assembly, Manager's Office	<i>Many JEP action items are incorporated into other IAs. Consider update to JEP? Originally envisioned as 10 year plan in</i>
D	F	Explore financing for the Capital Civic Center	Assembly, Manager's Office, Finance	<i>\$5M previously appropriated grant match available (2022-06(b)(AJ))</i>
E	P/F/S	Support Eaglecrest's objective of becoming self-sufficient	Assembly, Manager's Office, Eaglecrest	<i>Determine if this is an accurate implementing action at next joint meeting.</i>
F	P/F	Pursue and plan for West Douglas and Channel Crossing	Assembly, CDD, Planning Commission, Manager's Office	<i>JDNC rec'd \$16.5M RAISE grant and \$7M CDS. MOU btwn CBJ/DOT in development, will cover project thru final design, incl env/permitting</i>
G	P/F/S	Explore options for redeveloping under used downtown property	Assembly, CDD, Manager's Office, Engineering & Public Works	<i>NPRA & Downtown Tax Abatement. AHF eligible. Staff rec on this IA: add specificity or remove.</i>

Assembly Goals 2023

Assembly Goals-Approved at the
1/30/2023 Assembly Meeting

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

AA*	Implementing Actions	Responsibility	Notes:
A P/F	Develop strategy for fund balance and protect restricted budget reserve	Assembly, Manager's Office, Finance	<i>\$3M contributed to RBR in FY23</i>
B P/F	Continue to evaluate sales tax structure including equity and evaluate removing sales tax on food	Assembly, Manager's Office, Finance	<i>Survey conducted in Spring 2023. Outcome - no change to sales tax on food.</i>
C P	Long term strategic planning for CIPs	Assembly, Manager's Office, EPW	<i>Legislative priorities out to boards/commissions, feedback due 12/1, then to Assembly for ranking. Begins CIP process.</i>
D P/F	Reduce mil rate as appropriate	Assembly, Manager's Office, Finance	
E F/O	Allocate resources to implement Assembly goals	Assembly, Manager's Office, Finance	
F F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD.	Assembly, Manager's Office, EPW, all operating departments with facilities	<i>Assembly increased commitment to DM using 1% ST FY24-28. Close engagement btwn EPW, P&R, JSD, BRH on prioritization.</i>
G P/F	Examine social service funding levels and process	Assembly, Manager's Office	<i>Change to or add: Examine community grant process and priorities</i>

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Goals 2023

Assembly Goals-Approved at the
1/30/2023 Assembly Meeting

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens

AA*	Implementing Actions	Responsibility	Notes:
A P/O/ S	Acknowledge and honor Juneau's indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day	Assembly, Manager's Office, Human Resources Committee	<i>S Seward St changed to Heritage Way.</i>
B P/S	Explore government to government relations with tribes	Assembly, Manager's Office	<i>MOA/MOU discussions ongoing. Suggestion to add, "...and work on projects meant to grow effective communication, trust, and partnerships."</i>
C P/O/ F	Explore fully subsidizing transit and eliminating fares	Assembly, Manager's Office, EPW	<i>Fare-free exploration presented at 12/19/22 PWFC and 5/10/23 AFC. Roughly \$800k revenue impact.</i>

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

AA*	Implementing Actions	Responsibility	Notes:
A P/O	Develop a zero waste or waste reduction plan	Assembly, Manager's Office, EPW, Finance	<i>Zero Waste Pathway presented to PWFC 6/26/23. Contractor selected for Waste Characterization study (due Summer 2024). Will provide baseline data to establish and measure diversion goals. Working with EPA on application to receive \$2.5M CDS for composting facility. Applied for \$4M SWIFR grant, not successful.</i>
B P/O	Develop strategy to measure, track and reduce CBJ energy consumption.	Assembly, Manager's Office, all departments	<i>Ongoing through P&R Facilities Maintenance</i>
C P/O/ F	Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045	Assembly, Manager's Office, all departments	<i>GHG Report finalized 8/4/23. 6/5/23 CBJ applied for \$5M EV charging infrastructure planning and implementation grant.</i>
D P/F	Prepare a changing climate hazards mitigation / resilience strategy	Assembly, Manager's Office, EPW	<i>Slower than desired progress is being made on the All Hazards Mitigation Plan. FEMA approval for a grant to hire a contractor to develop a new AHMP is progressing.</i>
E P/O/ F	Develop strategy to reduce abandoned/junked vehicles	Assembly, Manager's Office, EPW, Law, P&R, D&H	<i>Ord 2023-38 (intro'd, not yet heard/adopted) is a first step in amending the traffic code to ease the burden on JPD and allow expansion of impound-in-place. A second ordinance further revising this section of code is in the works.</i>

*Assembly Action to Move Forward: P = Policy Development, F = Funding, S = Support, O = Operational Issue

New and/or edited Assembly proposed goals

Assemblymember Woll:

Goal 1:

- New IA: Measure and monitor short-term rental trends and evaluate feasibility of short-term rental regulation.

Assemblymember Kelly:

Goal 1, implementing action E

- Implementing Actions: <no change>
- Responsibility: <no change>
- Notes: Apply for historic status for Telephone Hill properties. There is speculation that they do or don't qualify. Let the federal government make that determination.

Goal 2, new implementing action

- Implementing actions: Improve childcare options and reduce costs for parents.
- Responsibility: Assembly, Manager's office, local partners (AEYC, JSD)

Goal 3, new implementing action

- Implementing actions: Explore ways to tie the budget to average CPI.
- Responsibility: City Manager, Finance Committee, Assembly
- Notes: The mill rate ties taxes to housing inflation. Per Jeff Rogers, housing inflation grossly outpaced the average CPI. This, I think caused a lot of the discontent in the raised taxes. If tied to average inflation we can keep up with our own costs while reducing the burden on tax-payers. Adjust mill rate to match with average inflation.

Goal 4, new implementing action

- Implementing action: Take over the deeds and management of cemeteries on Douglas where the ownership cannot be traced

Goal 4, new implementing action

- Implementing action: Index the senior property tax exemption to inflation.
- Responsibility: City manager, City attorney, Finance Committee and Assembly
- Notes: This was a voter request when I was knocking doors. The steep rise in property taxes hit seniors living on a fixed income the hardest since they can't budget for inflation. The exemption has less of an impact the more property values inflate.

Goal 4, new implementing action

- Implementing action: Explore options for protecting our residents from the natural hazards we face in Juneau including, avalanches, glacial outburst floods, and landslides

- Responsibility: City manager and Assembly

Goal 4, new implementing action

- Implementing action: Work with our partners in the Juneau Housing Coalition to create a strategic plan with clear goals and benchmarks
- Responsibility: City agencies such as Bartlett Hospital and Zach Gordon (and others) who are members of the Juneau Housing Coalition

Goal 4, new implementing action

- Implementing action: Negotiate a multi-year contract with a non-profit to operate a cold weather shelter by Spring 2024
- Responsibility: City manager or Deputy City Manager

Goal 4, new implementing action

- Implementing action: Explore options for recruiting firefighters and police
- Responsibility: Manager, Fire chief, police chief, fire and police unions

Goal 5, B and C

- Implementing actions: <no change>
- Responsibility: Assembly, Manager's Office, all departments, all CBJ enterprises, Juneau School District
- Notes: Install EV chargers in all CBJ parking lots and all CBJ enterprise parking lots. Install heat pumps in all city owned buildings

Goal 5, new implementing action

- Update study on establishing a new landfill
- Responsibility: City manager and Assembly

Goal 5, new implementing action

- Implementing action: Find out how we maximize how many vessels use shore power.
- Responsibility: City manager and Assembly

Goal 5, new implementing action

- Implementing action: Increase the availability of renewable electricity in Juneau
- Responsibility: City manager and Assembly