

ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
June 6, 2022, 5:00 P.M.

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL - Chair Hale called the meeting to order at 5:00 pm.

Members Present: Chair Michelle Hale, Greg Smith, Wade Bryson, Wáahlaal Gíidaak

Members Absent: none

Liaisons Present: Mandy Cole, Planning Commission; Chris Mertl, Parks and Recreation

Liaisons Absent: Lacey Derr, Docks and Harbors

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Michael Eich, Quarry Manager; Alix Pierce, Tourism Manager

IV. APPROVAL OF AGENDA – The agenda was approved as presented.

V. APPROVAL OF MINUTES – May 2, 2022 Draft Minutes were approved as presented.

VI. AGENDA TOPICS

A. Hidden Valley Easement Request

Mr. Bleidorn discussed this topic. Mr. Smith asked about the perpetual easement as opposed to a different disposal method of allowing access to the land. Mr. Bleidorn replied that perpetual easement allows the city to retain property rights on it. This area is still of interest for the city to retain ownership of so we can access future property development uphill here. This also allows Secon to have a more efficient access route, but also allows the city to retain property rights.

Mr. Bryson moved that the Lands, Housing and Economic Development Committee forward a motion of support to the Assembly for granting a perpetual easement to Secon. Motion passed, no objections.

B. Proposed Mayflower Island Acquisition from the BLM

Mr. Bleidorn discussed this topic. Wáahlaal Gíidaak asked about the acquisition process, what would be the fiscal responsibility of the city. Mr. Bleidorn replied that as far as the acquisition process goes, it would be a donation to the city, with the exception of costs that are associated with closing documents, putting together staff time, and any other agreements that we need to put forward. Once we own it we'd have to maintain, which is something to consider over the long term, the cost of building maintenance.

Mr. Bryson asked where the island is and how to access it. Mr. Bleidorn replied that there's a long gangway and large electric gate around the property. It was a secure facility with the Coast Guard for many years, with water and sewer running under that same route to access the property. Mr. Bleidorn illustrated the location of the island with his zoom presentation and explained where the paved road goes to the island, it's a little elevated because of the bedrock. The island is just off of the Douglas Boat Harbor, looking out towards the Gastineau Channel, Mayflower Island is between the two.

Mr. Smith asked if there is environmental contamination or other types of issues known with this site. Mr. Bleidorn replied that that there had been remediation of hazardous waste on this property and we have some reports that indicate that there's not very much in terms of hazardous waste.

Mr. Mertl asked if there is a time restriction or requirement for this approval. He was concerned that if the city takes on this property that it becomes a significant liability or cost to the city. He was excited about the possibility of receiving Mayflower Island, but at the same time making sure we do our due diligence. Mr. Bleidorn replied that is definitely something the city is looking at. Numerous city employees, familiar with building maintenance costs, did a site visit in October 2021. We were all pretty impressed with the quality and the shape of this building; it's basically move in ready. There will be costs associated with owning any building, you got to keep the lights on and keep it heated, but realistically this is an extremely valuable property and I think getting it into local control is a great first step.

Wáahlaal Gíidaak asked if there was any other competing interests that we may not be aware of, other pieces of legislation that we may be inversely not addressing or adhering to. I'm thinking about the Douglas Indian Association in terms of first right of refusal by Native entities. Mr. Bleidorn replied that we haven't come across any other legislation aside from what was provided by the Bureau of Land Management, who stated that it's kind of set in stone. It says it will go to the City and Borough of Juneau, and I think we will see some competing interests come to light. It's important to try to get this into local control and then the Assembly could determine it's not correct for the city to continue to own it, the Assembly could determine that in the future.

Chair Hale asked if this would come to the city at no cost for the acquisition. Mr. Bleidorn confirmed. Chair Hale asked to confirm that the city didn't know about this until 2021. Mr. Bleidorn replied that BLM reached out to the city in 2021 but had also done so in 2019 with a previous Lands Manager with just an email wondering if there was any interest in this acquisition. Since then they had been working on it internally and reached out again to the city last October.

Mr. Smith moved that the Lands, Housing and Economic Development Committee forward a motion of support to the Assembly for the acquisition of Bureau of Land Management property at Mayflower Island in accordance to city code 53.04.030. Motion passed, no objections.

C. Travel Juneau MOA

Ms. Pierce discussed this topic. Chair Hale asked that the committee address the two additions to the MO before moving on and to make sure the committee is comfortable with them.

Mr. Smith asked about the number of independent travelers and understood it's not easy to know that number, there's not a clicker or something to count, so it takes some work. I don't know if it's aspirational to keep it in the MO, is there a way we can try to do it without having to pay \$2,000 every time. Ms. Pierce replied that she would caution against aspirational metrics because it's a little problematic to use that as a performance benchmark. That said, I would absolutely love if we funded and collected this data. I think that perhaps a better vehicle is that Ms. Perry and I have committed to reporting to this committee quarterly on tourism. As we're discussing budgets for next year we could consider an every few-years cycle to do the proper survey and collect that data accurately and could decide upon an appropriate interval to do that, maybe every three years. That that would allow us to accurately track the number of independent visitors in a way that's statistically valid and use that as part of our information we're working on together. I don't think this MOA needs to be the end-all, be-all of everything that Travel Juneau does, but we can work on getting survey funding.

Mr. Mertl commented that he recognizes that what we are doing is promoting tourism growth in Juneau but his concern is that he thinks another important part is the checks and balance that goes along with the promotion and to make sure that we evaluate the travel experience within our community, that we're not loving it to death, that it becomes a negative experience, not just for the visitors. He think that

we also need to also have that evaluation to understand the impacts to the local residents that work and live here, to understand and obtain that balance. He is for growing the industry, but thinks we need some sort of checks and balances for control and make sure that we're not degrading what we're promoting. Ms. Pierce replied that was an excellent segue into the next agenda topic, the Visitor Industry Task Force recommendations. Travel Juneau's mandate involves independent visitors and promoting Juneau to independent travelers as well as supporting efforts to manage and enhance the visitor experience within Juneau whether it's managing visitor centers, crossing guards, TBMP, all of these things are other duties as assigned for Travel Juneau. This topic will be addressed in VITF discussion, which is the more appropriate vehicle for that conversation.

Mr. Mertl commented that he would like to see added to the MOA is that relationship between Travel Juneau, Ms. Pierce, and the task force. Chair Hale commented that this has been a long process in development and before adding things into this agreement, we should work on getting this into effect, practice for a year, and then we can look at it again. Mr. Mertl commented this was acceptable and we can work on how to incorporate this into the agreement over the next year. Ms. Pierce added that she and Ms. Perry are jointly committed to reporting to this committee quarterly and can track Mr. Mertl's request, which valid, and figure out how to incorporate it over the next year as this topic evolves.

Wáahlaal Gíidaak commented that she wanted to follow up about the discussion on member organizations having priority and asked if that incentivizes organizations to buy. What does the buying process look like, and the cost to be a Travel Juneau member? Ms. Perry replied that there is a price to come into partnership with Travel Juneau, base price is \$400 a year with additional opportunities for partners. Travel Juneau is committed to representing all appropriate businesses in Juneau and has a non-partner status available where that business gets a contact or lead listing so they can be found on the website, but the enhanced marketing pieces are available through packages, tiers, or all-a-cart.

Planning Commissioner Cole commented that she was interested in the performance metrics and understand that, again, we're stuck on the complexity of measuring independent travelers and if the scope of the program is to attract independent travelers it seems like that has to be something that is ongoing all the time, and that these metrics are showing pieces and parts of that. She suggested that there's probably some things in the MO to get to those numbers of independent travelers that are more personnel performance evaluation, such as international trade shows and numbers of resulting leads. She didn't know that the committee is looking at that much detail for a metric and what they are looking for is how that extrapolates into independent travelers for Juneau. She agrees with Mr. Smith that the MO has to have a way to measure it. Ms. Perry replied that several of the metrics that we have are widely used in destination marketing so when you take a look at our social presence on our website and then we compare that with, for example, inbound traffic on the airlines or ferry. What I would love to get from our airline partners is simply a number of people. If I can determine gross number, if they can tell me how many of those people are from the 99801 and associated zip codes, then we would know. I can't get that information as it is proprietary. The other piece of that is hotel occupancy, which is reported to the board every month. We are giving you a certain date for the occupancy report at our quarterly update. If you take those pieces together it gives you a pretty good snapshot of who's in town and when. If you want to find that magic number it's going to take some concentrated effort, and with our budget to retain McKinley Research, they may not have capacity to do this every year. If we do this every three years, then we can get that rolled into their system, but it would be that level of research done on an intercept basis that would give you the numbers that you request.

Mr. Smith had a couple of questions on Section 6, Travel Juneau Governance. It currently says "all seats on Travel Juneau's Board of Directors, in addition to the two seats appointed by the mayor, will be

approved through the CBJ Human Resources Committee and the CBJ Assembly,” Mr. Smith was wondering how that works. Ms. Perry replied that Travel Juneau’s vision is to go through a process very similar to the Juneau Economic and Development Council where they present a slate of candidates that are going to be taking those seats and present that to the Human Resources Committee for vetting and interviews. It’s been our understanding for the last several years, that this is another way that we can provide some confidence to the assembly into to this group of the work that we’re doing. So, starting in June of 2023, as we put our slate together, then that slate would begin running through the HR process for a stamp of approval from the assembly. Chair Hale added that when the HRC goes through the applications they don’t actually do the interviews that’s when the full Assembly meets as the HRC.

Mr. Smith about how the Mayor appointee component works, as it’s all going to go through HRC and the Assembly, at some point, would there be a benefit of certain designated seats from an organization or groups that are not Travel Juneau Members. I can understand why you’d have your members represent the board, but would the board benefit from a different viewpoint.

Wáahlaal Gíidaak commented that in Section 3, the amount is to be determined and just wondered about that. She feels a little uneasy passing something through the Assembly that doesn’t have a number attached to it. Ms. Pierce replied that number is approved by the Assembly in the budget.

Chair Hale commented that results are notoriously difficult to measure through marketing. Referring to the comment about McKinley Research, with Ms. Bell was, she talked about independent visitors and had some number from a of set of research that they’ve done and I like the idea of about maybe every three years taking a look at that, so that might be the entity that would do that work. Chair Hale had a couple comments on the Travel Juneau duties, do we have crossing guards mentioned here in the duties, and is that something that Travel Juneau covers. Ms. Pierce replied that crossing guards are technically a pass-through contract with Travel Juneau. They manage the contract with Goldbelt Security, rather than the city doing it. Chair Hale commented to clarify some of the questions raised earlier by Ms. Gladyszewski, the comment on the staffing the Visitor Information Center during the regular tour season, that is also a separate contract, and was wondering if in this list of duties we could put that item at the bottom of the list, with a space, a paragraph return before it. It would be Item number 10 but with a paragraph return before it, just to have that stand out separately. We could look at changes later with possible edits. Ms. Pierce replied that she doesn’t see a problem with that at all.

Chair Hale commented that she looking for a motion from a committee member and thought that the motion that would be most helpful, is that we would accept the second edit but not the first edit on page 25 of the packet. The first edit is on the number of independent travelers and I believe we’ve agreed that that we might not be able to do that, but the second edit would be on the monthly hotel overnight accommodation occupancy.

Mr. Smith moved that the Lands, Housing and Economic Development Committee accept the Memorandum of Agreements between CBJ and Travel Juneau as amended with the addition of the performance metrics of the monthly hotel/overnight accommodation occupancy and with the number of independent travelers. Motion passed, no objections.

D. CBJ’s Lemon Creek Gravel Sources Pricing

Mr. Bleidorn discussed this topic. Mr. Smith asked about the contractor process. Mr. Bleidorn explained that when contractors exit the gravel pit, they go over the scale, fill out a ticket for billing from Lands. The money that comes from that goes to the land fund.

Mr. Bryson asked about the process, we have a city CIP project that will cost a certain amount and we've contracted a contractor, they buy the material from us to do the project that we had them bid on, is this correct? We are going to raise the source material for the cost of project for our own projects. Mr. Bleidorn replied that city CIP projects have many costs and line items and we manage our gravel pits to be revenue neutral. The cost of the rock and gravel should allow us to continue to maintain these gravel pit sources. When a contractor bids a CIP project, part of their bid will include the cost of sand and gravel. When they bid on projects they know how much sand and gravel they need and will incorporate our cost into the CIPs and when they extract the sand and gravel from the city pit they pay us for it.

Chair Hale asked to clarify where the money comes from to manage the sand and gravel pit. That money is costing twice as much as we're bringing in revenue. Mr. Bleidorn replied that it comes from the land fund. The Lands Division budgets money from the land fund and puts it into CIPs to manage the rock and gravel pits. Chair Hale reiterated that this money should appropriately come from those projects CIPs rather than coming out of the land fund, and right now it's been coming out of the land fund in order to manage the costs in excess of the revenue, is that a good way of looking at it. Mr. Bleidorn confirmed.

Mr. Bryson followed up to ask roughly how many tons of material fit into the regular dump trucks that we see on the road. Mr. Bleidorn deferred to Quarry Manager, Mr. Eich, who replied that a good approximation for a 10 yard truck might be some something in the neighborhood of 15 tons, it depends on the characteristics of the material, but that is probably a conservative assumption.

Mr. Smith commented that at one point we talked about the use of CBJ gravel and sand fill material for housing in the private market, maybe that's something that he'll talk to staff with offline at some point.

Mr. Smith moved that the Lands, Housing and Economic Development Committee provide a motion of support for increasing the cost of sand and gravel at the Lemon Creek Material Sources in order to keep operations revenue neutral. Motion passed, no objections.

VII. INFORMATION ITEMS

A. Tourism/VITF Implementation Update

Ms. Pierce discussed this topic. Mr. Smith asked that the committee be reminded when there will be a survey about cruise impacts going out to the public. Ms. Pierce replied that they are targeting the fall of this year. Chair Hale looks forward to the quarterly updates from Ms. Pierce and Ms. Perry.

VIII. COMMITTEE MEMBER/LIAISON COMMENTS AND QUESTIONS

No updates.

IX. STANDING COMMITTEE TOPIC

A. 2022 LHED Committee Goals

No updates.

X. NEXT MEETING DATE – June 6, 2022

XI. ADJOURNMENT - Chair Hale adjourned the meeting at 5:58 PM.