



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: December 9, 2021

RE: **Approving a Sponsorship of the Ketchikan Salmon Walk – Royal Caribbean Group**

At the December 2, 2021 meeting, the City Council considered accepting a \$160,000 sponsorship donation from the Royal Caribbean Group for the 2022 Ketchikan Salmon Walk Project. Further consideration of the motion provided was deferred until the meeting of December 16, 2021.

During the discussion, the City Council inquired about limitations on signage language that acknowledges the party financially sponsoring the project and if a municipality can accept private sponsorship donations. To address these issues and other questions raised during the City Council's discussion, attached for City Council consideration are memoranda from City Attorney Mitch Seaver and Museum Director Anita Maxwell. From my perspective, the City's acceptance of private sponsorship donations such as the one offered by Royal Caribbean Group is a policy decision that must be made by the City Council. Should the City Council determine that the goals of Royal Caribbean Group are aligned with those of the City for this project and the proposed level of written or visual acknowledgement is acceptable, accepting the sponsorship is at the discretion of the City Council and would be formalized in the attached sponsorship agreement drafted by the City Attorney. As the City Council continues to direct staff discussion with the cruise industry and others to foster partnerships in furtherance of shared goals and objectives, the City Council may need to consider a formalized policy.

The City Attorney and Museum Director will attend the meeting of December 16, 2021, in order to answer any questions and/or concerns that Councilmembers may have.

The motion that will be before the City Council is detailed below:

Moved by Kistler, seconded by Bradberry that the City Council accept the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department's Salmon Walk and Salmon Ladder Enhancements capital project and direct the Acting City Manager to execute sponsorship documents on behalf of the City Council.



MEMORANDUM

Date December 8, 2021

To: Lacey Simpson, Acting City Manager

From: Anita Maxwell, Museum Director

Subject: Royal Caribbean Sponsorship of Ketchikan Salmon Walk

As noted in my November 22, 2021 memo, Royal Caribbean is considering a \$160,000 sponsorship of the Salmon Walk. At the City Council meeting of December 2, 2021, Councilmember Gage brought up a concern as to whether or not it was within the Municipal Code to allow “advertisement” of private companies on public property and the City Council determined that it would like more information before considering the sponsorship.

Based on my almost 20 years of non-profit experience, I would like to clarify the ideas of advertisement and sponsorship. An advertisement promotes a product or service. The Salmon Walk would not be advertising a product or service. Sponsorship, on the other hand, is the financial support of a City project. Sponsorships, like other donations, are recognized through a variety of acknowledgements that builds a long-term relationship with the donor. In the case of the Salmon Walk, Royal Caribbean has expressed interest in a long-term collaboration to highlight the importance of ocean health through their new Ocean Literacy Program. In addition to this initial investment, they are interested in working with the City to ensure maintenance of the trail over time. Similar to the Salmon Walk sponsorship, they have committed to supporting an educational “Science in the Schools” program with the Sitka Sound Science Center and educational virtual visits with the Alaska SeaLife Center in Seward.

City attorney, Mitch Seaver, has advised that accepting Royal Caribbean’s sponsorship knowing that they will receive recognition is acceptable. Mr. Seaver has drafted a sponsorship agreement to ensure the sponsorship would be in compliance with the City Charter.

RECOMMENDATION

It is recommended that the City Council adopt the motion accepting the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department’s Salmon Walk and Salmon Ladder Enhancements capital project and directing the Acting City Manager to execute sponsorship documents on behalf of the City Council.

Recommended Motion:

I move the City Council accept the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department’s Salmon Walk and Salmon Ladder Enhancements capital project and direct the Acting City Manager to execute sponsorship documents on behalf of the City Council.


Mitch Seaver
City Attorney

City of Ketchikan, Alaska

334 FRONT STREET
Ketchikan, Alaska 99901
Telephone (907) 228-5611
Facsimile (907) 247-2111

MEMORANDUM

TO: Lacey Simpson
Acting City/KPU General Manager

FROM:  Mitch Seaver
City Attorney

DATE: December 6, 2021

SUBJECT: Sponsorship of Salmon Walk

In respect to Royal Caribbean's sponsorship of the Salmon Walk, as a general rule a municipality can accept a grant or donation subject to reasonable restrictions and conditions. 10 *McQuillin Mun. Corp.* § 28:15 (3d ed.)

The fact that Royal Caribbean will receive some commercial benefit from its sponsorship does not prohibit the city's acceptance of the sponsorship. This is because the project itself has a valid public purpose and the city will receive consideration in the form of payment from Royal Caribbean. In examining the adequacy of the consideration the courts will defer to the Council's determination unless it is so inequitable and unreasonable that it constitutes an abuse of discretion. 15 *McQuillin Mun. Corp.* § 39:33 (3d ed.)

cc: Anita Maxwell, Museum Director

Salmon Walk Sponsorship Agreement

This Salmon Walk Sponsorship Agreement ("Agreement") is entered into between the City of Ketchikan and Royal Caribbean Group ("Sponsor").

1. **Salmon Walk Sponsorship Proposal.** The description of the parties undertakings are set forth in that Ketchikan Salmon Walk Proposal attached hereto as Exhibit A and incorporated herein.
2. **Payout.** On or before December 31, 2021, Sponsor shall pay the City \$160,000.00 to be applied as set forth in Exhibit A.
3. **Term.** This Agreement shall have an initial term of four years and six months commencing January 1, 2022 and shall continue thereafter until such time as either party gives the other 30 days written notice of termination, such termination shall be without liability.
4. **Notice.** Written notice to either party under this Agreement shall be submitted to the following:

To the City:

City Manager
City Hall
334 Front Street
Ketchikan, Alaska 99901

To the Sponsor:

Royal Caribbean Group

5. **Counterparts.** This Agreement may be executed in separate counterparts, each of which is part of a single contract. A party's transmission to the other by fax, email or other electronic means of the transmitting party's signature on this Agreement shall be effective as an acceptance of this Agreement by the transmitting party, with the same force and effect as the delivery of an executed original.

In witness whereof,

CITY OF KETCHIKAN, ALASKA

Date: _____

By: _____
Lacey Simpson
Acting City Manager

ROYAL CARIBBEAN GROUP

Date: _____

By: _____

Title: _____



City Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: November 23, 2021

RE: **Approving a Sponsorship of the Ketchikan Salmon Walk – Royal Caribbean Group**

The below motion was prepared at the request of Museum Director Anita Maxwell, who asked that it be placed before the City Council for consideration at its meeting of December 2, 2021. If adopted, the motion provides for approving a sponsorship contribution in the amount of \$160,000 from Royal Caribbean Group (RCG) for the Ketchikan Salmon Walk capital project. The rationale for accepting the sponsorship is detailed in Ms. Maxwell's memorandum and requires some elaboration on the part of the City Manager's Office.

As detailed in Ms. Maxwell's memorandum, the Salmon Walk conceptual plan was approved by the City Council at the June 18, 2020 meeting. The project gained some initial momentum through the development and creation of the directional signs as well as the completion of nearby related projects, but due to the COVID-19 pandemic and resulting financial constraints, further progress on the project has been deferred. The project remains a worthwhile endeavor that would provide an educational and entertaining way to disperse cruise passengers along Ketchikan Creek and to also highlight one of Ketchikan's most unique and sought-out features: an active salmon spawning creek.

This fall, the City was approached by representatives of the Royal Caribbean Group that learned of the project and wished to discuss sponsorship opportunities with staff and subsequently requested a basic project proposal. RCG is prepared to contribute \$160,000 to fund the completion of the Salmon Walk, inclusive of interpretive signage, enhanced lighting and trail improvements, and artistic or decorative elements including further enhancements to the salmon ladder. As the City Council is aware, projects such as the Salmon Walk have been slated for funding for several years and serve as important projects that will further promote downtown Ketchikan as a special and premier cruise destination. The Salmon Walk and Salmon Ladder Enhancements capital project is once again included in the draft 2022 Tourism and Economic Development budget utilizing Cruise Passenger Vessel (CPV) funds. Should the City Council approve RCG's sponsorship contribution, this would free CPV funds for other tourism or Port-related projects. In considering this sponsorship, the City Council should be aware that Royal Caribbean Group has requested that their logo, sponsorship acknowledgement and verbiage pertaining to their Ocean Literacy initiative be included in the interpretive panels.

Given the ongoing financial constraints facing the Port of Ketchikan and the continued need to make headway with projects such as the Salmon Walk that showcase Ketchikan and promote a positive visitor experience, serious consideration should be given to Royal Caribbean Group's sponsorship of the Salmon Walk. Should the City Council approve the sponsorship, this will be presented to the City Council as a 2022 budget update during the 2022 budget deliberation process. I concur with the Museum Director's recommendation.

The Museum Director and Acting Public Works Director Kara Jurczak will be attending the City Council meeting of December 2, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion accepting the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department's Salmon Walk and Salmon Ladder Enhancements capital project and directing the Acting City Manager to execute sponsorship documents on behalf of the City Council.

Recommended Motion: I move the City Council accept the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department's Salmon Walk and Salmon Ladder Enhancements capital project and direct the Acting City Manager to execute sponsorship documents on behalf of the City Council.



SPONSORSHIP PROPOSAL

Request

The City of Ketchikan proposes a \$160,000 sponsorship from Royal Caribbean Group to support the development of the Ketchikan Salmon Walk.

Project Overview

Salmon have drawn people to Kichxáan Héeni (Ketchikan Creek) for generations. Ketchikan began as a Tlingit summer fish camp and has now grown into a vibrant community that welcomes over a million cruise ship visitors annually.

The Ketchikan Salmon Walk will showcase the art, history, and salmon of Ketchikan Creek. It provides an easy to follow “trail” for visitors and locals to cultivate a meaningful connection to the creek, to the surrounding temperate rainforest and to this historic waterfront community.

This project draws our cruise ship visitors through our Downtown Historic District to Creek Street, Ketchikan’s once infamous Red Light District. Visitors will follow directional signage up the creek, learning from interpretive panels that highlight the role of salmon in a healthy ocean ecosystem. Indigenous uses of salmon will be featured as well as how the creek has shaped our history.

Much of the Salmon Walk’s infrastructure exists, such as a newly renovated fish ladder, and follows established trails, sidewalks and roads. The “trailhead” will begin at Creek Street, an easy 5 to 10 minute flat walk from the cruise ship berths. The free downtown shuttle is available at both the beginning and end of the Salmon Walk, for convenient access.

Project Costs

Signage, art and interpretation will accompany proposed infrastructure improvements as outlined on the following map.

“Trail” improvements \$90,000

- Married Man’s Trail improvements
- Pavement/railing treatments to guide visitors
- Lighting improvements in heavily treed sections

Educational Elements \$70,000

- Interpretative panels
- Fish Ladder art (highlight salmon life cycle)
- Directional signposts featuring local art
- Webpage development/QR code functionality

Sponsorship Benefits

We look forward to discussing how the Royal Caribbean Group's logo can be integrated in signage as well as highlighted digitally. A QR code can be utilized on signage to offer visitors more information on the Salmon Walk and on Royal Caribbean's commitment to ocean literacy and sustainable practices that benefit their coastal community partners. Additional advertising and partnership opportunities are available.

Contacts

As this project is only in its second phase, we can be responsive to our sponsor and welcome that discussion.

For further information on the sponsorship, please contact Acting City Manager, Lacey Simpson at 907.228.5634 or by email at laceys@ktn-ak.us.

For further details on the Salmon Walk's content or infrastructure, please contact Museum Director, Anita Maxwell at 907.228.5705 or by email at anitam@ktn-ak.us.

Thank you for your considering a sponsorship of the Ketchikan Salmon Walk!



The Ketchikan Salmon Walk provides a showcase for the art, history, and salmon of Ketchikan Creek. It provides an easy to follow trail for locals and visitors to enjoy, enhancing health and a meaningful connection to the creek. Directional signage, public art, and interpretive panels enrich our experience and tell Ketchikan's many stories.

- 6 Directional Signage**
New feature at future ADA-compliant crossing
- 5 Fish Ladder & Viewing Deck**
- 4 Panels: Salmon lifecycle and migration**
- A Signage at Intersection**
Add "Salmon Walk" decals to existing wayfinding signs
- 3 Natural Amphitheater**
 - upgrade lighting to Creek Street-style lights
 - add seating
 - replace chain link fencing with Creek Street-style wood railings
 - install public art
- 2 "Yeltatzie's Salmon"**
Panel: Terry Pyle's salmon sculpture and honoring Jones Yeltatzie's original sculpture

- START HERE**
- 1 Museum Creek Overlook**
Panel: Intro to the creek and Salmon Walk

- 7 Directional Signage along Park Avenue**
- install public art along railing

- 8 Harris Street Bridge**
Panel: Cultural or Historical information

- 9 Schoenbar Trail @ fork in trail**
Public Art: Kichxáan Héeni Canoe Project

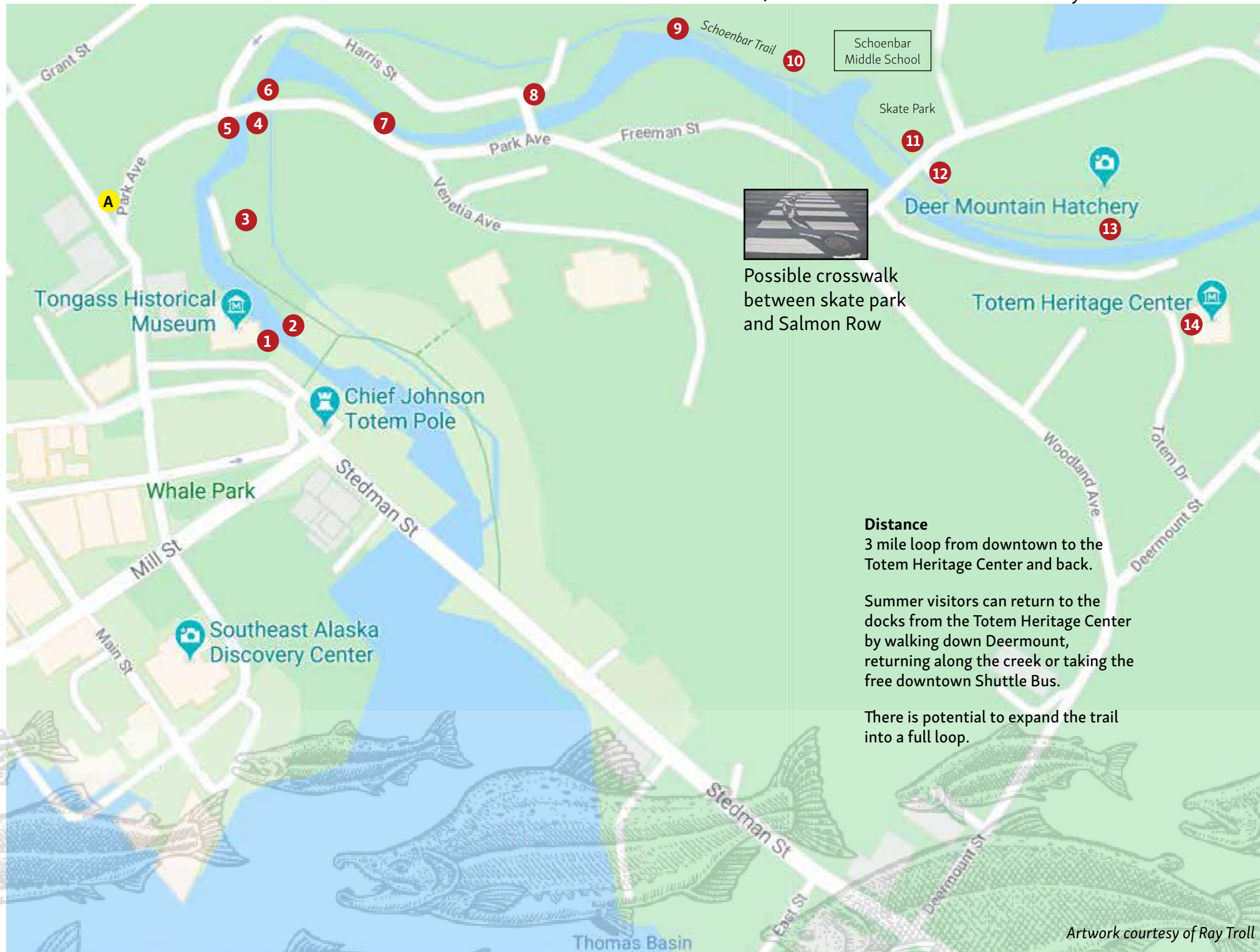
- 10 Schoenbar Trail**
Panel: Salmon and tree nutrient cycles

- 11 Directional Signage**
At skate park crosswalk to direct towards hatchery. Provide two paths around skate park: one ADA along sidewalk and one creekside to allow water access.

- 12 Directional Signage at Park Avenue and Salmon Row**
Stencil salmon along Salmon Row to guide to Hatchery

- 13 Deer Mountain Fish Hatchery**
Panel: fish rearing

- 14 Totem Heritage Center**
Panel: Historic Fog Woman Totem Pole and Replica and information on how to return downtown

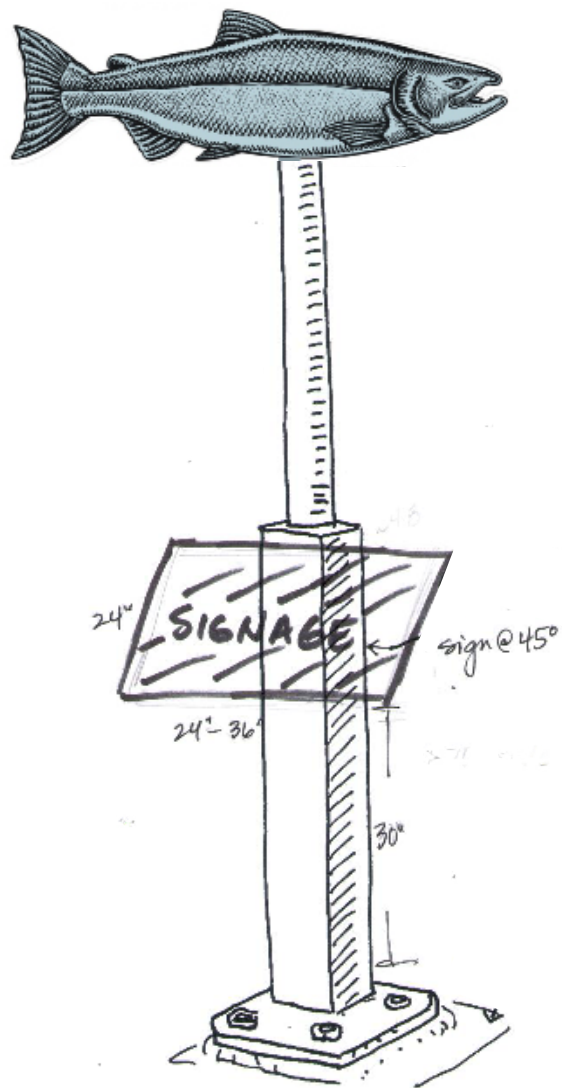




KETCHIKAN SALMON WALK

TRAIL MARKERS

Directional signposts will feature artwork from Nathan Jackson and Ray Troll. Signage can be attached where appropriate.



INTERPRETIVE PANELS

Signage will educate and engage the viewer with science, art, culture and history inspired by salmon. New signage materials prevent damage from vandalism or weather



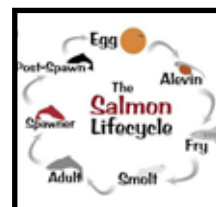
1 Intro to Creek & Salmon Walk



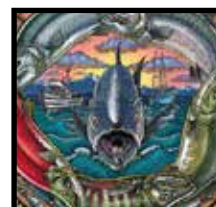
2 "Yeltatzie's Salmon"



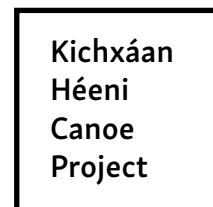
4 Fish Ladder



5 Viewing Deck across from Fish Ladder



8 Harris Street Bridge



9 Public art project from Arts Council & Wellness Coalition (funded separately)



10 Schoenbar Trail



13 Deer Mountain Fish Hatchery



14 Totem Heritage Center

PUBLIC ART

Art inspires and informs. Incorporating art into spaces along the creek celebrates salmon and turns a currently derelict area into a safe, welcoming space for everyone in the community.



Examples of public art

LOCAL OPPORTUNITIES

The Salmon Walk offers several opportunities to be involved:

- Host an annual creek cleanup each Spring
- Adopt a section of the trail to keep it clean and free of vandalism
- Partner with Schoenbar classes for projects along Schoenbar Trail
- Incorporate walk directions onto existing wayfinding signage
- Install public art from local artists
- Many more!

PHASE I Complete

14 Signposts created by Public Works

14 Stainless steel 28" fish with epoxy paint to top signposts

Renovation of fish ladder and viewing platform across from ladder

PHASE II Available for Sponsorship

Interpretive signs developed, produced and installed

Custom signposts created and installed

Existing wayfinding signs updated

Public art and interpretation integrated into existing infrastructure

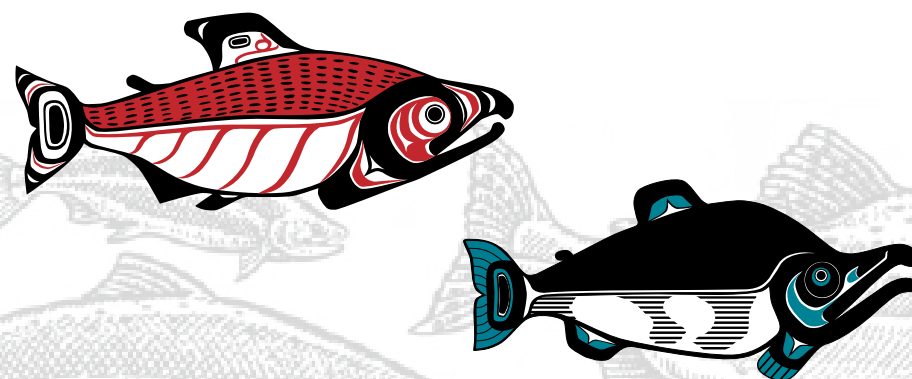
Lighting added where necessary

ADA Crosswalk at Park Ave near fish ladder

"Trail" improvements to ease access

PHASE III

Renovation of viewing platform above fish ladder



Signpost artwork by Tlingit Master Carver, Nathan Jackson

Artwork courtesy of Ray Troll unless otherwise noted.



SALMON ARE A KEYSTONE SPECIES OF SOUTHEAST ALASKA

Who eats salmon? We all eat salmon!

Salmon are an essential food source, making these ocean-going fish a keystone species.

How many species are predators or scavengers of salmon? At least 137!

A vital link in our food chain, salmon transport nutrients and protein from the ocean upstream to where they spawn.



Royal Caribbean Group

INSERT QR CODE to link to Ketchikan Salmon Walk webpage, to feature trail map, RCG's Ocean Literacy program and additional Salmon Walk resources.

The Ketchikan Salmon Walk is generously sponsored by Royal Caribbean, whose commitment to Ocean Literacy sets a standard for educating visitors on the crucial role of oceans and the life that depends upon them.



Artwork donated by Ray Troll

Mammals from land and sea depend on salmon as a major part of their diet.

Harbor seals are commonly seen in the creek. They aren't picky eaters, hunting salmon as well as other fish and octopus.



Killer whales (also known as orcas) average 18-25 salmon daily. They prefer Chinook salmon - the bigger the fish, the more energy the orca gets.

Salmon may be as much as 80% of a killer whale's diet. As salmon runs decline, killer whales are forced to expand their food sources to survive.

Bears along our coast might eat as many as 15 salmon every day by catching them in the creek or scavenging dead fish.



Salmon in the sky?

You're likely to see bald eagles resting in the hemlocks and cedar trees above, while gulls make a rucus above the creek. Spawned-out salmon carcasses provide an important - and easy - food source for these birds.



People depend on salmon too.

The Tlingit have been coming to this salmon creek for generations, harvesting the summer's bounty to sustain themselves through the winter. Having traveled from their winter homes, Tlingit families would set up summer fish camps to catch salmon using traps, weirs and nets. The fish would be dried in a smokehouse so that the meat would last for months.

Commercial fishing boats and visitors continue the tradition of harvesting, sending our salmon to tables around the world.

On average, a resident of Southeast Alaska eats an average of 75 pounds of salmon each year.

a rent to each going forward. She said what they are proposing is that the rent value be at 2.5% of an appraised or tax assessed value of the property, which is in line with what the borough currently does with their tideland leases. She continued if the Council is in agreeance, staff will bring back an ordinance in first reading that incorporates the 2.5%.

Acting Manager Simpson answered questions from the Council.

Motion passed with Gass, Gage, Kistler, Mahtani, Flora, Bradberry, and Zenge voting yea.

Sponsorship of the Ketchikan Salmon Walk – Royal Caribbean Group

Moved by Kistler, seconded by Bradberry the City Council accept the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department's Salmon Walk and Salmon Ladder Enhancements Capital Project and direct the Acting City Manager to execute sponsorship documents on behalf of the City Council.

Councilmember Gass said this is a great idea and appreciates the support from Royal Caribbean. He reiterated comments made by Ms. Holum regarding parking on Park Avenue and disagreed with moving the crosswalk with the cost of losing two parking spots in that area.

Public Works Director Hilson explained when they received concerns about relocating the crosswalk and loss of parking they took it seriously so as to not negatively affect the neighborhood. He informed this project is meant to bolster and enhance the neighborhood not to make it more difficult for the residents. He said they put the relocation of the crosswalk on a permanent hold and explained why they had originally planned to move it. He informed they are working on trying to get one off-street parking spot in that area. He stated they are looking at what they can do with that crosswalk to meet ADA compliance.

Mayor Kiffer requested if the draft plan is to move the crosswalk, to please bring it back before the Council for consideration.

Councilmember Flora felt this project looks like the kind of project that will help the City compete with Ward Cove. He said it looks like there are many enhancements that are well thought out and the outside funding is beneficial. He questioned when the City does project like these, is there a public comment period.

Public Works Director Hilson said they did one with the rollout of the promenade and the Stedman Street restrooms. He explained Public Works, in advance of a project, will try to go out and knock on doors and make personal contact. He said we encourage our employees to talk with residents when working on a project. He explained there has been a variety of public outreach depending on the project.

Councilmember Flora said he would like staff to consider mailing out information to the neighborhoods so that people in the area that are impacted will have an opportunity to speak to it.

Councilmember Gage said she likes the project but said she would like to understand the Charter rules of putting out advertisements for the cruise industry. She appreciates Royal Caribbean sponsoring this but her understanding is that the City is not allowed to advertise anything on City property.

Acting Manager Simpson said the City has accepted private donations in the past and we have always given some level of verbal acknowledgement of their sponsorship, which is primarily what is on the example interpretive panel and wasn't sure if this would qualify as advertising.

City Attorney Seaver said he would have to look into this.

Acting Manager Simpson recommended that if the Council has concerns about the use of logo or language, to have staff sort it out. She said Royal Caribbean's expectation of sponsoring this project will include language as presented and their logo. She said Royal Caribbean needs to allocate those funds this year so we will have until the next meeting, which is the last meeting of the year.

Moved by Gage, seconded by Flora to defer until the meeting of December 16, 2021 for staff to compile additional information regarding signage on City property.

Motion passed with Flora, Zenge, Gass, Mahtani, Gage Bradberry and Kistler voting yea.

Amendment No. 2 to Professional Services Agreement for Consulting Services Related to Expansion Joint Water Intrusion – Ketchikan Medical Center, Wiss, Janey, Elstner Associates, Inc.

Moved by Flora seconded by Mahtani the City Council approve Amendment No. 2 in the amount of \$89,750 to the professional services agreement between the City and Wiss, Janey, Elstner Associates, Inc. for consulting services related to expansion joint water intrusion at the Ketchikan Medical Center, bringing the project total to \$167,750; authorize funding from the Public Health Department's 2021 Ketchikan Medical Center Expansion Capital Account; and direct the Acting City Manager to execute the amendment on behalf of the City Council.

Councilmember Mahtani asked if this amendment passes, would the City have to pay the contractor more money as well.

In response to Councilmember Mahtani's question, Public Works Director Hilson said we are not paying the contractor anymore for this work. He stated the City has withheld money from the contract pay applications in order to ensure we can hold them accountable to do this work.

Councilmember Flora questioned if we have any recourse for the additional \$89,750 for the professional services agreement.

City Attorney Seaver explained a past Council gave direction to close out the entire project and there were some trade-offs considering litigation risk. He informed this would have been close to being finalized if this new leak had not materialized. He said we are paying for our experts and on the other hand the joint venture is giving up certain assertions and recoveries that they may otherwise have.

Motion passed with Bradberry, Zenge, Gage, Gass, Kistler, Mahtani and Flora voting yea.