



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: May 5, 2022

RE: **Request to Accommodate Ward Cove Shuttle Operations on the Port of Ketchikan – Ward Cove Dock Group**

Attached for City Council consideration is a request received from Ward Cove Dock Group Chairman John Binkley regarding the City accommodating the Ward Cove Shuttle Bus Operation at Berth II for the duration of the 2022 cruise visitor season. In a conversation held with Mr. Binkley on May 4, 2022, the use of Berth III for the shuttle operation was also requested on days in which no vessels are at Berth III.

As the City Council will recall, staff undertook an extensive process to develop a shuttle bus operation plan with Ward Cove that centered around the Southeast Alaska Discovery Center on Bawden Street, Spruce Mill Way, and Main Street. This plan was presented to the City Council at the February 17, 2022 meeting and correspondingly adjusted per City Council direction to incorporate the use of Berth II on days in which no vessels were schedule to utilize Berth II (please see the attached report and presentation dated February 9, 2022 and meeting minutes). Following this direction, staff was informed by the Ward Cove Dock Group that they would be pursuing operations at a private property in the vicinity of Berth IV (see the attached report dated March 10, 2022 and meeting minutes). The City Council has not given staff further direction relative to accommodating the Ward Cove shuttle operation.

The request from Mr. Binkley will require staff attention to determine if the Berth II and III locations can accommodate the Ward Cove Shuttle operation and at what capacity, on which days, and at what cost. At the meeting of May 5, 2022, I will be seeking City Council direction on if staff should again pursue developing an operations plan with the Ward Cove Dock Group to be presented for City Council consideration at the meeting of May 19, 2022.

To view additional information, please visit the City's website at:

<https://www.ktn-ak.us/current-agendas-and-minutes>

Lacey Simpson

From: John Binkley <john@riverboatdiscovery.com>
Sent: Tuesday, May 3, 2022 5:12 PM
To: Lacey Simpson
Subject: Shuttle operations

CAUTION: External Email

This email originated from a source outside the City of Ketchikan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Lacy,

Thank you for discussing the drop off location for the guests coming into town from Ward Cove. Also a thank you to Daryl and his team for accommodating the shuttle at berth 2 this past week.

We have been hearing from local merchants and tour operators that they would like us to reconsider the location of the downtown shuttle drop off. After talking with the shuttle operator, we agree that the best location for guests would be at berth 2 instead of berth 4.

Previously, there were concerns about overcrowding in that area, but with the cancellation of the Crown Princess and looking at the schedule in more detail, we don't believe congestion would be an issue.

Generally, when there is a ship at berth 2 it is a smaller ship, or the Ward Cove ship on that day is small meaning only a few buses, or there is no ship at berth 1.

I realize that it is late in the season to be making the shift; however, we all want the guests to have a positive experience in Ketchikan and maximize their opportunity to contribute to the local economy.

Thank you for considering this request and let me know if we can discuss it further. John.

John Binkley

Chairman

Godspeed Inc

john@riverboatdiscovery.com | Cell (907) 322-2390 | Office (907) 479-6673

1975 Discovery Drive | Fairbanks, AK 99709

[Riverboat Discovery](#) | [Gold Dredge 8](#) | [Ward Cove Dock Group](#)
[Wings Airways](#) | [Alpine Aviation](#) | [Anchorage Daily News](#) | [Premium Aquatics](#)

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Exempting the Procurement of Bailey Generator No. 3 Spare Parts from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Fairbanks Morse Defense

Moved by Flora, seconded by Zenge, pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Bailey Generator No. 3 spare parts from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to purchase such parts from Fairbanks Morse Defense at a cost not to exceed \$32,645.56; and approve funding from the Electric Division's 2022 Operating Equipment, Generation and Powerhouse Spare Parts Capital Account.

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

UNFINISHED BUSINESS

These items were moved to the Consent Agenda.

NEW BUSINESS

Discussion of Proposed Ward Cove Bus Plan – Councilmember Flora

Councilmember Flora said back in November he had asked staff to bring forward the proposed transit plan for the Ward Cove busses to the downtown area in early 2022. He stated at the last Port & Harbors Advisory Board meeting Acting Port & Harbors Director Hilson gave them a presentation with three options. He indicated the Board felt the Discovery Center option was the most viable and functional alternative that was provided.

Acting Port & Harbors Director Hilson said he was happy to be here tonight to run through essentially the same presentation with a few modification based on comments received by the public. He mentioned that they had a lot of input into this presentation from business owners and community members, but the key people that really contributed was Kari Erickson bringing her expertise from HAP-Yukon, Alaska Coach Bus Service, John Binkley and Jennifer Black, both representatives from Ward Cove.

Mr. Hilson said the purpose of this presentation is to identify:

- Present and past bus operations and lessons learned from 2021.
- Communicate the needs of Ward Cove shuttle bus staging operation.
- Identify challenges associated with shuttle operations on the Port.
- Identify non-port options from the Ward Cove shuttle bus staging operation.
- Obtain City Council direction on the location of the shuttle operation.

Mr. Hilson said it remains to be seen what passenger counts will materialize for the 2022 cruise season due to the following risks:

- CDC has elevated cruise travel risk from level 3 to level 4.
- Canadian Government's reaction to the Omicron Variant that could result in border closures.
- Port of Seattle would not be able to pick up all of the ship berthing demand if Vancouver is closed to cruise ships.
- Bookings could soften.
- Overall ship utilization is unknown. Consensus seems to be coalescing around an average of 70% occupancy of lower berth count at this point in time.

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Mr. Hilson detailed the pros and cons for all four options for 2022. He said it was important that passengers were dropped off and picked up at the same location. He informed the busses have to be able to maneuver and enter and exit a staging area safely and without having to back-up, as this is key and is not safe:

- Option 1 – Berth II
- Option 2 – Discovery Center
- Options 2a – Discovery Center
- Option 3 – Main Street
- Option 4 – Water Street

Mr. Hilson provided an evaluation matrix and only Option 2 – Discovery Center checked all requirements, which included:

- Room for safe loading/unloading of passengers.
- Close proximity to passenger's desired destinations.
- Shuttle bus staging for required number of busses. Provided 9 of 10 required spaces.
- Consistent predictable operations.
- Match scale of shuttle operations to street characteristics.

Mr. Hilson stated the City would still need to provide an area where it could accommodate the lost parking around the Discovery Center, and the City would also need to install a crosswalk area for the passengers that are being off loaded, add daily garbage (4) cans collection and there would need to be additional staffing required at various crossing areas. He said they will have to look at the bus exhaust discharge as that has been an ongoing issue for a longtime.

Ms. Jennifer Black thanked Mr. Hilson for all the time he has put into this presentation. She said they really want to work together as a team to make this beneficial to everyone involved.

Mr. John Binkley thanked Councilmember Flora to have the foresight last fall to start talking about these things early, instead of waiting until the last minute. He said it has been a pleasure to work with Mr. Hilson and his crew, Kari Erickson with HAP and all the others who participated in the prep work of this presentation. He thanked the Mayor and Council for their time, and said he was here to answer any questions.

Councilmember Mahtani questioned if the same busses could be used for the various cruise lines.

In answer to Councilmember Mahtani, Mr. Binkley stated that has not been determined yet.

Councilmember Gass questioned if Mr. Brinkley agrees with the presentation tonight.

In answer to Councilmember Gass, Mr. Binkley stated Option 2 meets more of the criteria that was set out, and agreed with Acting Port & Harbors Director Hilson and the Port & Harbors Advisory Board, but ultimately it is a Council decision.

Councilmember Bradberry said this plan seems to only discuss bus shuttles and questioned how the drop off and pickup will fit into this concept for the water shuttles. She also questioned if this location would be exclusive to Ward Cove shuttle busses or if the independent tour operators or Walmart vans were included.

In answer to Councilmember Bradberry, Acting Port & Harbors Director Hilson said it was his understanding the water taxi concept was a relationship between Allen Marine Tours and Ward Cove. He said during the time that Ward Cove shuttle operated it would be exclusive to those

busses. He stated the Walmart van will be relocated, and they are working through this issue with Walmart.

Councilmember Mahtani questioned if the local tour operators were taken into consideration for their input while putting together this plan, and if the bus emission standards are being looked into.

In answer to Councilmember Mahtani, Acting Port & Harbors Director Hilson said they did not reach out to the local tour operators in this case for this operation.

Martha Thomas stated their busses are just as big as theirs are, and they hire local people to run their busses. She felt the local tour operators were being pushed out of business. She said the local independent operators generate a lot of revenue to this City. She said we are taxpayers of this community as we own homes and buildings. She said it upsets her that the local tour operators are not included in these conversations and parking spots are being taken away from them. She encouraged everyone to start listening to the locals, because we make the difference as we are your taxpayers.

In answer to Councilmember Mahtani, Acting Port & Harbors Director Hilson said regarding the bus exhaust that is an ongoing issue. He said it is his understanding that we don't have authority to regulate that, as it is considered a commerce issue. He indicated the first step would be air quality monitoring which is underway. He said they have brought the issue up with HAP Alaska Yukon and the individual cruise lines to let them know it is an issue.

Acting Port & Harbors Director Hilson went on to explain what the financial arrangement will be to allow this operation. He said a preliminary look at the cost to support this operation would be approximately \$60,000 for the season to operate it during port of call times for ships at Ward Cove. He indicated the capital improvement cost component would be in the range of \$180,000 with the sidewalk, supplemental parking, striping and signage. He said the Council will have to provide staff with direction and a possible agreement be drawn up between the City and Ward Cove Group.

Councilmember Gass felt a good point was raised as to where the local tour operations are in all of this, and questioned if these busses owned by the Ward Cove Group or are they contracted out.

In answer to Councilmember Gass, Mr. Binkley informed the busses that they will use are contracted. He said they would need a consistent number of coaches each time a ship comes in to be able to handle that load. He indicated they envisioned using one operator that has enough capacity to handle all the shuttle passengers.

Councilmember Gage felt there has been a component left out of the equation with the independent tour operators, and we need to have a conversation with them. She said it would be nice to split the group and have some dropped off on Berth III, and she really liked the idea of the busses coming in one way, and possibly exempting the Fire Department.

Acting Port & Harbors Director Hilson said they cannot put the Fire Department in a position of driving the wrong way on a one way street. He said both Berth III and IV were eliminated for different reasons, but there wasn't enough room on Berth III for proper operation. He said a key component to this operation is that passengers have to be dropped off and picked up in the same location; otherwise, it is too confusing for the passengers.

Councilmember Flora said he had a couple of questions for Martha Thomas stating in years prior to this exercise did most of their busses park on the dock and how many went to the Discovery Center.

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Ms. Thomas informed that some of these operators have been in operation for the past 25 years, and a lot of times they park on the Port, by Creek Street and at the Discovery Center. She said they have pre-books on the ships and they deal directly with tour operators and travel agents. She felt the independent operator is being pushed aside. She explained what their cost were to operate on the Port.

Councilmember Flora said the Council will need to make a decision at the next meeting and suggested to Ms. Thomas that the independent tour operators convene and provide your ideas to mitigate the impact to your organizations to staff before the next Council meeting.

Councilmember Bradberry voiced her concerns regarding the loss of parking, and felt we need to have a conversation with everybody who utilizes the Discovery Center area.

Rick Thomas owner of Sourdough Tours and said he probably owns the largest independent tour company, and will be running eleven busses. He indicated he has had a conversation with two other operators and with their vehicles, you are looking at approximately 25 busses and vans. He felt as locals it would have been nice to have been consulted in regards to their needs and concerns for parking.

**Ordinance No. 22-1943 – Amending Ketchikan Municipal Code
Section 9.54.060 Entitled, “Legal Accountability” and Section
9.54.070 Entitled, “Fine Schedule,” Concerning Off Premise
Commercial Solicitation Restrictions – First Reading**

Copies of Ordinance No. 22-1943 were available for all present.

Moved by Kistler, seconded by Flora, the City Council approve in first reading Ordinance No. 22-1943 amending Section 9.54.060 of the Ketchikan Municipal Code entitled “Legal Accountability” and Section 9.54.070 entitled “Fine Schedule” concerning off premise commercial solicitation restrictions; and establishing an effective date.

Councilmember Zenge questioned how many fines have we collected, and would like to know those numbers. She said without anyway of monitoring who is violating this ordinance, why are we doing this.

Acting Police Chief Mattson answered questions from the Council.

Acting City Manager Simpson clarified this ordinance already exists. She said all this will do is increase the fines for the violations. She stated the cell phone recordings and the calls to dispatch already happen.

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

**Change Order No. 1 to Contract No. 21-14 – Park Avenue Safe
Shelter, PK Builders**

Moved by Flora, seconded by Zenge, the City Council approve Change Order No. 1 to Contract No. 21-14, Park Avenue Safe Shelter, between the City and PK Builders in the amount of \$36,142 with the addition of 21 days to the contract completion date, bringing the total contract cost to \$657,142; authorize funding from the contract contingency; and direct the Acting City Manager to execute the contract change order on behalf of the City Council.

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

February 3, 2022
Regular City Council Meeting

Discussion of Proposed Ward Cove Bus Plan - Councilmember Flora



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: January 24, 2022

RE: **Discussion of Proposed Ward Cove Bus Plan – Councilmember Flora**

At the November 4, 2021 meeting, Councilmember Flora requested a future agenda item to discuss a transportation plan for buses transporting cruise passengers originating from the Ward Cove cruise facility north of City limits into downtown Ketchikan.

As indicated in the attached memorandum from Acting Port & Harbors Director Mark Hilson, a transportation plan has been developed with representatives of Holland America Princess (HAP) Alaska-Yukon and the Ward Cove Dock Group. The plan will utilize the block surrounding the Southeast Alaska Discovery Center along Bawden Street, Spruce Mill Way, and Main Street. The plan was presented to the Port & Harbors Advisory Board at their January 11, 2022 meeting, and the Board unanimously endorsed the presented plan as being the most viable for 2022 operations.

To better explain the transportation plan and why it has been determined to be the most practical, Mr. Hilson will give a presentation to the City Council at the meeting of February 3, 2022. This will be the City Council's opportunity to ask questions and offer feedback on the proposed plan.

Following City Council concurrence that the developed plan is the most viable, staff will determine the costs necessary for this operation, which will inform a fee schedule. Staff will bring back this information at a later date for City Council consideration.

PUBLIC WORKS / ENGINEERING DEPARTMENT**Mark Hilson, P.E., Public Works Director**

Kara Jurczak, P.E., Acting Public Works Director

CITY OF KETCHIKAN

Administrative Offices

PH: 907.228.4727

FAX: 907.225.8721

MEMORANDUM

TO: Lacey Simpson, Acting City Manager

FROM: Mark Hilson, P.E., Acting Port & Harbors Director

DATE: January 21, 2022

SUBJECT: **Ward Cove Bus Plan**

In anticipation of the 2022 cruise season, staff has met with representatives from HAP Alaska-Yukon and the Ward Cove Group regarding bussing options from the Ward Cove berths to downtown. After exploring several options and discussing at the Port & Harbors Advisory Board meeting of January 11, 2022, staff and the PHAB recommend bus staging to take place at the Discovery Center. The PHAB noted that the Ketchikan Fire Department should be consulted for potential impacts on Fire Department operations. That coordination effort is ongoing at the time of writing this memo. Should you concur, I will present the updated evaluation of alternatives and their impacts (including any impacts to Fire Department operations) at the meeting of February 3.

Attachment:

Draft Minutes – January 11, 2022 PHAB Meeting

**PORT & HARBORS ADVISORY BOARD
MEETING MINUTES
DATE: 01/11/2022**

CALL TO ORDER:

The Port & Harbors Advisory Board regular meeting was called to order at 7:04 P.M., at the City Council Chambers, in Ketchikan, Alaska.

ROLL CALL:

MEMBERS PRESENT:

<input type="checkbox"/>	Mr. Eric Lunde	(Chairman)
<input type="checkbox"/>	Mr. Andrew Mulder	(Vice-Chairman)
<input checked="" type="checkbox"/>	Mr. Mark Flora	(Council member)
<input checked="" type="checkbox"/>	Mr. Rod Bray	
<input checked="" type="checkbox"/>	Mr. Steve Wilsie	
<input type="checkbox"/>	Mr. Rick Collins	
<input checked="" type="checkbox"/>	Mr. Jim Castle	
<input type="checkbox"/>	Mr. Tim Hemme	
<input checked="" type="checkbox"/>	Mr. Eric Collins	

MEMBERS ABSENT:

Excused

<input checked="" type="checkbox"/>	Mr. Eric Lunde	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Mr. Andrew Mulder	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Mr. Mark Flora	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Rod Bray	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Steve Wilsie	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Mr. Rick Collins	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Mr. Jim Castle	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Mr. Tim Hemme	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Mr. Eric Collins	<input type="checkbox"/>

Harbor Staff Present:

<input checked="" type="checkbox"/>	Mr. Mark Hilson
<input checked="" type="checkbox"/>	Mr. Dan Berg
<input checked="" type="checkbox"/>	Ms. Angel Holbrook

CHANGES TO AGENDA:

None

MINUTES:

MOTION was made by E. Collins to accept the minutes of the regular meeting of the Port and Harbors Advisory Board from December 14, 2021. **MOTION SECONDED** by Flora. **MOTION PASSED UNANIMOUSLY.**

COMMUNICATIONS:

1. Email Correspondence from Board Member R. Collins stepping down from the Port & Harbors Advisory Board.

PERSONS TO BE HEARD:

None

OLD BUSINESS:

1. Future Port Operations—Chairman Lunde

Item deferred to next meeting.

NEW BUSINESS:

1. Ward Cove Shuttle Operation

Acting Director Mark Hilson presented a PowerPoint presentation on the Ward Cove Shuttle Operation as it was in the 2021 reduced passenger count season, lessons learned, defining the needs of future operations, challenges faced and that could be faced in the future, the non-port operations aspects, future operations recommendations, and three recommendations for future operation locations.

In 2021 the operation took place on Front Street Extension and was congested due to a lack of a staging capacity. Staff identified needs such as more personnel present to direct passengers, an area with less of a bottle neck, and an area where passengers can disperse throughout the downtown area.

Some needs identified were room for safe loading and unloading, shuttling passengers to where they want to be, shuttle bus staging for required number of busses, consistent and predictable operations, and matching the scale of shuttle operations to the street characteristics of the area. Some challenges identified were the state of flux of the cruise industry and the current COVID-19 situation with the omicron variant, the variation in the number of passengers being shuttled in from day to day, and potential traffic control issues associated with construction.

Acting Director Hilson identified four options for the location of the operation:

1. Berth II

2. Discovery Center: Main Street/Spruce Mill Way/Bawden Street
3. Main Street between Mission Street and Dock Street

Discussion followed.

MOTION was made by Flora that the Port and Harbors Advisory Board recommend the Discovery Center: Main Street/Spruce Mill Way/Bawden Street option as the most viable location for the future operation site of the Ward Cove Shuttle Bus operation. **MOTION SECONDED** by Wilsie. **MOTION PASSED UNANIMOUSLY.**

2. Derelict Vessel Action Plan—Board Member R. Collins & Chairman Lunde

Item deferred to next meeting.

Director's Report:

Acting Director Hilson highlighted from the Director's report the following:

- The CDC increased its travel advisory level from 3 to 4 for cruises.
- Acting Director Hilson took part in a meeting with Juneau's new tourism manager, Alex Pierce. The plan is to continue monthly meetings with other Southeast Alaska communities.
- Next meeting will be at Fire Station 1.
- City Council allocated the funds that were for the Stedman Street bathrooms to the berth III mooring dolphin project. These funds will not cover the project, but perhaps be a good portion of a match to a potential grant if one is found.
- All materials have been received for the Bar Harbor South Pump out Station, project is only on hold due to weather.
- Discussions are taking place with potential contractors for the Bar Harbor South Electrical pedestals.
- Potential candidates for the assistant harbormaster position are going to be interviewed next week.
- There is anticipated movement on the director's position in the next month or so.
- Port operations coordinator position interviews will be scheduled in the near future.
- Harbor rates and revenue will be on the agenda for next month.
- Staff has been addressing the garbage dumping issue. 30 people have received letters notifying them that these dumpsters are not for public use. Stickers have been placed on dumpsters, a PSA will be put on the radio and in the newspaper. Ticketing will begin after the PSA has ran.

FUTURE AGENDA ITEMS:

BOARD MEMBER COMMENT

Mr. Tim Hemme:

Mr. Eric Lunde:

Mr. Rod Bray: I enjoyed the presentation. I think the City needs to be compensated for our efforts to accommodate Ward Cove.

Mr. Jim Castle: Thanks for the hard work on the presentation.

Mr. Mark Flora: Thanks everybody, good job. I appreciate the hard work.

Mr. Andrew Mulder:

Mr. Rick Collins:

Mr. Steve Wilsie: Good presentation, it is good to have the pictures included. Thank you.

Mr. Eric Collins: Good presentation.

ADJOURNMENT:

MOTION TO ADJOURN was made by Flora at 8:35 p.m. **MOTION SECONDED** by Wilsie. **MOTION PASSED UNANIMOUSLY.**

Chair/Vice Chair Signature

Date

November 4, 2021

2022 Proposed General Government and Ketchikan Public Utilities Operating and Capital Budgets

Acting Manager Simpson updated the Council with an expected delivery date of the 2022 draft budget for the week of November 15, 2021.

Acting Manager Simpson informed the Council that it is staff's intent to electronically submit the proposed 2022 General Government and Ketchikan Public Utilities Operating and Capital Budget on or about Thursday, November 4, 2021. She stated hard copies will be made available the week of November 8, 2021.

Suggested Deliberation Dates for the 2022 Draft General Government and Ketchikan Public Utilities Operating and Capital Budgets

Acting Manager Simpson attached for the Council review the suggested deliberation dates for 2022 draft General Government and Ketchikan Public Utilities Operating and Capital Budgets.

Update on the Preparation of a New Wastewater Division National Pollutant Elimination System (NPDES) Permit

Acting Manager Simpson provided the Council a memorandum by Public Works Director Hilson that the Alaska Department of Environmental Conservation (ADEC) has been in communication with the communities including Ketchikan that operate wastewater treatment facilities under a National Pollutant Elimination System (NPDES) permit and 301H waiver to avoid secondary filtration. She said the ADEC with guidance from the EPA will likely be requiring the installation of disinfection systems as part of these permit renewals. She indicated the City's state lobbyist Ray Matiashowski is aware of ADEC's intent to require a disinfection system for Ketchikan and is initiating discussions with the Governor, Alaska State Representative and Alaska Municipal League on this issue. She said it was a little early to tell exactly what those implications are, but it is worth noting that there will be implications of a concerning magnitude. She said staff will keep the Council apprised of that process.

K.P.U. MANAGER'S REPORT – None

CITY CLERK'S FILE

City Clerk Stanker reminded the Council of the special Council meeting on Tuesday, November 9, 2021 at 6:00 p.m., and asked for a show of hands of who might be attending Representative Ortiz's Town Hall Meeting at the Ted Ferry Civic Center on the same night starting a 7:00 p.m., and at least four hands were shown.

CITY ATTORNEY'S FILE

Acting City Manager Simpson supplied the Council a copy of the report of significant activities for the City Attorney for the month of September 2021.

FUTURE AGENDA ITEMS

Councilmember Flora said he has two items; one is to have further discussion regarding insurance for boats in the harbors. He said the other discussion item he would like in early 2022, is the proposed transit plan from Ward Cove to downtown to review, settle on a fee and have the plan codified.

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In response to Councilmember Kistler, Acting Police Chief Mattson said that would not be his recommendation, since motorcycles and ATVs will still be able to park in any spot.

Councilmember Bradberry asked to have City staff bring back a motion to transition the paper parking permits that hang on the rearview mirror to printed stickers, which will be cost-effective and more economical for the City and keep the permit costs the same for all vehicles to starting in 2023, and at least four hands were shown.

**Proposed Topics for PeaceHealth Ketchikan Medical Center
Quarterly Presentation to the City Council at its Meeting of
March 17, 2022**

Moved by Zenge, seconded by Bradberry, the City Council direct the Acting City Manager to advise PeaceHealth Ketchikan Medical Center of the City Council's acceptance and/or modification of the proposed topics of discussion for the quarterly update of March 17, 2022, and to submit requests for additional information as determined appropriate by the City Council.

Councilmember Mahtani said the hospital is a component of our healthcare in this town and our population is aging and would like to hear from the chief nursing officer regarding the nursing situation and the chief medical officer regarding the medical doctors and the medical situation.

Councilmember Gage said she would like to see a report on the funds that PeaceHealth donates back to the Community.

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

Approving the Ward Cove Shuttle Operation Plan

Moved by Gage, seconded by Mahtani, the City Council approve the proposed Ward Cove shuttle operation on Bawden Street, Spruce Mill Way, and Main Street and direct staff to proceed with this operation for the 2022 cruise season.

Vice-Mayor Flora stated there has been significant input from many people including the independent tour operators, and it is his understanding there may be some new information to be presented before we consider an operation plan.

Acting City Manager Hilson stated at the last meeting we reviewed four different options and searched for the best location to stage the Ward Cove shuttle operation. He said from an operational perspective the Discovery Center option provides the best option and he stands by that conclusion as being the most straightforward. He felt as you are all aware local shop owners and our dock vendors have raised some legitimate concerns, and one of those centered around the question of why won't Berth II work. He stated that when a ship is berthed at Berth II it does not allow enough space for the bussing operation and Port operation. He said it worked in 2021 because there was no ship at Berth II during the time the ship was docked at Ward Cove. He said he went through the schedule with Survey Point Holdings to identify how many times there was a ship on Berth II in conjunction with Ward Cove. We determined by shifting ships to another Berth that would free up Berth II. He stated in essence another option was created that we will call Option No. 5. He said that Option No. 5 showed that about 40% of days of the season we could free up Berth II and accommodate the bussing operation on the Port during those days, which equals to 55 out of the 122 days that Ward Cove has a ship in Port. He indicated Berth II would be full, but Option No. 5 is a viable operation given our 2022 schedule, but this option will need to be reviewed for 2023.

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Jennifer Black representing Ward Cove Dock Group stated their perspective and concerns regarding Option No. 5, and their preference to be consistent by having only one drop-off point and felt it would provide a better guest experience with less confusion.

Jennifer Black answered questions from the Council.

Moved by Mahtani, seconded by Gage to amend the main motion to adopt Option No. 5 that will alternate the bus shuttle operation between the Discovery Center and Berth II.

Acting City Manager Hilson answered questions from the Council.

Vice-Mayor Flora stated concerns he has heard regarding the bathroom, bus fumes, crowds and confusion for the passengers from Ward Cove he felt everyone is going to have to give some ground as there is no perfect plan. He said he liked Mr. Hilson's revised version, which addresses the concerns of the independent tour operators to the level that is reasonable and achievable, but everyone is going to suffer some inconveniences. He informed this is year one of the restart of tourism and we don't know where it is going to go or how big it is going to be, and this new option gets us as close to where we need to be as a community for as many stakeholders as possible.

Councilmember Bradberry felt the new plan addresses more of the concerns that have been brought forward and suggested a color-coded schedule for the entire season gets published immediately and posted to various websites to ensure no matter who reads it they know where the busses are going. She said she still has concerns about the number of parking spots that will be cut from downtown, and she understands replacement parking will be on Bawden Street, but that may just meet the parking shortage in that area. She suggested the possibility of working with the people at the Federal Building to use a number of their parking spots for use by the Fire Department and employees of the Discovery Center. She said we need to beef up the crossing guards and the folks assisting with directions around the Discovery Center. She said the full number of busses can be staged somewhere else until they are needed as they do this all season long because there is not enough room on the Port.

Councilmember Kistler suggested that Ward Cove Group use some of their people to work as the crossing guards and such around the Discovery Center.

Councilmember Mahtani informed that he spoke with Tim Lewis of Cape Fox Corporation and he stated they are willing to hire two people to greet and guide folks as they come off the busses.

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

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

Moved by Bradberry, seconded by Kistler, the City Council direct the Acting City Manager to negotiate an agreement and associated fees for shuttle operations with the Ward Cove Dock Group.

Councilmember Bradberry said this plan for the Ward Cove Dock Group is going to cost the City a significant amount of money. She stated we do not have a cost at this point and whatever that turns out to be we need to add a \$2.50 fee for the lost CPV funds so we have a fund to start fixing infrastructure. She felt we should only have a one-year agreement to see how things go.

February 17, 2022

Acting City Manager Hilson informed the operational costs are approximately \$60,000 per year, which includes port security, garbage collection and running the street sweeper every day. He informed the capital improvement cost would be approximately \$200,000 and that would include a specialized crosswalk, extended parking lot on Bawden Street, street painting and signage and the purchase of garbage cans. He said the issue regarding the bus fumes coming into the Discovery Center is an unknown cost at this time.

Councilmember Kistler said there is a lot of grant money out there for electric stations, and questioned if that would be an incentive for the bus companies to convert to electric buses.

In answer to Councilmember Kistler, Acting City Manager did not feel in the near future that would happen.

Vice Mayor Flora felt as the community and owners of the property, we need to ask for what we deem as fair value for the asset that another entity desires to use. He said instead of negotiating, he would rather arrive at what is a viable and workable cost assessment and present that figure to the Ward Cove Dock Group.

Councilmember Gass said he agreed with comments made by Councilmember Flora.

Councilmember Bradberry said she would like to wait until we know what the Discovery Center bus fume issue will cost because somehow we always seem to lose money. She said she would like to see a budget with all the costs, and is hesitant to set a fee tonight.

Acting City Manager Hilson clarified the H-VAC issue with the Discovery Center would be a mitigating measure given the fact there will be busses stacked around the building. He said the Forest Service brought up this concern because in the past other busses were staged there and fumes entered the building through the H-VAC system. He reiterated this agreement has a timing issue and we need to move on it.

Councilmember Mahtani suggested adding \$150,000.00 to cover that and the \$2.50 CPV we are losing. He didn't feel the City was in any position to come up with any of these costs.

Moved by Bradberry, seconded by Mahtani to defer consideration of an agreement and the associated fees for shuttle operations with the Ward Cove Dock Group to the March 3, 2022, Council meeting to set a defined fee schedule for the Ward Cove shuttle.

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

The Council took a short break at 9:15 p.m. and reconvened at 9:22 p.m.

Compensation for Offers of Employment – Police Officers

Moved by Bradberry, seconded by Kistler, the City Council authorize the Acting City Manager to offer the position of Police Officer to Ryan Hanis of Ketchikan, Alaska based upon the compensation level of Grade 557, Step S at an hourly rate of \$37.86 per hour; to offer the position of Police Officer to Chris Gibson of Henderson, Nevada based upon the compensation level of Grade 557, Step O at an hourly rate of \$35.67 per hour; and to offer the position of Police Officer to Kimberly Monk of Kansas City, Missouri based upon the compensation level of Grade 557, Step M at an hourly rate of \$34.62 per hour.

Acting Police Chief Mattson answered questions from the Council regarding the new Police Officers.

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



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: February 9, 2022

RE: **Approving the Ward Cove Shuttle Operation Plan**

At its meeting of February 3, 2022, the City Council received a presentation from Acting Port & Harbors Director Mark Hilson on a proposed shuttle operation plan for buses transporting cruise passengers originating from the Ward Cove cruise facility north of City limits into downtown Ketchikan. The plan was developed with representatives of Holland America Princess (HAP) Alaska-Yukon and the Ward Cove Dock Group (WCDG) and endorsed by the Port & Harbors Advisory Board. The proposed plan will utilize the block surrounding the Southeast Alaska Discovery Center along Bawden Street, Spruce Mill Way, and Main Street. In receiving the presentation, which is attached for review, the City Council heard from a few independent tour operators and dock vendors who requested the City give consideration to the operation being located on the Port as it was during the pilot effort in 2021. The City Council requested the operators gather their concerns and discuss the matter with Mr. Hilson.

Attached for City Council consideration is a memorandum from Mr. Hilson that conveys the conversations he most recently had with the tour operators and dock vendors as well as representatives of the WCDG and HAP. The tour operators and dock vendors are advocating for splitting the operation between the proposed Southeast Alaska Discovery Center location and the Port. Representatives of WCDG and HAP find that the proposed location is the best solution for their operations and visitors and minimizes the inherent issues and risks in locating the operation on the Port. Mr. Hilson continues to recommend that the 2022 shuttle operation be located at the Southeast Alaska Discovery Center as presented. I concur with Mr. Hilson's recommendation.

Given the limited time in which to implement this plan in advance of the start of the 2022 cruise visitor season, including hiring personnel, making the necessary improvements to the area, as well as the preparations that the Ward Cove Dock Group and Holland America Princess may need to undertake, time is of the essence. A decision by the City Council must be forthcoming for the above stated reasons and with acceptance that downtown Ketchikan's unique layout and limitations will not provide for the ideal solution for all parties in the 2022 season. Staff will continue to work with other shuttle and tour providers regarding locations for their operations as appropriate and allowable. This operation may need modifications through the season once more is understood and it will be reevaluated well in advance of the 2023 season.

Following City Council direction, an agreement including associated fees will need to be negotiated between the City and the Ward Cove Dock Group. This would be subject to City Council approval.

Corresponding motions have been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motions approving the proposed Ward Cove shuttle operation on Bawden Street, Spruce Mill Way, and Main Street and directing staff to proceed with this operation for the 2022 cruise season and directing the Acting City Manager to negotiate an agreement and associated fees for shuttle operations with the Ward Cove Dock Group.

Recommended Motion No. 1: I move the City Council approve the proposed Ward Cove shuttle operation on Bawden Street, Spruce Mill Way, and Main Street and direct staff to proceed with this operation for the 2022 cruise season.

Recommended Motion No. 2: I move the City Council direct the Acting City Manager to negotiate an agreement and associated fees for shuttle operations with the Ward Cove Dock Group.

PUBLIC WORKS / ENGINEERING DEPARTMENT
Mark Hilson, P.E., Public Works Director
Kara Jurczak, P.E., Acting Public Works Director

CITY OF KETCHIKAN
Administrative Offices
PH: 907.228.4727
FAX: 907.225.8721

MEMORANDUM

TO: Lacey Simpson, Acting City Manager
FROM: Mark Hilson, P.E., Acting Port & Harbors Director
DATE: February 9, 2022
SUBJECT: **Ward Cove Shuttle Operation**

At the City Council meeting of February 3, 2022, City Council received the attached presentation on how to best accommodate Ward Cove passengers who will be bussed to downtown Ketchikan for the 2022 cruise season. In discussing the Ward Cove shuttle operation with some of the local businesses and some of the previous Dock Vendor lease holders, although not unanimous, the majority of the Dock Vendors I was able to speak with wanted the Ward Cove shuttle operation to drop Ward Cove passengers on the Port. While dropping passengers on the Port is obviously financially advantageous to the Dock Vendors (and by extension to the City), some of the Dock Vendors went on to mention that it has the benefit of being in close proximity to the KVB and restrooms, and would provide more predictable and safe pedestrian flow. Some also expressed a safety argument that traffic is more limited on the Port than the streets surrounding the Discovery Center. In discussing the matter, I was clear that from the very beginning a key component as expressed by HAP Alaska-Yukon and Ward Cove Dock Group was that the pick-up and drop-off location must be the same, not only for all passengers but also for all busses. This would mean that the entire bussing operation must occur in one location. Nevertheless, in order to give the proposal due consideration, I reached out to John Binkley and Jennifer Black with Ward Cove Dock Group, and Kari Erickson with HAP Alaska-Yukon and asked if this proposed compromise was acceptable and if not, why not? Kari Erickson responded:

"My opinion is that splitting the shuttle will result in confusion for the guests and potential over-congestion at one or the other of the loading locations"

John Binkley stated that splitting the operation would result in degrading the guest experience and therefore, was not in favor of splitting the operation.

While I would like to be able to recommend the City Council accept the proposed compromise, I am very hesitant to risk setting up such an important operation that may not be

fully functional and as a result, negatively impacts the guest experience in the City. As it stands, we will need to be prepared to address unforeseeable issues that may occur with the shuttle operation and having it in one location will simplify the operation.

In my discussions with Dock Vendors, it was suggested that there could be room left for tour bus parking and potentially tour selling in the vicinity of the Discovery Center. The tour operations immediately adjacent to the Discovery Center property line would be prohibited by the 50 year Lease between the City and the Federal Government. I would not recommend mixing tour busses and the Ward Cove shuttle.

Motions have been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt a motion directing staff to proceed with the Ward Cove shuttle operations on Bawden Street, Spruce Mill Way, and Main Street. It is further recommended that the City Council adopt a motion authorizing the Acting City Manager to negotiate an Agreement for shuttle operations including associated fees with the Ward Cove Dock Group.

Recommended Motion 1: I move the City Council direct staff to proceed with Ward Cove shuttle operations on Bawden Street, Spruce Mill Way, and Main Street.

Recommended Motion 2: I move the City Council authorize the Acting City Manager to negotiate an Agreement for shuttle operations, including associated fees with the Ward Cove Dock Group.

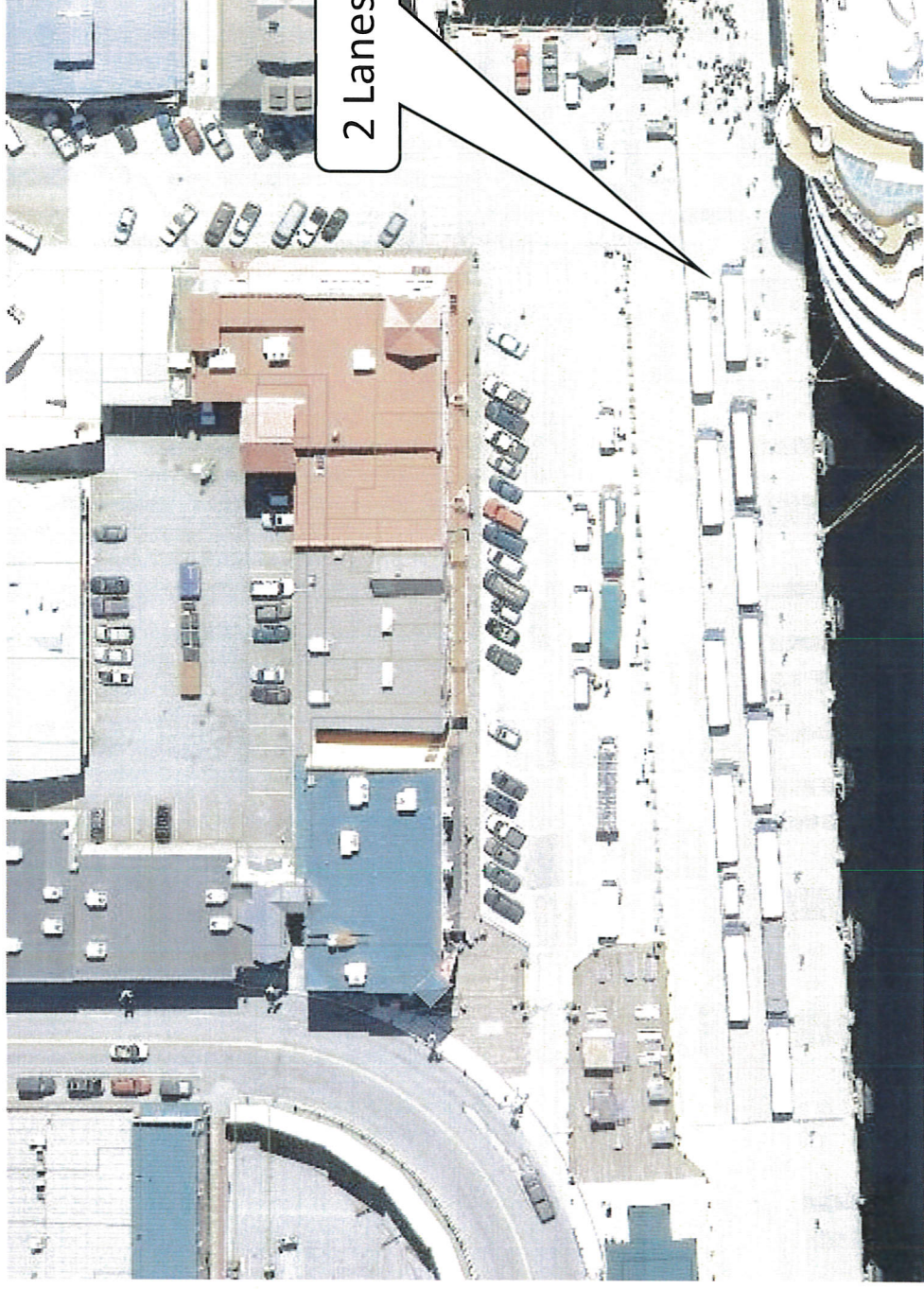
Ward Cove Shuttle



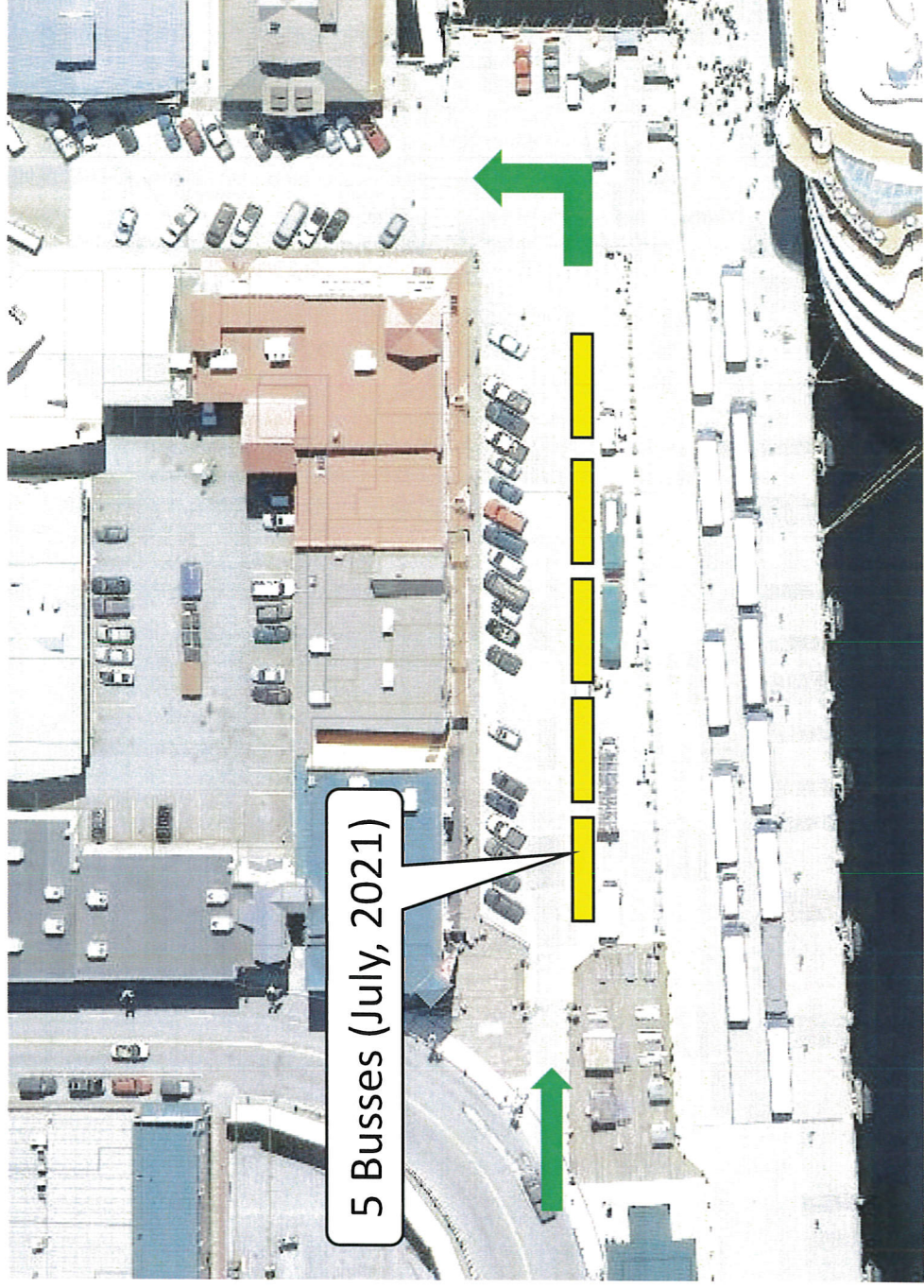
What is the Purpose of this Presentation?

- To present past bus operations and lessons learned from 2021's shuttle operation
- To communicate the needs of a Ward Cove shuttle bus staging operation
- To identify challenges associated with shuttle operations on the port
- To identify non-port options for a Ward Cove shuttle bus staging operation
- To obtain City Council direction on the location of the shuttle operation

2019 Bus Operation – Tours from City Docks

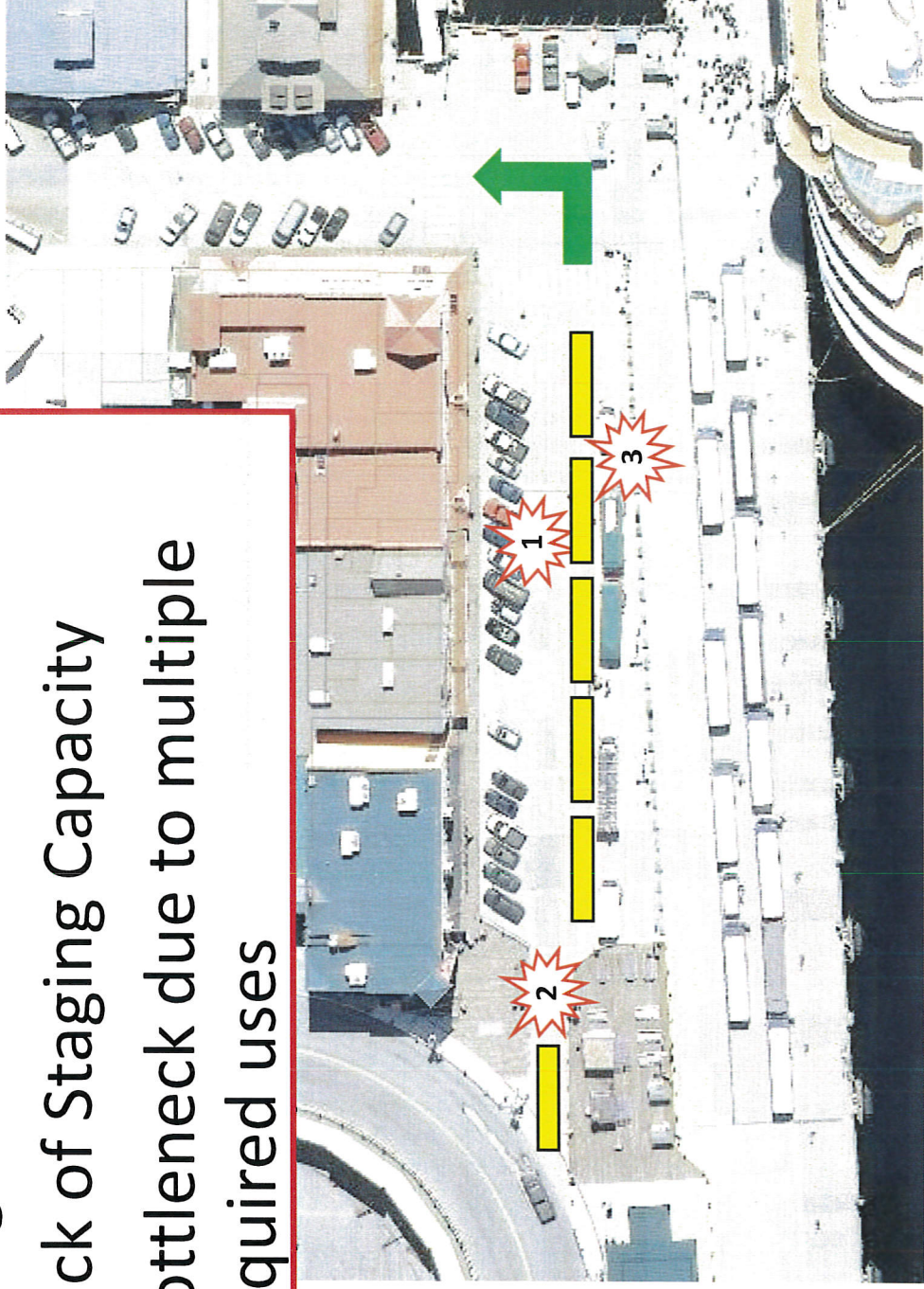


2021 – Front Street Extended

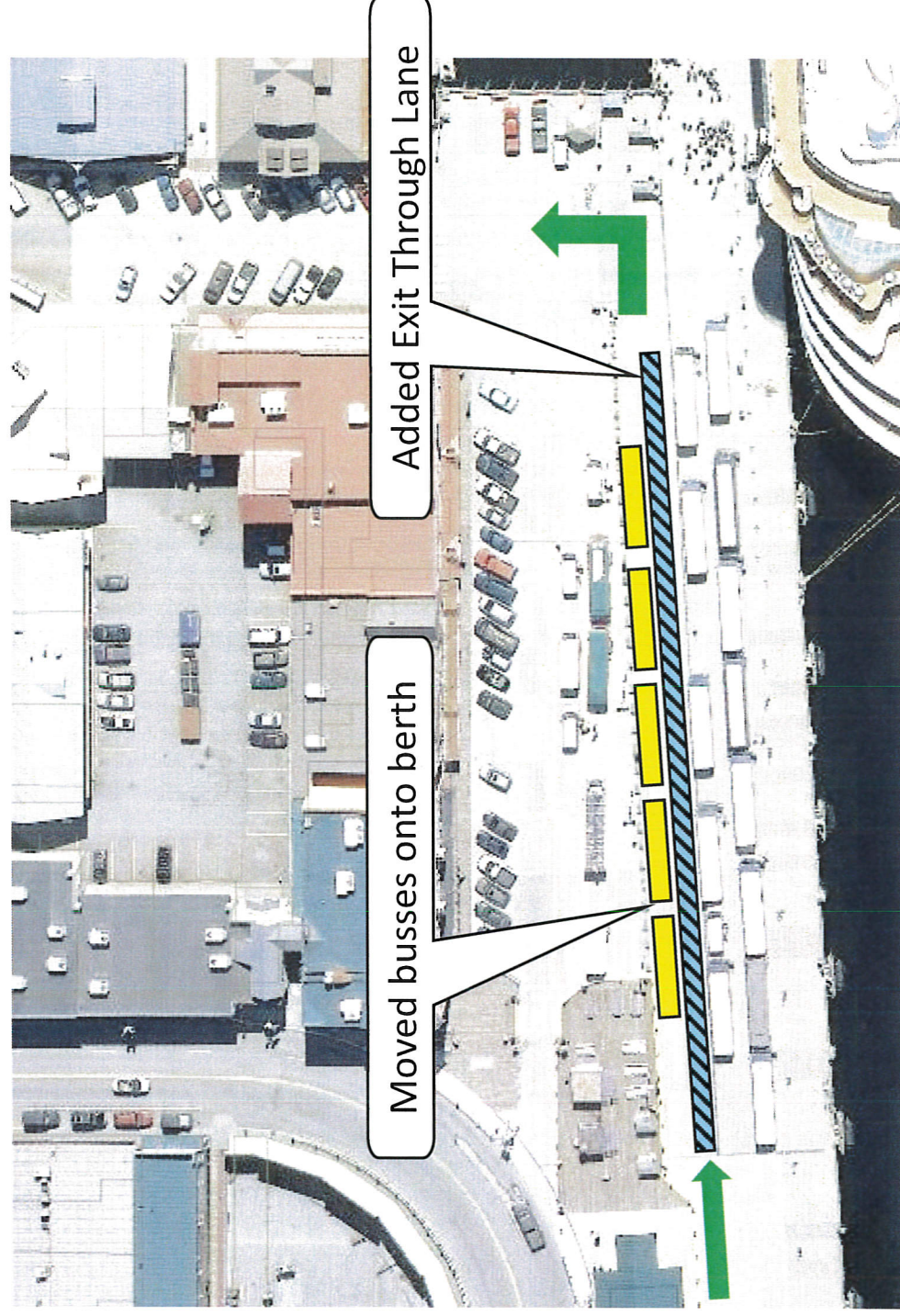


Lessons Learned from 2021 Shuttle Ops

1. Congestion
2. Lack of Staging Capacity
3. Bottleneck due to multiple required uses



2021 Shuttle Revision – Berth II



2021 By the numbers

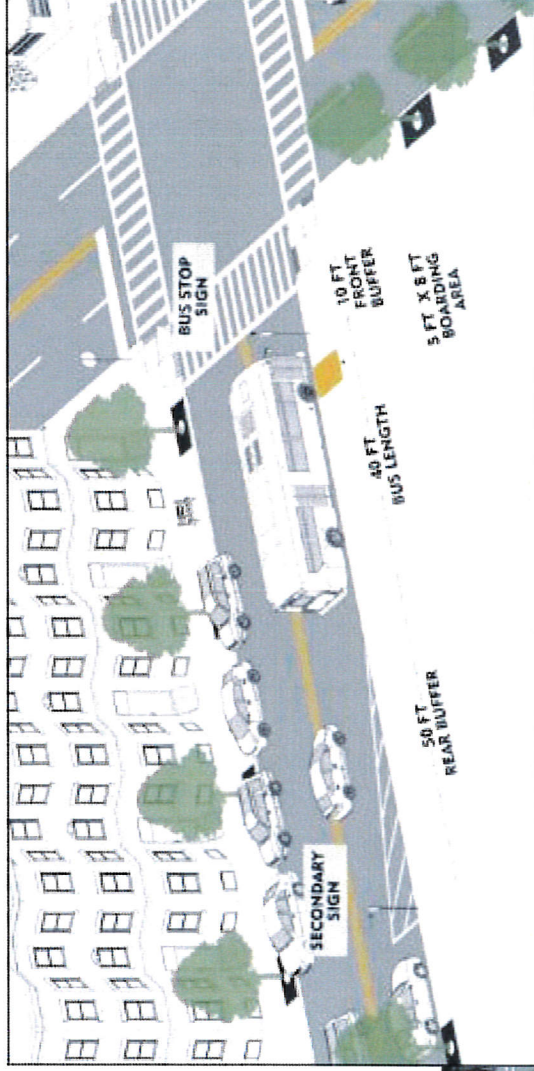


- NCL Encore, 8 AM to 5 PM
- Approximately 2300 guests onboard on average.
- 55-60% of the ship's passengers rode on the shuttle
- 10 shuttle busses were used with an additional 3-7 during peak times in the morning and close to all aboard
- 47 round trip shuttles (most of these coaches dead-headed back to WC after their first run downtown as guests weren't ready to return that early)
- 4-7 One way returns to Ward Cove

Ward Cove Shuttle Bus Identified Needs

- Room for safe loading/unloading of Passengers
- Close proximity to passengers desired destinations
- Shuttle bus staging for required number of busses
- Consistent predictable operations
- Match scale of shuttle operations to street characteristics

Room for safe loading/unloading of Passengers



LET'S STAY SAFE & HEALTHY

6"



KEEP 2 CHINOOK SALMON APART

CALIFORNIA NATURAL RESOURCES AGENCY





**Close
proximity to
passengers
desired
destinations**

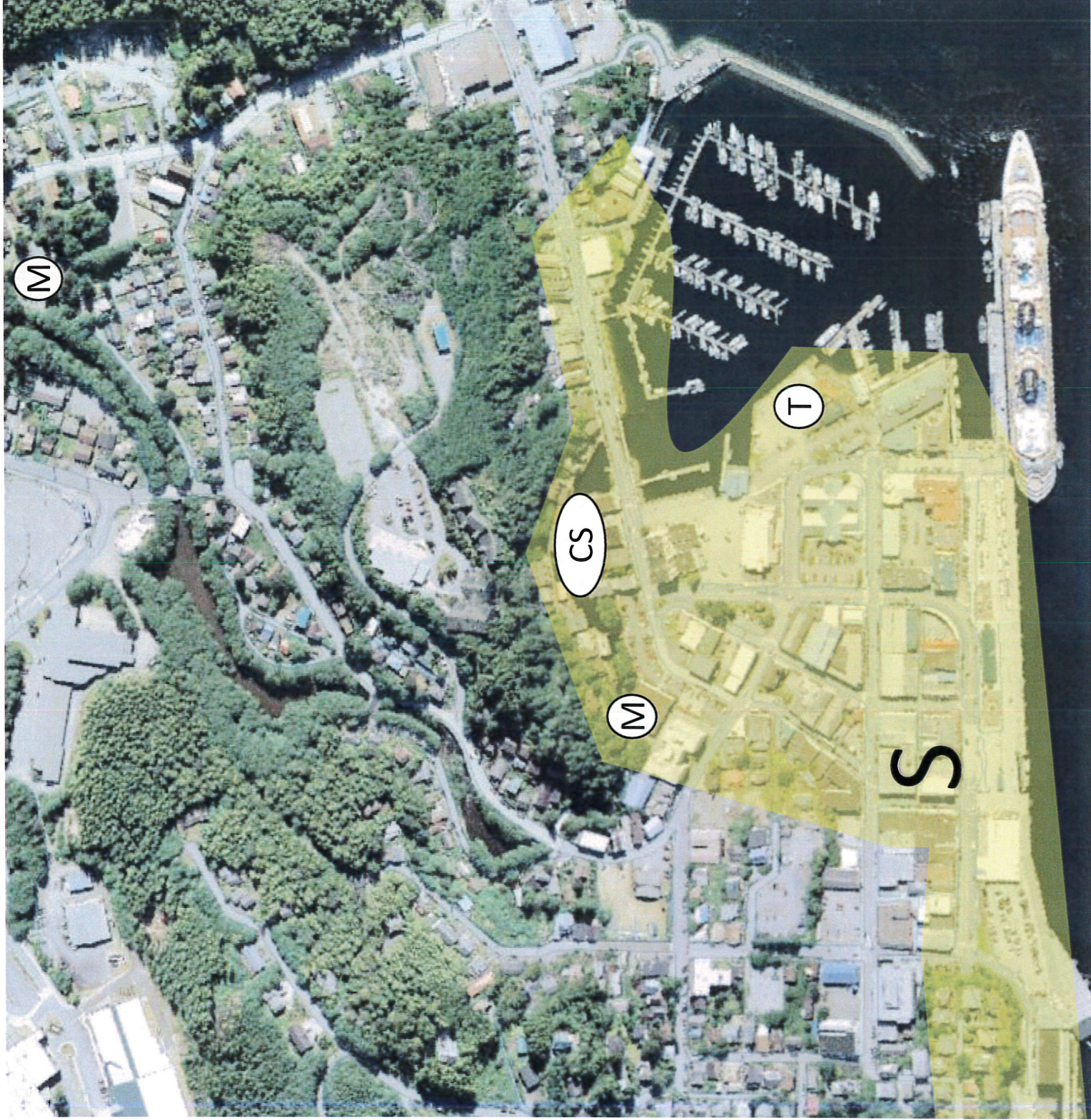
Key

CS – Creek Street

T – TGALS

M – Museum

S – Shopping



Shuttle bus staging for required number of busses



- Each Coach needs approximately 50 feet to line up.
- Coaches can seat approximately 50 passengers (this can vary)
- Coach occupancy efficiency is important
- More staging length to increase queuing would be better
- Coach staging is a function of speed of loading/unloading, and shuttle passenger counts, and ship timing



2022 Cruise Season Risks

It remains to be seen what passenger counts will materialize:

- CDC has elevated cruise travel risk from level 3 to level 4
- The Canadian Government's reaction to the Omicron Variant could result in border closures
- The Port of Seattle would not be able to pick up all of the ship berthing demand if Vancouver is closed to cruise ships
- Bookings could soften
- Overall ship utilization is unknown. Consensus seems to be coalescing around an average of 70% occupancy of lower berth count at this point in time.

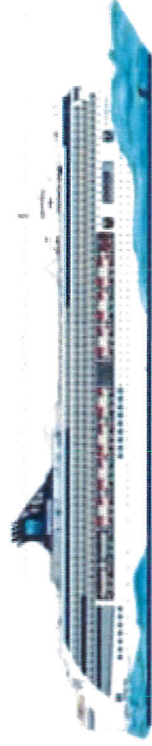
Ward Cove 2022 Ship Capacities



CRUISE SHIPS

NORWEGIAN

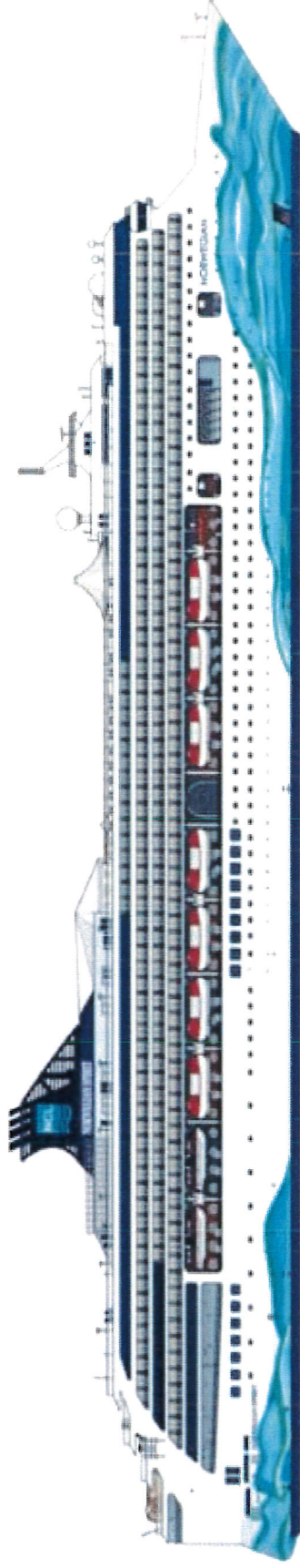
CRUISE LINE



Sun 2002

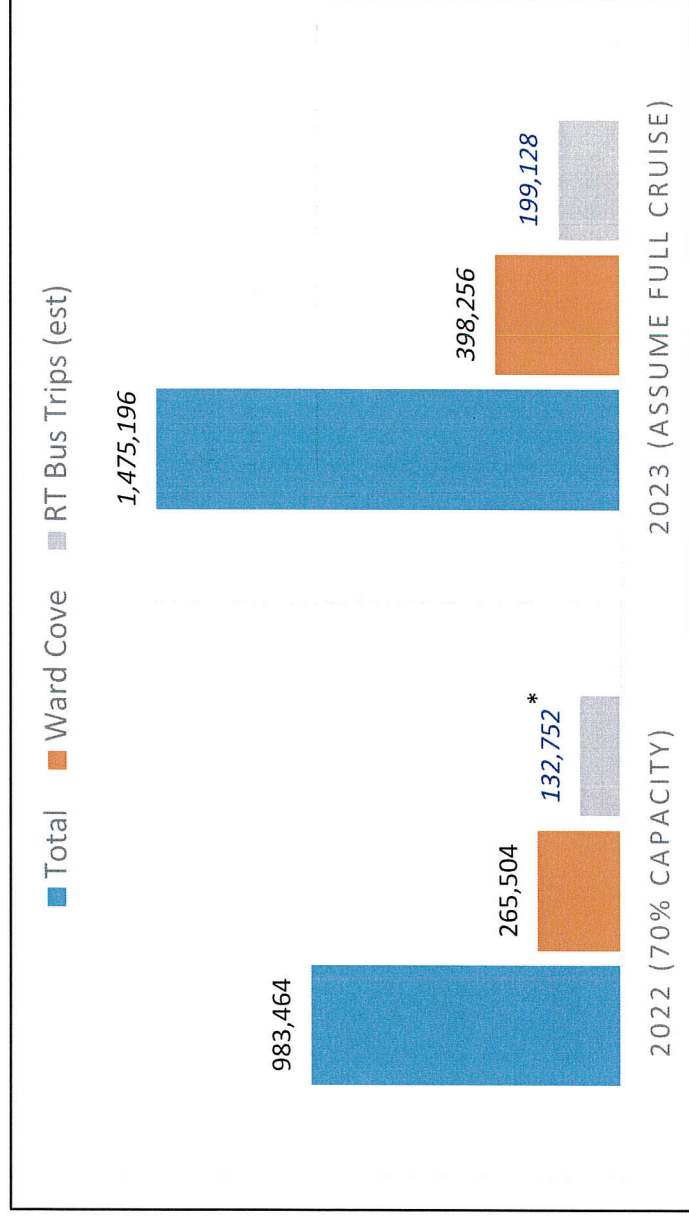


Jewel 2376
Spirit 2477



Bliss, Encore 4174

2022 Potential Shuttle Bus Passengers

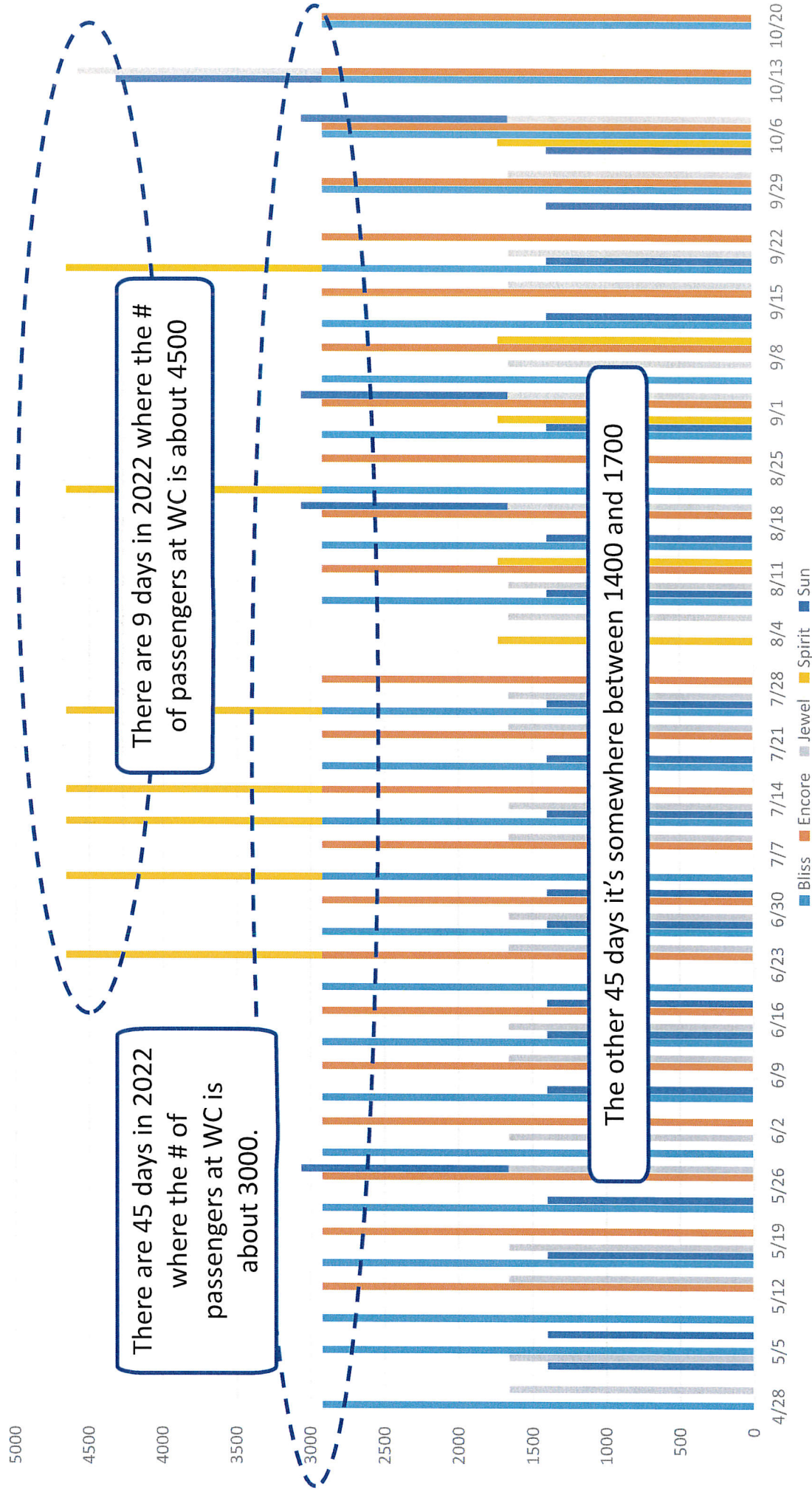


* 50% of WC passengers will go to City - John Binkley, WCG, Dec 2021

Discussion

There are about 163 Total Ward Cove Calls on the schedule in 2022
However interesting and important total annual passenger count is, shuttle operations are built around peak days, not total passengers

NCL 2022 Ward Cove Port Calls¹



2022 Ward Cove Maximum Daily Estimated Shuttle Passengers



- There are uncertainties associated with a variety of new port call times in 2022
- COVID-19 protocols can influence the number of busses especially on days when more than one ship is at Ward Cove
- On maximum two ship days (Bliss or Encore and Spirit), 2300 passengers are estimated to use the shuttle
- On one ship days (Bliss), 1500 passengers are estimated to use the shuttle

Shuttle bus staging for required number of coaches



- The maximum shuttle rotation will consist of approximately 18 coaches
- On two ship days, HAP Alaska-Yukon advises that 60 to 70 Shuttle round trips are estimated with 18 shuttle busses
- On one ship days, 35 to 45 Shuttle round trips are estimated with 12 coaches according to HAP Alaska-Yukon
- More staging length to allow for more coaches to queue up would be desirable.

Consistent Predictable Operations



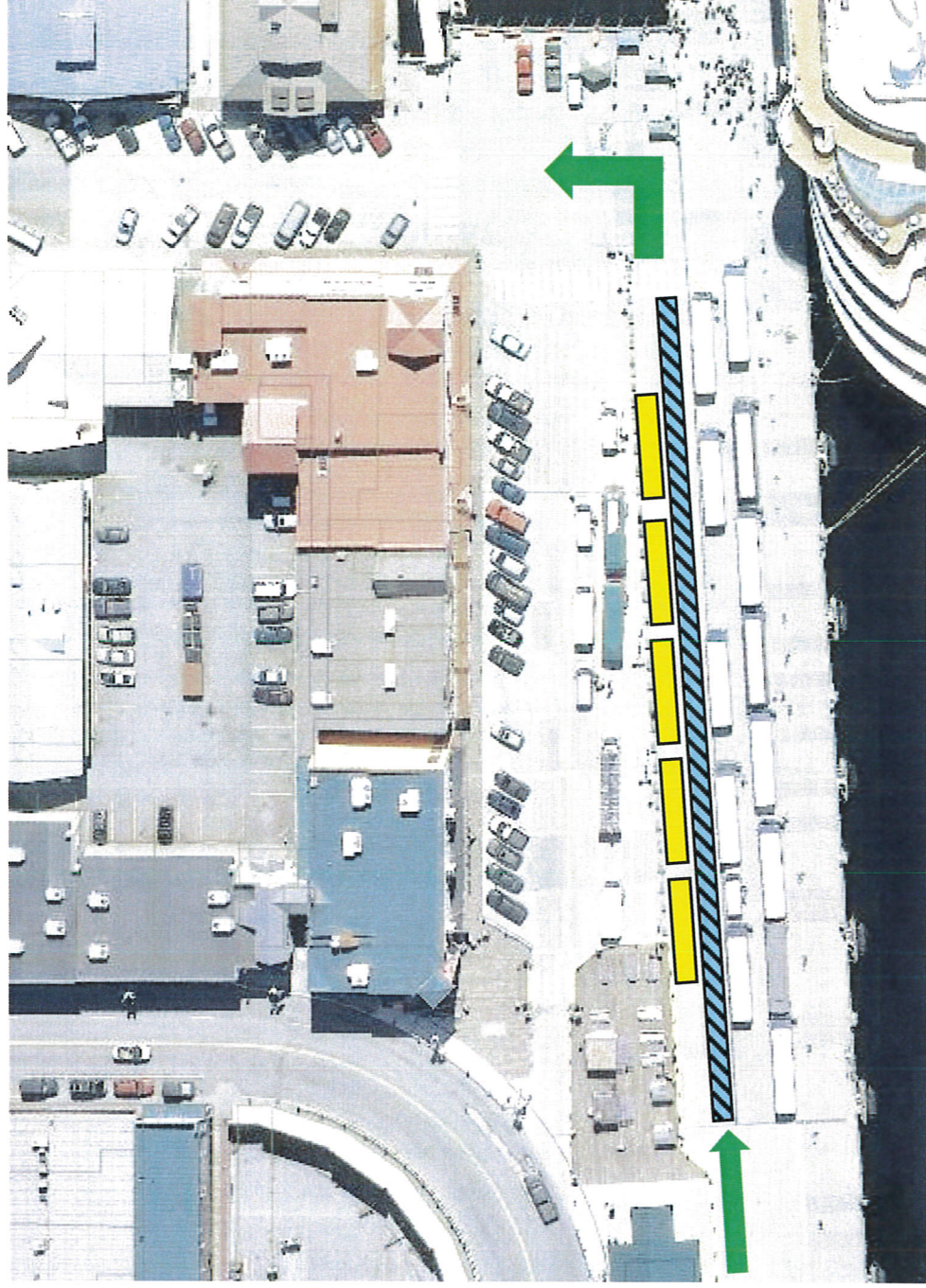
- Shuttle Passengers must be dropped and picked up in the same location to avoid confusing guests
- Shuttle drivers get trained to run a routine. Varying staging locations by day or time is problematic
- Signage is going to be important for guests

Match scale of shuttle operations to street characteristics



- Coach busses used in the shuttle bus operation average 8'4" wide and 12'6" tall and about 40' long
- Staging several of busses in a row can dwarf a smaller streetscape
- Bus width means that if you have busses staged on one side of the street, you should have a road that is at least 38' wide to accommodate two way traffic and parking on the opposite side of the street.
- Ideally sidewalk should provide for room for people to pass through, enter businesses, while accommodating lines for loading
- Busses must be able to maneuver and enter and exit staging areas safely, and without backing up

2022 Option 1 – Berth II

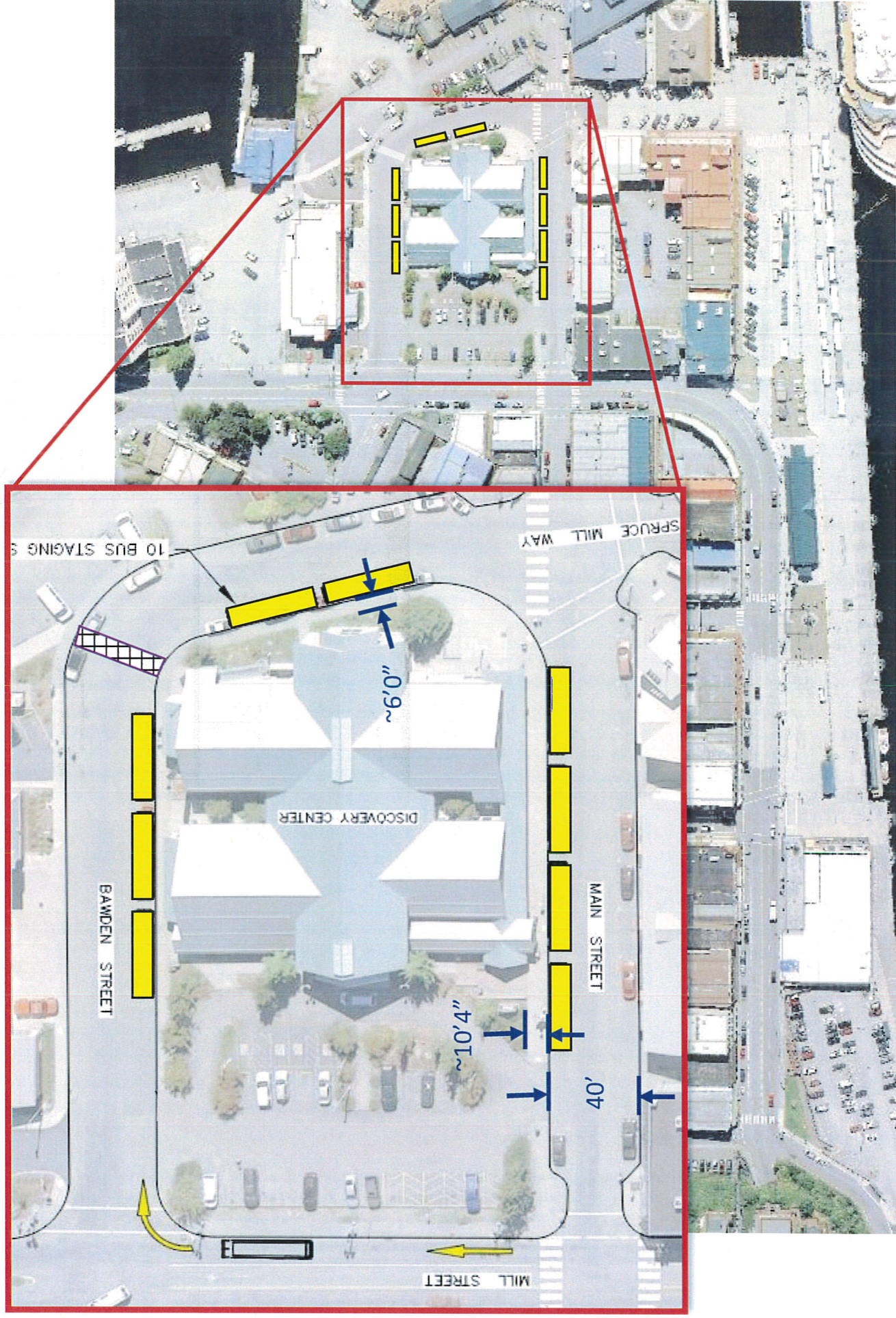


Option 1 Issues

Red Flags/Concerns	Mitigation Considered
<ul style="list-style-type: none"> • Busses bottleneck along the berth • Berth II Gangways are impeded • Busses conflict with Berth I Passenger Queue • Pedestrian Safety need to be the utmost concern • WC Shuttle Days normally occur when City Berths are fully utilized 	<ul style="list-style-type: none"> • Adjust timing of departures • Relocate bookings from Berth I and/or II



Option 2 – Discovery Center

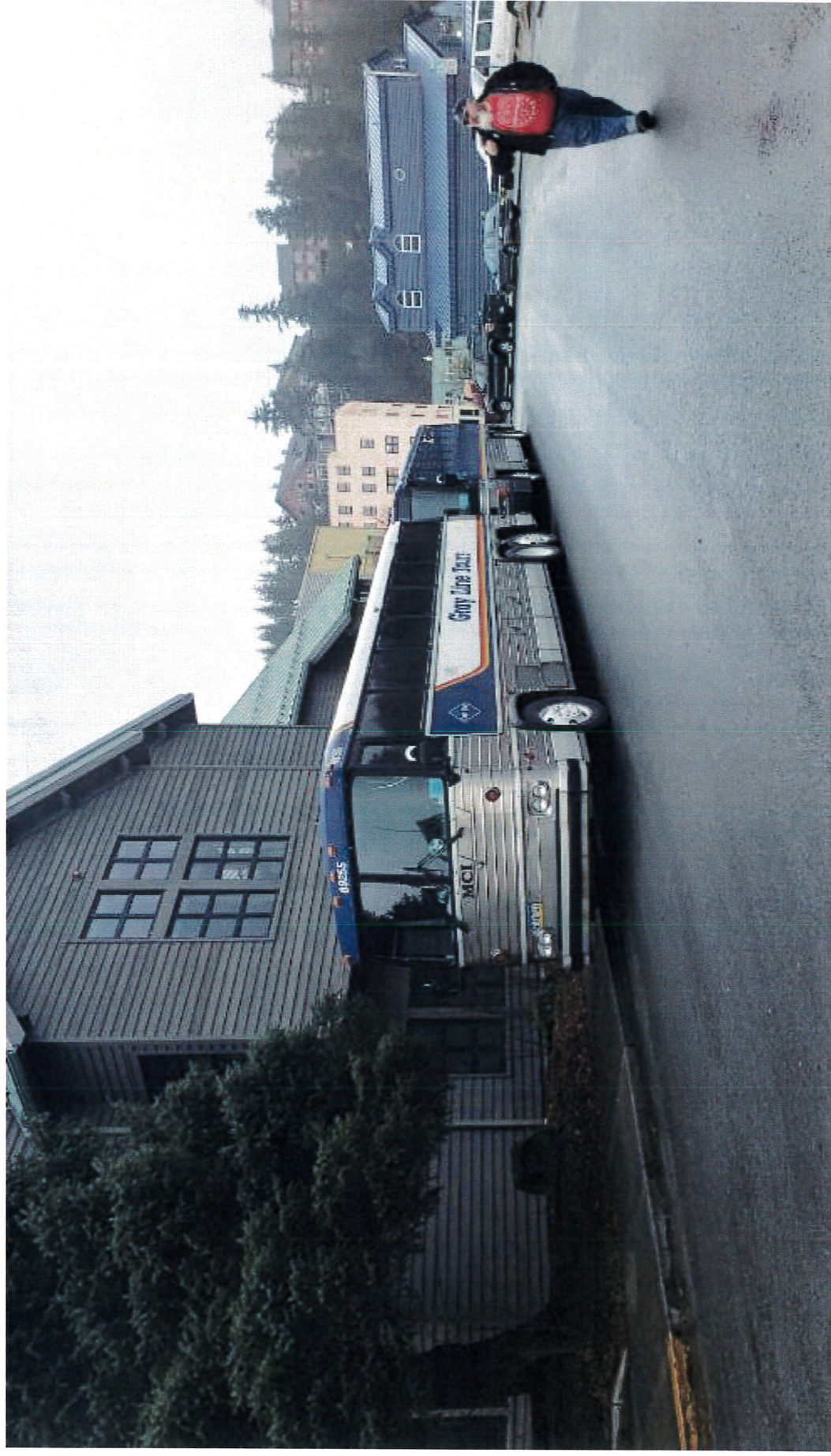


Option 2 – Discovery Center



January 25th, 2022 Dry Run

Option 2 – Discovery Center

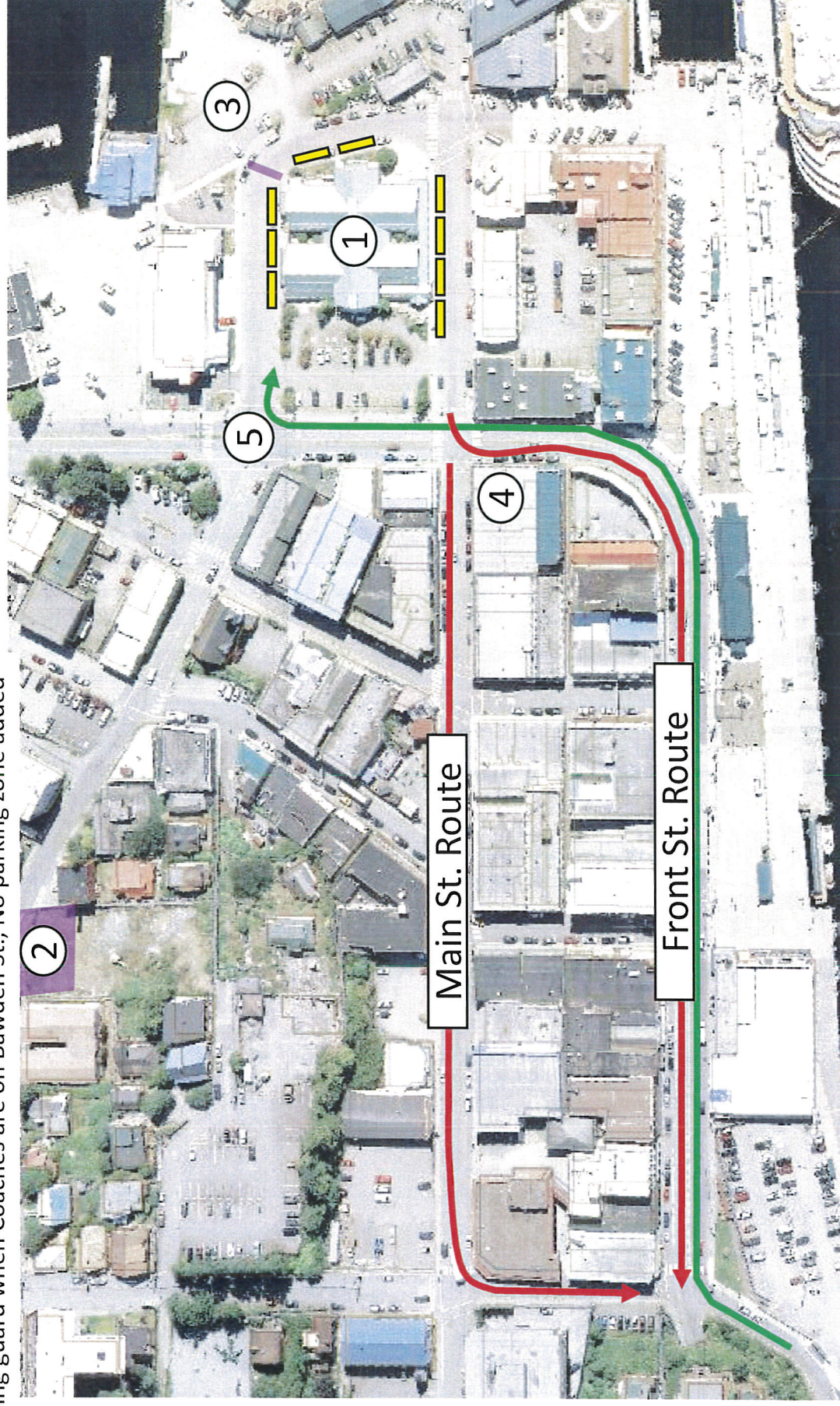


Option 2 – Discovery Center



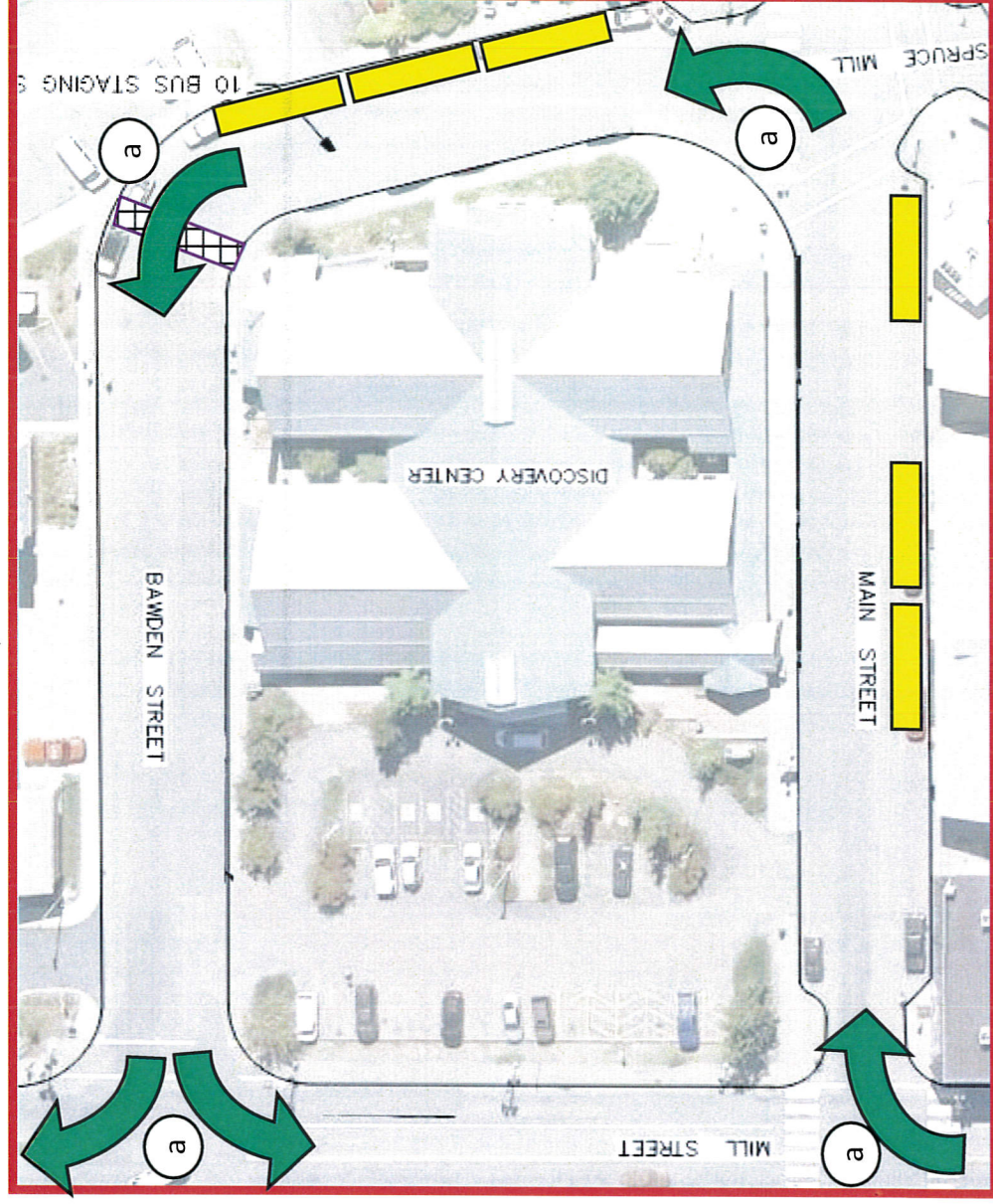
Option 2 – Discovery Center

- 1 Remove (14) Vehicle Spaces around Discovery Center for (9) busses
- 2 Create new temporary parking lot at old Hospital location on Bawden Street
- 3 Add Crosswalk to Promenade
- 4 Front St. Route Only - Remove (1) parking spot on Mill St. to allow busses to stay on State Hwy
- 5 Crossing guard when Coaches are on Bawden St., No parking zone added



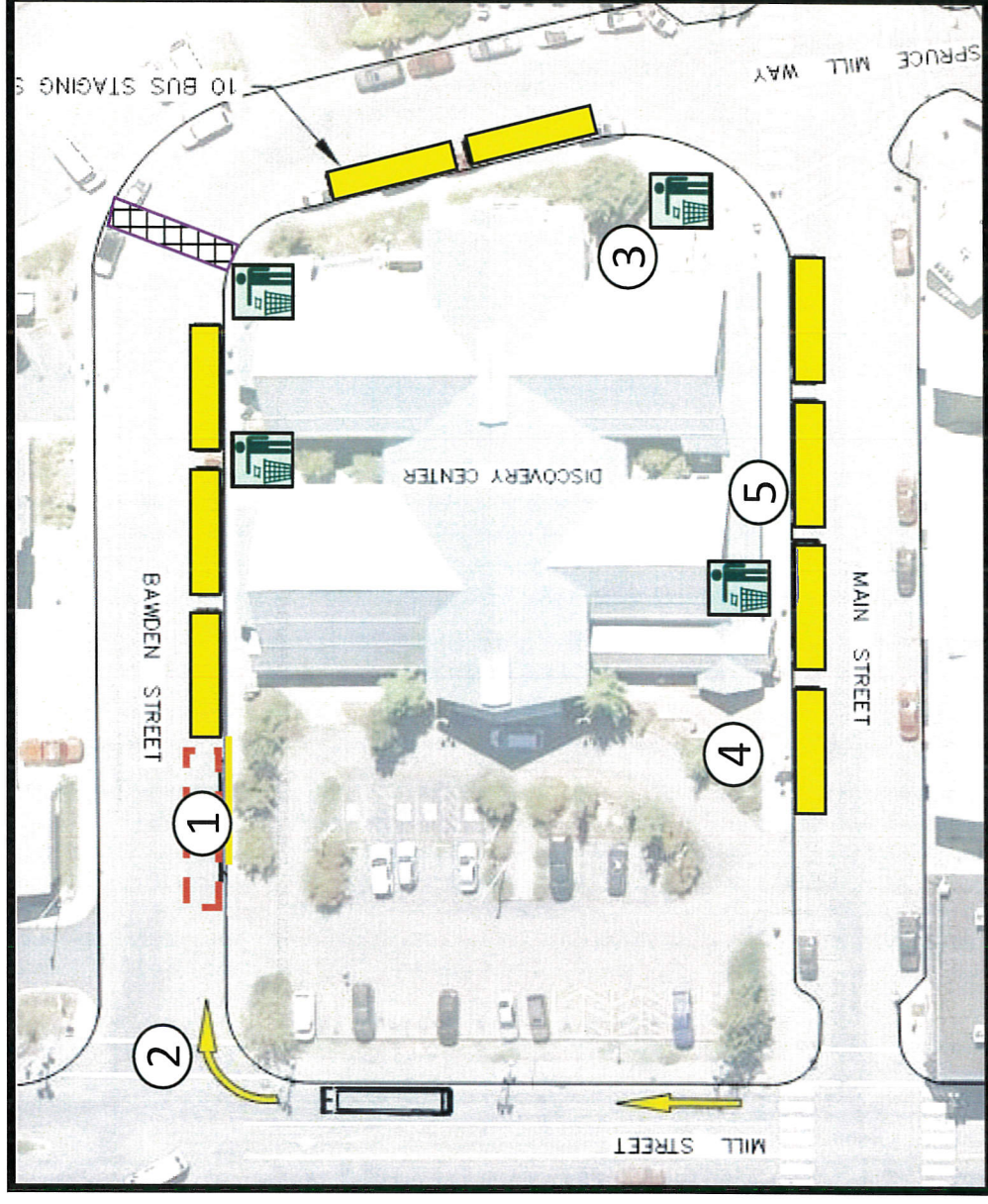
Option 2a – Discovery Center

- a Change Main Street, Spruce Mill Way, and Bawden St into One Way Streets



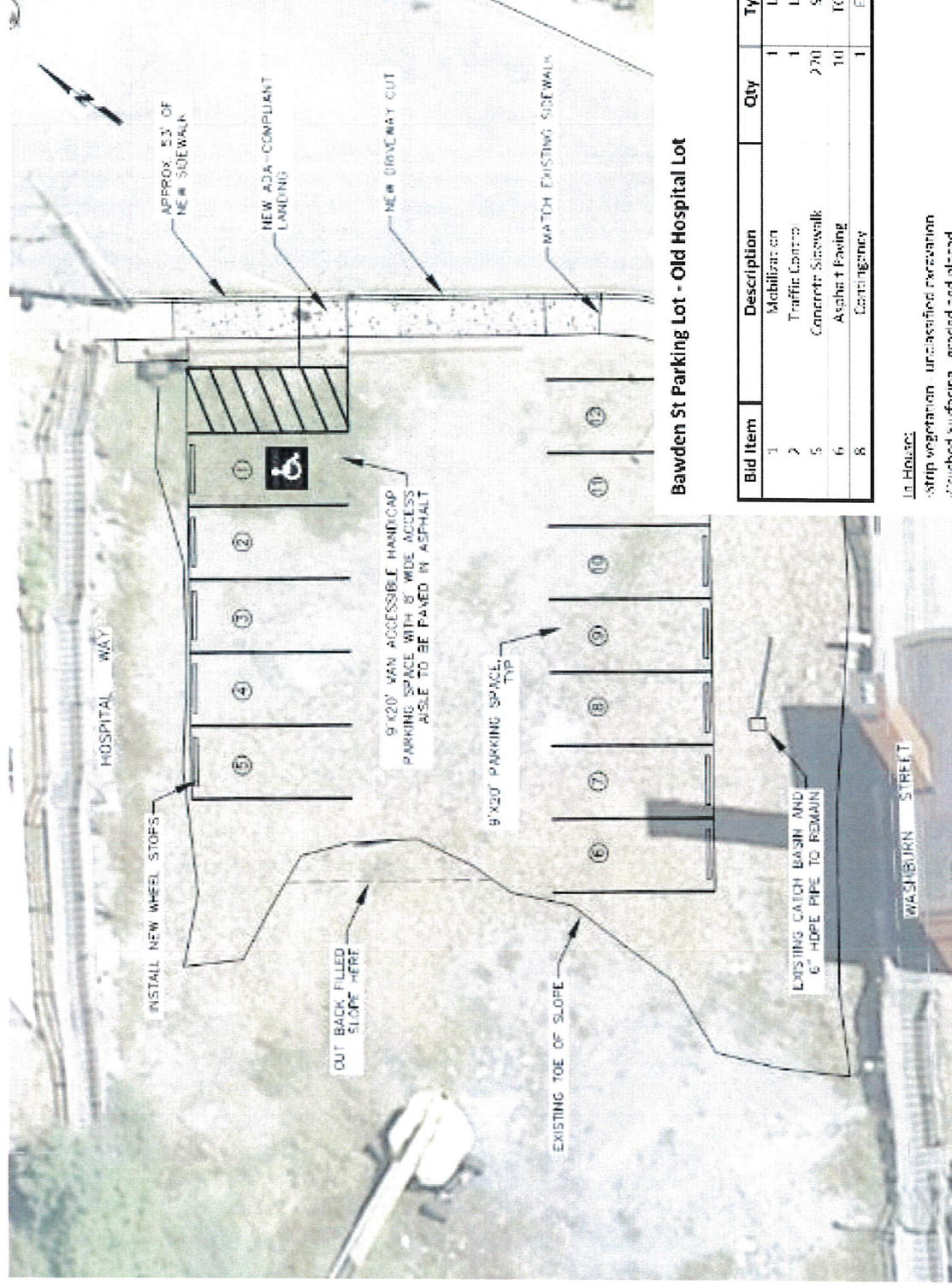
Mitigation Measures

- ① Reduce the number of coaches along Bawden Street from 4 to 3 and add 'No Parking Zone'
- ② Add Crossing Guard during shuttle operations to assist with traffic and emergency response
- ③ Add up to (8) trash receptacles to key locations, perform end of day litter patrol
- ④ Personnel & temporary signage to direct Discovery Center visitors and Ward Cove Shuttle passengers
- ⑤ Perform Exhaust Mitigation Study



Mitigation of Lost Parking

Bawden Street Temporary Parking Lot



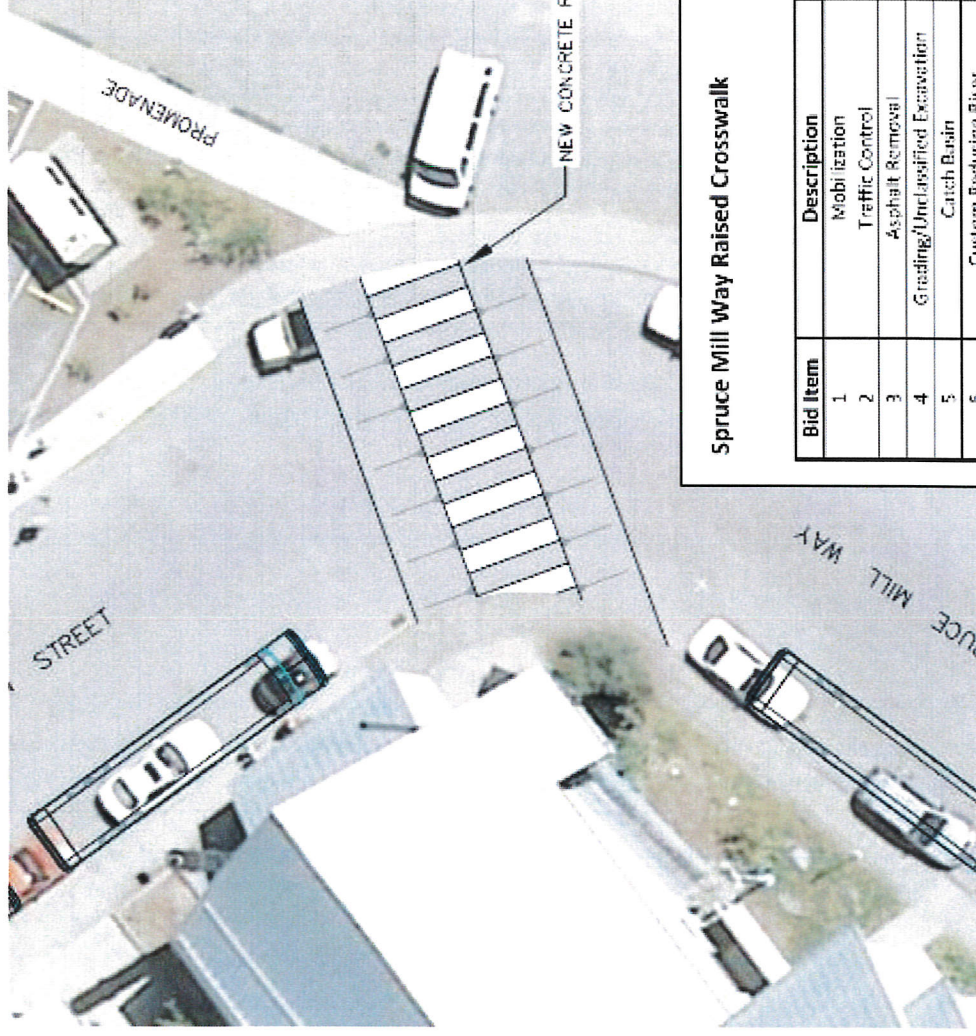
Bawden St Parking Lot - Old Hospital Lot

Bid Item	Description	Qty	Type	Engineer	
				Unit Price	Total Price
1	Mobilization	1	LS	\$250	\$2,500
2	Traffic Control	1	LS	\$5,000	\$5,000
5	Concrete Sidewalk	270	SF	\$30	\$8,100
6	Asphalt Paving	10	FCY	\$500	\$5,000
8	Contingency	1	FA	10%	\$2,500
Total					\$28,100

In House:

- Strip vegetation - unclassified excavation
- Crushed surfacing - graded and placed
- Remove sidewalk
- Remove timber railing
- Install wheel stops - we currently have enough to at least supply a contractor
- Handicap striping/signage

Pedestrian Safety Enhancement

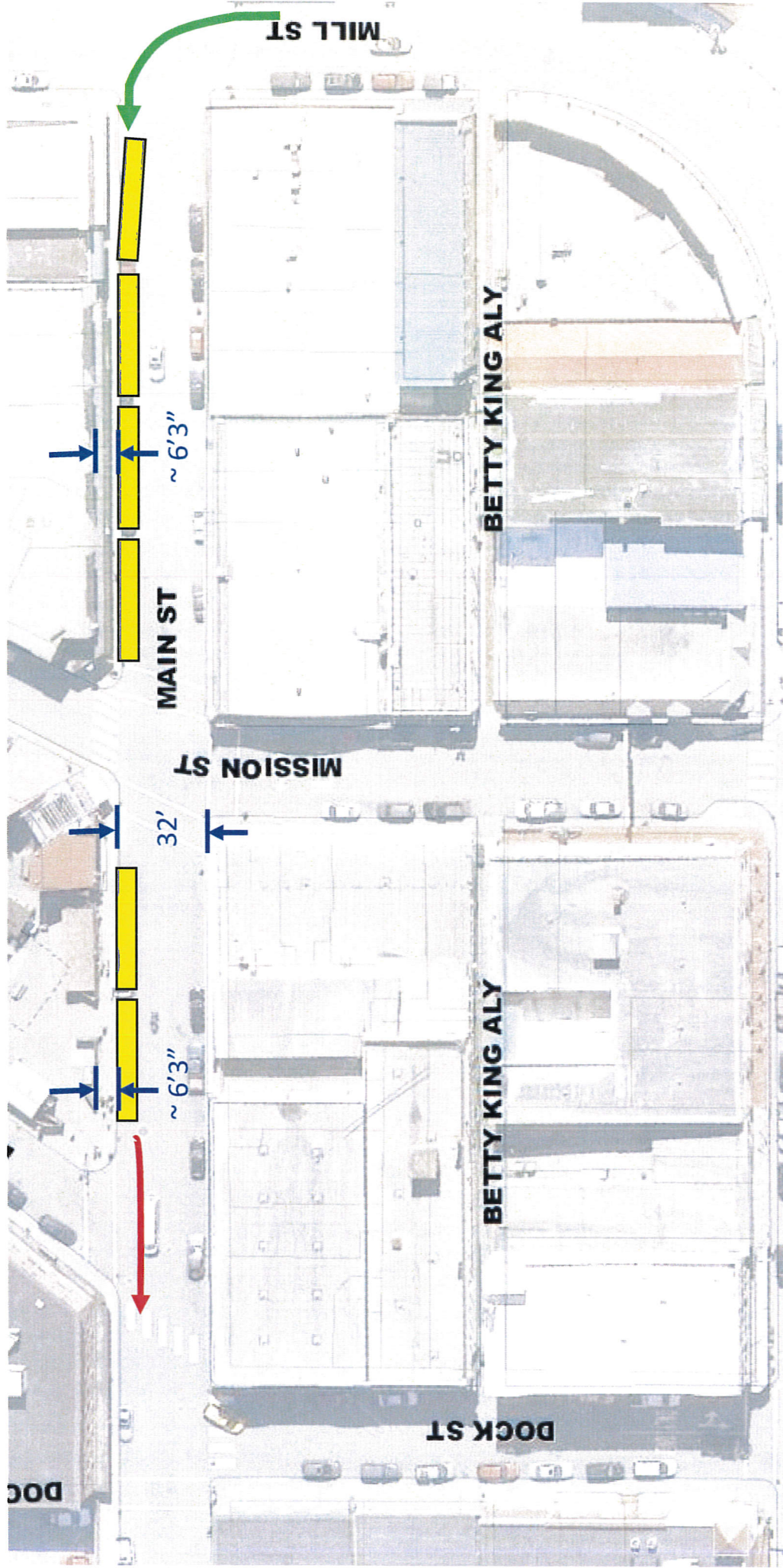


Spruce Mill Way Raised Crosswalk

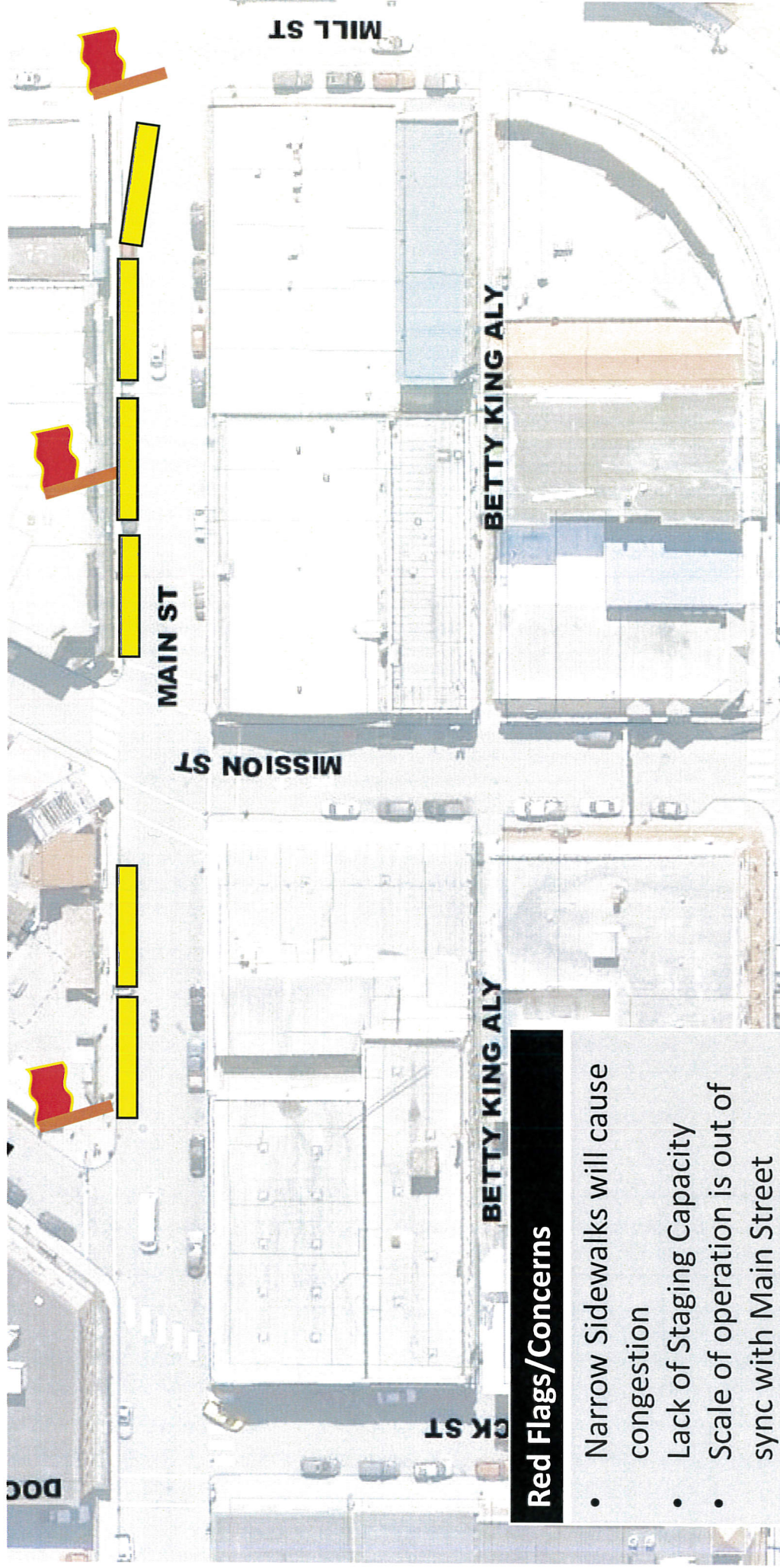
Bid Item	Description	Qty	Type	Engineer	
				Unit Price	Total Price
1	Mobilization	1	LS	\$10,000	\$10,000
2	Traffic Control	1	LS	\$5,000	\$5,000
3	Asphalt Removal	140	SY	\$25	\$3,500
4	Grading/Unclassified Excavation	140	SY	\$35	\$4,900
5	Catch Basin	3	EA	\$3,500	\$10,500
6	Custom Reducing River	1	LS	\$5,000	\$5,000
7	8" Storm Drain Pipe	49	LF	\$180	\$8,820
8	Concrete Sidewalk R&R	335	SF	\$30	\$10,050
9	Raised Concrete Crosswalk (8")	1200	SF	\$30	\$36,000
10	Striping/Signage	1	LS	\$10,000	\$10,000
11	Contingency	1	LS	10%	\$10,000
Total					\$113,770

*With two mid-b rock ped. ramps
 *With thickened edges
 *Two signs

Option 3 – Main Street



Option 3 Issues

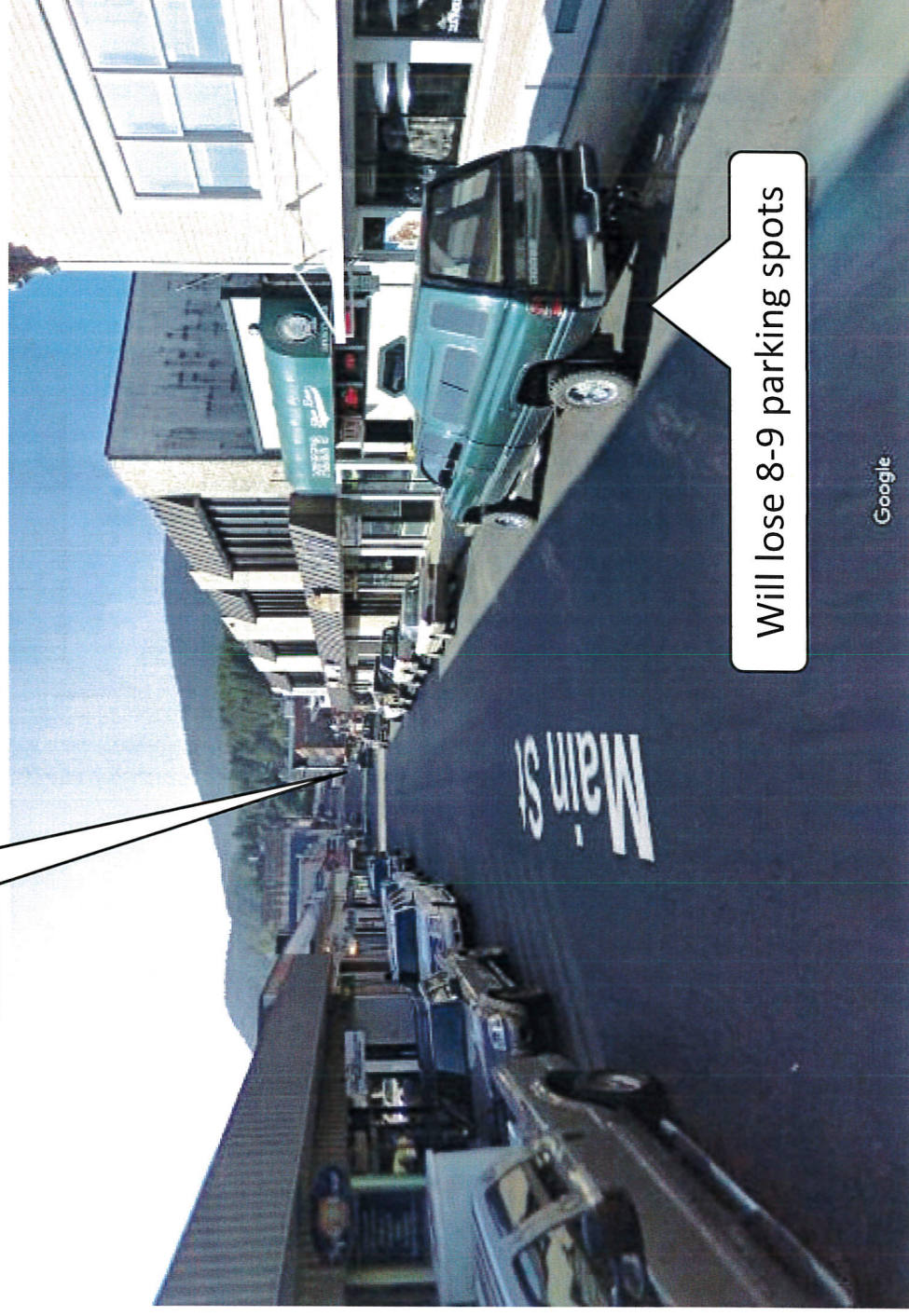


Red Flags/Concerns

- Narrow Sidewalks will cause congestion
- Lack of Staging Capacity
- Scale of operation is out of sync with Main Street
- Turn off of Mill St is problematic for last staged bus

Option 3 – Main Street

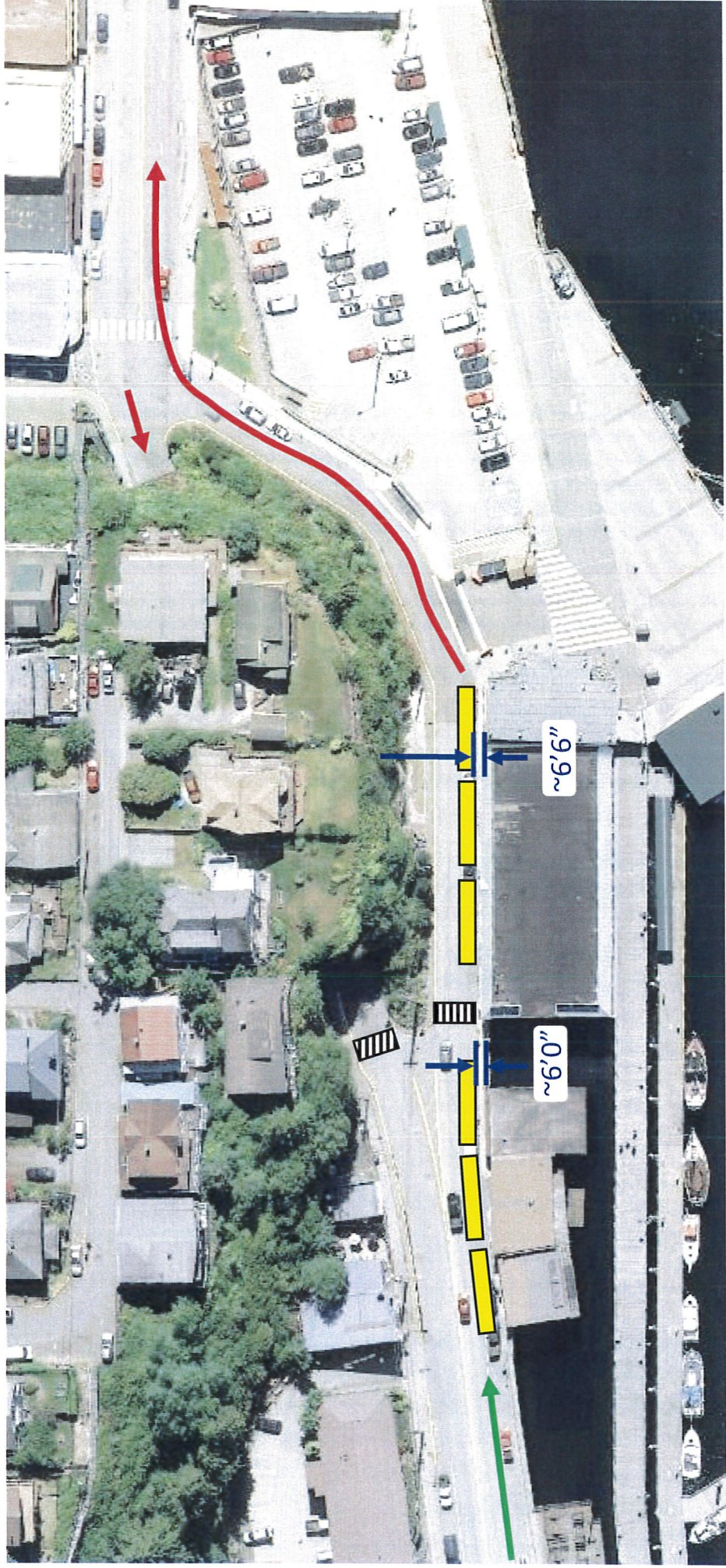
Lose non-Ward Cove Tour
Bus Parking



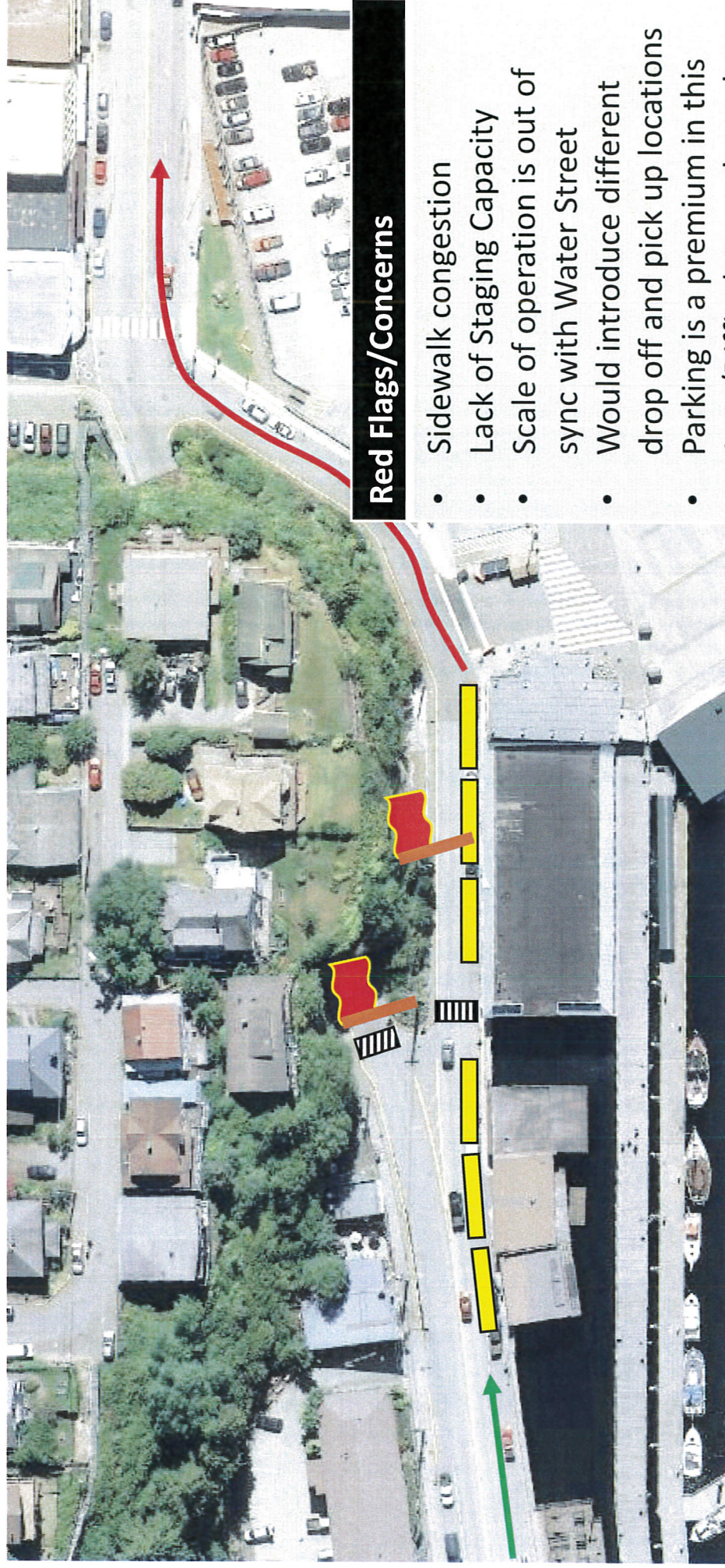
Will lose 8-9 parking spots

Option 4 – Water Street

This is where busses used to line up post 9/11 and pre-Berth 3 Upgrade



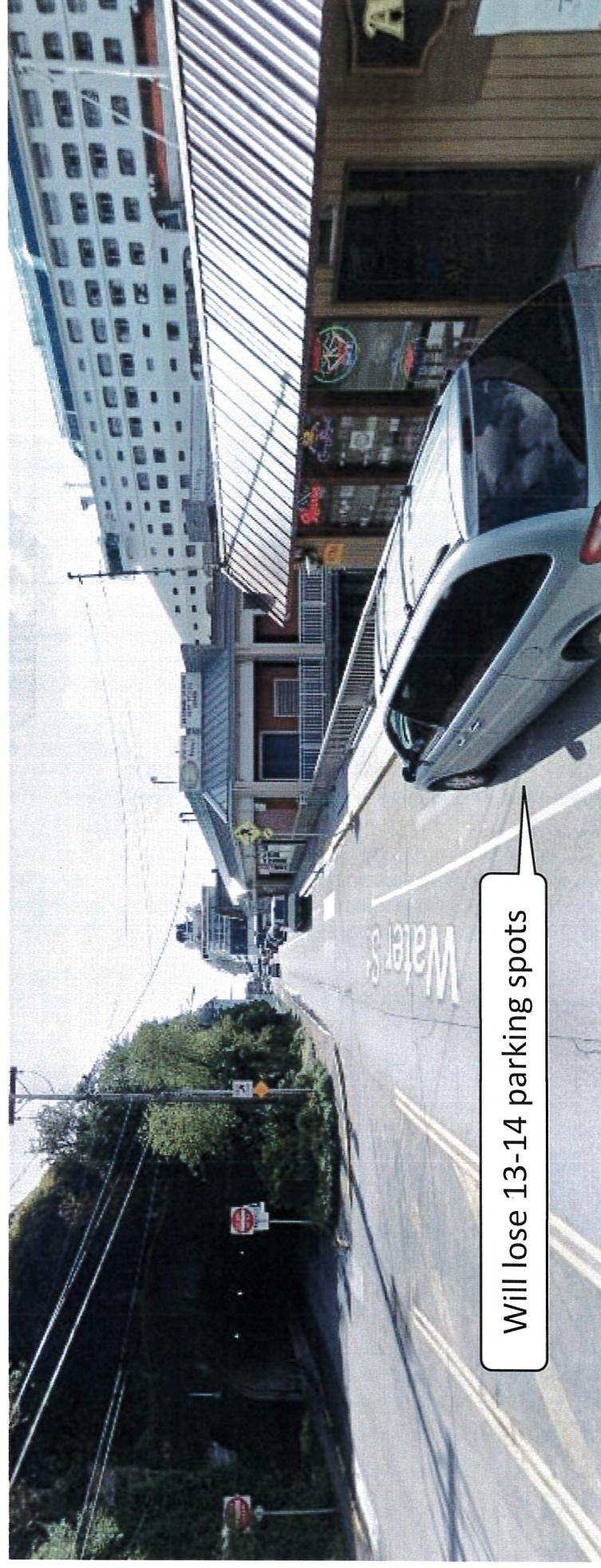
Option 4 – Issues























Red Flags/Concerns

- Sidewalk congestion
- Lack of Staging Capacity
- Scale of operation is out of sync with Water Street
- Would introduce different drop off and pick up locations
- Parking is a premium in this Area/Difficult to make up loss

Option 4 – Water St



Evaluation Matrix

Identified Needs	Option 1 – Berth II	Option 2 – Discovery Center	Option 3 – Main Street	Option 4 – Water Street
Room for safe loading/unloading of Passengers				
Close proximity to passengers desired destinations				
Shuttle bus staging for required number of busses				
Consistent predictable operations				
Match scale of shuttle operations to street characteristics				

* Provided 9 of 10 required spaces

Comments and/or Questions





March 3, 2022

UNFINISHED BUSINESS

Expense of the Ward Cove Shuttle Operation Plan

The motion currently on the floor as deferred on February 17, 2022 is:

Moved by Bradberry, seconded by Mahtani, the City Council direct the Acting City Manager to negotiate an agreement and associated fees for shuttle operations with the Ward Cove Dock Group.

Acting Port & Harbors Director Hilson recapped the plan that had been approved at the February 17, 2022 meeting that would split the bussing operation with about 40% of the Ward Cove shuttle operations occurring in the vicinity of Berth II and the other 60% occurring on the streets surrounding the Discovery Center. He felt this was the best available plan considering all the varied interests of the community. He said this plan would necessitate \$60,000 in personnel and \$200,000 for capital improvements. He said he met with Earl Stewart of the U.S.F.S. and other staff to discuss potential impacts on the Discovery Center. He indicated from that meeting he is still not able to come up with a project cost estimate to bring back to the Council regarding the HVAC and bus fumes. He concluded that the Discovery Center concerns should be addressed directly by the Ward Cove Group. He recommends the Council provide staff direction in terms of what they would like to see for the associated fees should Ward Cove Group move forward with that operation plan.

Councilmember Gage asked for clarification if passengers would be able to use the Discovery Center bathrooms.

In answer to Councilmember Gage, Acting Port & Harbors Director Hilson stated passengers will be able to use their restrooms, but the concern is centered around the impact of the passengers and the busses.

Vice-Mayor Flora questioned after the Council modified the plan to split the shuttle drop-off did your department receive any feedback from the independent tour operators in regards to the modified plan.

In answer to Vice-Mayor Flora, Acting Port & Harbors Director Hilson said his department talks to them routinely, and the feedback he received was they appreciated the modification and the effort that was made.

Councilmember Bradberry said this is a lot of money and is it worth the investment for the long term as the Ward Cove Group has plans to build up their dock with shops, restaurants and tours, and does not intend to continue bussing passengers to town. She questioned if there were changes that could be made to minimize the cost.

In answer to Councilmember Bradberry, Acting Port & Harbors Director Hilson said he has thought about that a lot. He indicated the key to the crosswalk is an ADA-accessible route to the promenade with links to Creek Street. He said they could move forward with the first phase for this year, with an eye towards next season. He agreed that Ward Cove is going to grow and build-out, but it remains to be seen what percentage of passengers will be bussed to the City. He said as time goes on the number of passengers will go down, but the overall number of visitors will overshadow that for next year and will need to be addressed.

Councilmember Gass said staff has made a very educated guess that seems to be accurate. He felt we should tackle the bus fumes as it happens and if it becomes a problem, we will have to deal with it. He said we do need to get the ball rolling and present the Ward Cove Group with a bill for \$260,000. He indicated if later on, it doesn't cost that much to maintain we renegotiate as needed.

March 3, 2022

Vice-Mayor Flora agreed the Council needs to take action, and he agrees with comments made by Councilmember Bradberry, but no matter how many improvements the Ward Cove Group does, they will never have Creek Street. He indicated the City of Ketchikan doesn't own the busses or the Discovery Center and the only intermediary role that he sees is us being a good neighbor. He felt this is a problem for the Ward Cove Group to solve. He indicated Councilmember Bradberry brought up at the last meeting the loss of CPV funds. He informed if you add that loss to the base cost you would need to collect \$585,000, which would be approximately \$5 per passenger. He felt we need to protect the community, get some revenue and invite those folks to Ketchikan to shop.

Councilmember Gage said we need to add an option in the contract in case this does not work with the Discovery Center.

Councilmember Mahtani agreed we need to add the \$2.50 per passenger to our cost to make up for what we are losing in CPV funds.

Councilmember Bradberry said she did bring up the loss of the CPV funds because the Borough is receiving the \$5 per head from the ships that dock at Ward Cove. She said as we all know regarding our City-owned docks, the fee is split between the City and the Borough. She questioned whether there is something we can work out with the Borough to split the CPV funds with the City, and felt that was a better way to go about that rather than implementing another fee as our tour season is still an unknown. She said she would like to direct staff to start a conversation with the Borough regarding the split of the \$5 CPV funds received from outside the City.

Councilmember Gage didn't see how it would benefit the City because CPV funds have to be used to benefit the passengers of the ships. She said if it is a flat fee, we can use it for other things that may arise.

Acting Manager Simpson said the CPV head tax was created to develop a mechanism to offset the burden expense to municipalities in welcoming cruise passengers above and beyond the Port. She stated there is some latitude on how those CPV funds can be spent. She said if it is the will and direction from the Council, she can start those conversations because those passengers have paid their \$5 for the impacts to the municipalities.

Moved by Gass, seconded by Mahtani, the City Council direct staff to present to Ward Cove Group an agreement to cover the \$200,000 capital improvements and include the collection of \$60,000 for the projected cost of maintenance and staffing at the drop off facility for a period of 3-years.

Clerks Note: The motion made by Councilmember Gass was withdrawn with the consent of the seconder.

Moved by Bradberry, seconded by Gass, to amend the motion to negotiate an agreement with the Ward Cove Group in the amount of \$260,000 and limit the agreement to 1-year for staff to review both drop-off locations, make adjustments and assess future annual costs.

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

Main motion as amended passed with Mahtani, Gage, Bradberry, Kistler, Flora, Zenge and Gass voting yea.

Councilmember Bradberry asked for a show of hands to send the topic of sharing the CPV funds the Ketchikan Gateway Borough receives from the Ward Cove facility with the City of Ketchikan to the Cooperative Relations Committee, and at least for hands were shown.



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: February 23, 2022

RE: **Approving the Expense of the Ward Cove Shuttle Operation Plan**

At the February 17, 2022 meeting, the City Council adopted a motion authorizing staff to proceed with a modified shuttle operation plan for passengers originating from the Ward Cove cruise facility north of City limits into downtown Ketchikan utilizing the City streets surrounding the Southeast Alaska Discovery Center as well as the area at Berth II used in 2021.

The City Council also adopted a motion regarding the negotiation of an agreement and associated fees for the approved shuttle operation. The City Council deferred a final vote until staff could provide the City Council with the costs associated with the approved operation inclusive of necessary capital improvements.

Attached for City Council consideration is a memorandum from Acting Port & Harbors Director Mark Hilson on the estimated costs of the operation. As conveyed, at the time of Mr. Hilson's memorandum, the costs of exhaust mitigation measures for the Southeast Alaska Discovery Center have not yet been quantified. Staff is hopeful this information will be available and presented to the City Council in advance of the March 3, 2022 meeting and discussion.

The Acting Port & Harbors Director will attend the meeting of March 3, 2022, 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 Bradberry, seconded by Mahtani that the City Council direct the Acting City Manager to negotiate an agreement and associated fees for shuttle operations with the Ward Cove Dock Group.

PUBLIC WORKS / ENGINEERING DEPARTMENT
Mark Hilson, P.E., Public Works Director
Kara Jurczak, P.E., Acting Public Works Director

CITY OF KETCHIKAN
Administrative Offices
PH: 907.228.4727
FAX: 907.225.8721

MEMORANDUM

TO: Lacey Simpson, Acting City Manager
FROM: Mark Hilson, P.E., Acting Port & Harbors Director
DATE: February 22, 2022
SUBJECT: **Ward Cove Shuttle Operations & Capital Improvements Cost**

At its regular meeting of February 17, 2022, City Council directed staff to finalize the cost of operating the Ward Cove shuttle operations and the associated capital improvements that will need to be constructed for the upcoming cruise season.

Staff continues to estimate the costs for additional staffing at approximately \$60,000 for the 2022 season. Capital projects and purchases, including 13 decorative trash receptacles, a new raised ADA compliant cross walk, 11 temporary and one fully compliant ADA parking space at the old Hospital lot on Bawden, curb painting and signage, directional signage is estimated to cost \$200,000. This estimate does not include any improvements necessary to mitigate bus exhaust. I was scheduled to meet with the United States Forest Service today to discuss the operation and what bus exhaust mitigation steps may be necessary, however two of the USFS personnel had last minute conflicts that necessitated pushing the meeting back until next week, beyond the Agenda packet deadline. I am hopeful that next week's meeting with the USFS will bring some clarity to what bus exhaust mitigation should be pursued. It is my intent to report back to you in time for the meeting of March 17, 2022.

March 17, 2022

Councilmember Gage said \$20 per hour is the new norm, the cost of education has tripled over the last thirty years and so has the cost of living. She indicated there is an economic value to paying people a decent wage.

Councilmember Kistler said we may have to pay these folks more to work on the Port, but how much money are we going to lose if we have to turn away cruise ships, and felt it was a decent tradeoff.

Mayor Kiffer said we now have competition for the first time, and the Ward Cove Group will pay whatever it takes to get people out there.

Councilmember Gass suggested staff contact the high school for recruitment.

Ward Cove Shuttle Operating Plan Update

Acting City Manager Simpson attached a memorandum from Acting Port & Harbors Director Hilson with an update on discussions held with John Binkley of Ward Cove Dock Group following the City Council direction to seek appropriate remuneration of the operation's expenses at the two locations. She said at this time, it is the City's understanding that the Ward Cove Dock Group will explore other private sites for this operation and will not be pursuing the Discovery Center or Berth II locations as proposed.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Division Managers – February 2022

Acting General Manager Simpson provided the project status reports of the KPU division managers for the month of February 2022.

Report of February 5, 2022 Power Outage

Acting General Manager Simpson included for Council review a memorandum from Acting Electric Division Manager Jeremy Bynum regarding the power outage of February 5, 2022.

Closure and Conversion of Verizon Wireless Agent Store

Acting General Manager Simpson reminded the Council of the pending termination of the wireless agent agreement between Verizon and Ketchikan Public Utilities that will be effective May 1, 2022. She attached a memorandum from KPU Sales, Marketing and Customer Service Division Manager Kim Simpson with details of the changes the division is making in preparation for this transition as well as the division's plans for use of the store's area for the Telecommunications Division's business services.

CITY CLERK'S FILE - None

CITY ATTORNEY'S FILE - None



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: March 10, 2022

RE: **Ward Cove Shuttle Operating Plan Update**

At its March 3, 2022 meeting, the City Council directed staff to negotiate an agreement between the City and the Ward Cove Dock Group for cruise passenger shuttle operations at the Southeast Alaska Discovery Center and Berth II locations at a cost of \$260,000. This followed City Council direction at the February 17, 2022 meeting in which these locations were determined to be suitable for 2022 operations per the recommendation of Acting Port & Harbors Director Mark Hilson. The attached memorandum provided by Mr. Hilson provides an update on discussions held with John Binkley of the Ward Cove Dock Group following City Council direction to seek appropriate remuneration of the operation's expenses at the two locations. At this time, it is the City's understanding that the Ward Cove Dock Group will explore other private sites for this operation. Staff will cease all efforts to accommodate a Ward Cove shuttle operation plan as proposed unless otherwise directed by the City Council. As more information becomes available, staff will update the City Council accordingly.

Should City Councilmembers have any questions and/or concerns, staff will attempt to respond accordingly.

PUBLIC WORKS / ENGINEERING DEPARTMENT
Mark Hilson, P.E., Public Works Director
Kara Jurczak, P.E., Acting Public Works Director

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MEMORANDUM

TO: Lacey Simpson, Acting City Manager
FROM: Mark Hilson, P.E., Acting Port & Harbors Director
DATE: March 9, 2022
SUBJECT: **Ward Cove Shuttle Update**

At the regular City Council meeting of March 3, 2022, City Council approved a Ward Cove Shuttle operation located in the vicinity of the Discovery Center, and Berth II. In discussing the City Council's action, John Binkley indicated that they have concerns with the operation as approved by City Council. As a result, he is looking into the possibility of using an alternate location on private property to conduct the operation. One potential location would be the gravel lot at the corner of Schoenbar Court and Water Street, in the vicinity of Berth IV owned by Survey Point Holdings. Should Ward Cove group decide to pursue this or any other private property location, it would be up to the Ward Cove Group to obtain the requisite approvals and make whatever improvements are necessary to establish the operation. The City of Ketchikan does not have land use powers, nor can we regulate the State highway. I will continue to keep your office updated as this situation develops.