

Commercial Passenger Vessel Excise Tax: Community Needs, Priorities, Shared Revenue, and Expenditures

Fiscal Years 2007 – 2014

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ABSTRACT

Alaska Statute 43.52.260 requires the Alaska Department of Commerce, Community, and Economic Development (DCCED) to prepare a triennial Commercial Passenger Vessel Excise Tax (CPV) report that “describes the projected needs of communities to safely and efficiently host passengers who pay the tax and summarizes the extent to which appropriations of tax proceeds have been used to defray hosting costs.”

This report includes trends in Alaska cruise passenger volume, an overview of CPV shared revenue, CPV-related legislative grants to communities, and community profiles. The profiles describe (1) how a community identifies infrastructure and services required to host cruise vessels and their passengers, (2) CPV expenditures since the implementation of the excise tax, and (3) priorities for spending shared CPV revenue in the future.

Multiple state and local government agencies are involved with CPV tax administration, revenue distribution, and reporting – each generating information in a variety of formats and timeframes (i.e., fiscal year or calendar year). Additionally, community expenditures oftentimes span multiple fiscal years. To simplify the reporting process, DCCED reports total cruise passengers by calendar year (2007-2013), CPV shared revenue distribution by fiscal year (FY2007-FY2014), municipal expenditures by project, total value, and approximate time frame (through FY2012), and legislative appropriations by the fiscal year for which the money is appropriated (FY2009-FY2012). While the final summary information is aligned across state agencies, caution is warranted in comparing information strictly by timeframe.

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INTRODUCTION

Alaska Statute 43.52.260 requires the Alaska Department of Commerce, Community, and Economic Development (DCCED) to prepare a triennial Commercial Passenger Vessel Excise Tax (CPV) report that describes the “projected needs of communities to safely and efficiently host passengers and summarizes the extent to which appropriations of tax proceeds have been used to defray hosting costs”.

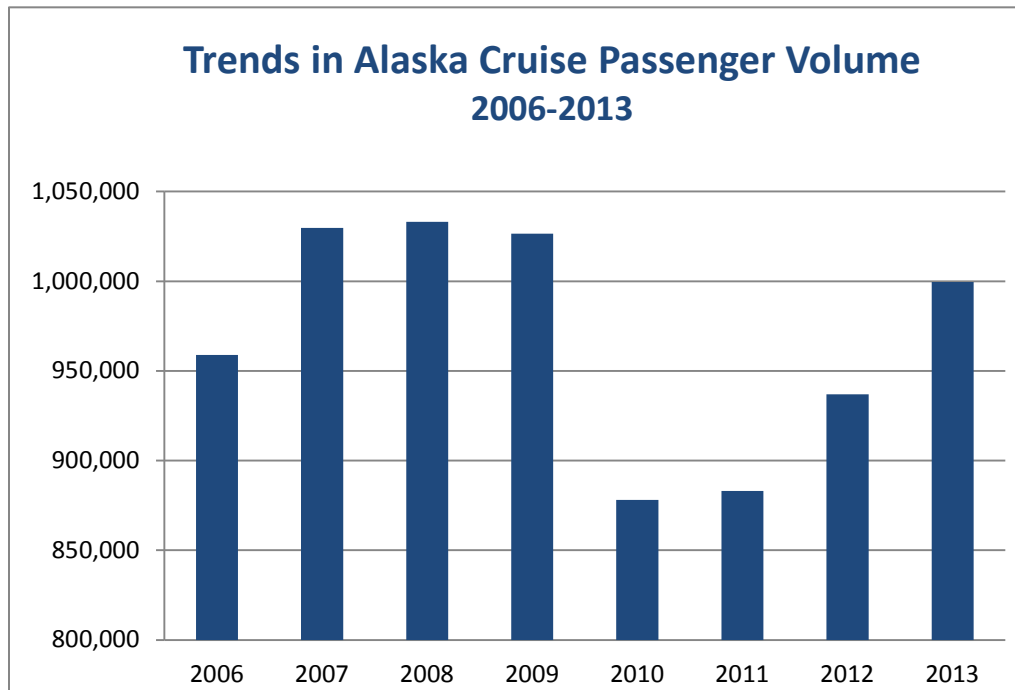
To prepare the CPV report, the Division of Economic Development completed key-informant interviews with one or more leaders of 17 city and/or borough governments. Managers, finance directors, harbor masters, grant managers, economic development directors, and planners contributed information on (1) how a community identifies infrastructure and services needed to host cruise ships and their passengers, (2) how the community has spent CPV revenues, and (3) the community’s priorities for spending CPV revenue in the future. The results of the interviews are located in the *Community Profiles* section. In addition to the community profiles, this report includes trends in Alaska cruise passenger volume, an overview of CPV shared revenue, and a summary of CPV-related legislative grants.

Multiple state and local government agencies are involved with CPV tax administration, revenue distribution, and reporting – each generating information in a variety of formats and timeframes (i.e., fiscal year or calendar year). Additionally, analysis of municipal expenditures and projects is complex as community expenditures oftentimes span multiple fiscal years. To simplify the reporting process, DCCED reports total cruise passengers by calendar year (2007-2013), CPV shared revenue distribution by fiscal year (FY2007-FY2014), municipal expenditures by project, total value, and approximate time frame (through FY2012), and legislative appropriations by the fiscal year for which the money is appropriated (FY2009-FY2012).

ALASKA CRUISE VISITORS

The cruise market is an important part of Alaska’s visitor industry – representing more than half of Alaska’s summer visitors. Between May and September 2013, 1,693,800 out-of-state visitors came to Alaska: 59 percent were cruise visitors, 37 percent entered and exited by air, and four percent were highway/ferry visitors (entered or exited the state by highway or ferry).

In recent years, cruise passenger volume reached an all-time high of 1,033,100 cruise visitors during 2008; however two years of recession-related decline followed during 2009 and 2010 (-1% and -14% respectively). Passenger volume stabilized during 2011 (+1%), yielded an encouraging six percent increase during 2012, and continued recovery to 999,600 cruise visitors during 2013. The 2013 cruise season marked the third consecutive annual increase in passenger volume since 2010. Cruise passenger volume was 14 percent above the 2010 low point of 878,000 and only three percent below peak cruise visitation during 2008.



Source: Alaska Visitor Statistics Program VI: Summer 2013, McDowell Group Inc.

Cruise ships carrying passengers that pay the CPV tax visit approximately fourteen Alaska ports. These include seven Southeast, five Southcentral, and two Western Alaska communities. Juneau receives the largest number of passengers, followed by Ketchikan and Skagway.

Community Cruise Passenger Volume 2006 – 2013								
Community	2006	2007	2008	2009	2010	2011	2012	2013
Anchorage	369	0	0	256	12,828	14,939	10,030	499
Haines	32,896	27,659	50,121	43,550	32,259	27,176	31,007	32,378
Juneau	951,431	1,017,341	1,032,274	1,019,507	879,310	875,947	927,941	978,559
Ketchikan	838,880	901,595	941,910	936,220	828,929	844,412	894,320	948,685
Kodiak	5,263	4,709	11,903	10,235	19,372	14,715	11,551	3,231
Homer	369	0	1,163	1,674	12,828	14,990	8,833	254
Hoonah	140,670	161,920	126,381	134,575	122,974	127,866	120,786	124,320
Seward	134,579	156,014	165,959	163,056	136,129	132,779	136,892	125,183
Sitka	267,026	233,936	289,753	224,335	144,383	129,380	110,714	99,920
Skagway	767,404	820,829	781,676	785,034	697,060	708,981	755,681	821,874
Unalaska	2,948	2,534	709	3,398	956	707	1,371	1,285
Valdez	369	0	5,553	6,367	469	332	0	245
Whittier	228,971	225,071	220,117	212,598	126,866	130,312	170,758	202,336
Wrangell	5,766	5,192	4,002	3,842	3,869	4,719	678	6,417

Source: Cruise Line Agencies of Alaska (2011-2013 data do not include Alaskan Dream Cruises and Un-Cruise Adventures).

SHARED REVENUE OVERVIEW

The State of Alaska collected CPV taxes for the first time during calendar year 2007. Initially, the first five ports of call were eligible to receive \$5 for each passenger who paid the CPV tax. The Alaska Department of Revenue (DOR) distributed a portion of the 2007 taxes during FY2007 and the remainder during FY2008. DOR distributed 2008 taxes to the communities during January 2009 (FY2009), and so forth.

During the second session of the 26th Legislature, Alaska lawmakers approved changes to the way CPV taxes would be distributed, and these changes are documented in § 13ch 101 SLA 2010. The changes permitted revenue sharing with the first seven port communities. When eligible ports of call are cities located in a borough, the city and the borough each receive \$2.50 of each \$5 passenger fee.

Since FY2007, 17 city or borough governments have shared in CPV revenue totaling \$83,352,651. Three borough governments Kenai Peninsula Borough, Ketchikan Gateway Borough, and Kodiak Island Borough share the \$5 per passenger allocation with the port communities (Homer, Ketchikan, Kodiak, and Seward) that host the cruise passengers.

CPV Revenue Shared with City or Borough Governments FY2007 - FY2014									
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
Anchorage Municipality	\$0	\$0	\$0	\$865	\$63,575	\$66,190	\$48,570	\$2,975	\$182,175
Haines Borough	\$6,290	\$107,930	\$215,410	\$204,635	\$154,270	\$146,680	\$154,080	\$140,635	\$1,129,930
Homer (City)	\$0	\$0	\$2,898	\$3,725	\$31,788	\$32,688	\$21,710	\$855	\$93,664
Hoonah (City)	\$14,015	\$536,010	\$359,155	\$640,015	\$1,130,220	\$636,345	\$610,105	\$626,225	\$4,552,090
Juneau, City and Borough*	\$0	\$0	\$0	\$0	\$0	\$4,096,730	\$4,151,020	\$4,547,635	\$12,795,385
Kenai Peninsula Borough	\$16,223	\$367,430	\$348,645	\$391,138	\$406,080	\$357,553	\$364,975	\$307,578	\$2,559,622
Ketchikan (City)*	\$0	\$0	\$0	\$0	\$0	\$1,947,248	\$1,977,770	\$2,214,745	\$6,139,763
Ketchikan Gateway Borough	\$203,810	\$2,040,775	\$2,326,147	\$2,313,793	\$2,088,312	\$1,947,248	\$1,977,770	\$2,214,745	\$15,112,602
Kodiak (City)	\$0	\$5,102	\$24,778	\$25,487	\$15,762	\$32,622	\$23,473	\$4,600	\$131,824
Kodiak Island Borough	\$0	\$5,103	\$24,778	\$25,487	\$15,763	\$32,622	\$23,472	\$4,600	\$131,825
Seward (City)	\$16,222	\$367,430	\$345,747	\$387,413	\$374,293	\$324,865	\$343,265	\$306,723	\$2,465,958
Sitka, City and Borough	\$103,325	\$1,025,670	\$1,359,030	\$1,078,480	\$706,505	\$414,130	\$135,355	\$302,985	\$5,125,480
Skagway Municipality	\$339,855	\$3,717,410	\$3,862,970	\$3,904,825	\$3,455,540	\$3,470,720	\$3,728,105	\$4,011,285	\$26,490,710
Unalaska (City)	\$0	\$0	\$0	\$7,620	\$3,000	\$1,310	\$4,120	\$4,165	\$20,215
Valdez (City)	\$0	\$0	\$28,355	\$31,730	\$2,335	\$1,650	\$0	\$1,265	\$65,335
Whittier (City)	\$44,840	\$1,059,970	\$1,001,985	\$1,045,550	\$695,790	\$637,265	\$828,865	\$950,635	\$6,264,900
Wrangell, City and Borough	\$0	\$0	\$9,975	\$26,180	\$2,510	\$19,350	\$1,730	\$31,430	\$91,175
Total	\$744,580	\$9,232,830	\$9,909,873	\$10,085,943	\$9,145,743	\$14,165,216	\$14,394,385	\$15,673,081	\$83,352,651

Source: Alaska Department of Revenue, *Shared Taxes and Fees FY 2013 Annual Report and Commercial Passenger Vessel Excise Tax Legislative Review Report required under § 13 ch 101 SLA 2010. 2014.*

Prior to the changes made to the CPV tax statutes by § 13cb 101 SLA 2010, communities that levied their own passenger fee could either repeal their fee and share in the proceeds of the CPV tax, or they could retain their fee and opt out of revenue sharing from the state. Beginning October 31, 2010, the new state law allowed communities that levy their own passenger fee to retain their fee and receive revenue sharing from the CPV tax provided that the fee was enacted before December 17, 2007. The City and Borough of Juneau and the City of Ketchikan had local passenger fees prior to that date and received their first shared revenue payments during FY2012.

Between FY2007 and FY2014, three recipient governments account for nearly two-thirds (65%) of all shared CPV revenue. The DOR distributed \$26.5 million (32%) to the Municipality of Skagway, \$15 million (18%) to the Ketchikan Gateway Borough, and \$12.8 million (15%) to the City and Borough of Juneau. The remaining shared revenue distributions, totaling nearly \$30,000 (35%), range from a high of more than \$6 million each to Whittier and Ketchikan to a low of slightly more than \$20,000 to the City of Unalaska.

CPV Revenue Shared with City or Borough Governments By Percent of Total FY2007 - FY2014		
	Total	Percent of Total
Skagway Municipality	\$26,490,710	31.80%
Ketchikan Gateway Borough	\$15,112,600	18.10%
Juneau, City and Borough*	\$12,795,385	15.40%
Whittier (City)	\$6,264,900	7.50%
Ketchikan (City)*	\$6,139,763	7.40%
Sitka, City and Borough	\$5,125,480	6.10%
Hoonah (City)	\$4,552,090	5.50%
Kenai Peninsula Borough	\$2,559,622	3.10%
Seward (City)	\$2,465,958	3.00%
Haines Borough	\$1,129,930	1.40%
Anchorage Municipality	\$182,175	0.20%
Kodiak (City)	\$131,824	0.20%
Kodiak Island Borough	\$131,825	0.20%
Homer (City)	\$92,664	0.10%
Valdez (City)	\$65,335	0.10%
Wrangell, City and Borough	\$91,175	0.10%
Unalaska (City)	\$20,215	0.00%
Total	\$83,351,651	100.0%

Source: Alaska Department of Revenue, *Shared Taxes and Fees FY 2013 Annual Report and Legislative Review Report, 2014*.

CPV-RELATED LEGISLATIVE GRANTS

In addition to shared CPV revenue, the legislature appropriated \$106,944,700 from the Commercial Vessel Passenger Tax Account for grants to the cities and boroughs identified in this report. The following table provides the grant information by fiscal year the grants were distributed (FY2009 – FY2012).

CPV-Related Legislative Grants to Communities FY2009 – FY2012				
Fiscal Year	Appropriation Source	Recipient	Project	Appropriation
2009	§ CH 29 SLA 2008	Haines Borough	Port Chilkoot Cruise Ship Dock Repairs and Debt Retirement	\$1,543,700
2009	§ CH 29 SLA 2008	Hoonah, City	Cruise Ship Mooring Buoy System	\$500,000
2009	§ CH 29 SLA 2008	Juneau, City and Borough	Airport Cruise Passenger Baggage and Facility Safety Improvements	\$1,300,000
2009	§ CH 29 SLA 2008	Juneau, City and Borough	Commercial Passenger Vessel Dock Retaining Wall Repair and Replacement	\$1,500,000
2009	§ CH 29 SLA 2008	Ketchikan, City	Port of Ketchikan Berths I and II Replacement Project	\$3,000,000
2009	§ CH 29 SLA 2008	Kodiak, City	Cruise Ship/Pier II Master Plan	\$250,000
2009	§ CH 29 SLA 2008	Skagway Municipality	Seawalk Intermodal Cruise Ship Access Project	\$2,000,000
2009	§ CH 29 SLA 2008	Valdez, City	Cruise Ship Dock Renovation and Uplands Repair	\$1,675,000
Total FY2009				\$11,768,700
2010	§ CH 15 SLA 2009	Anchorage	Port of Anchorage Expansion	\$10,000,000
2010	§ CH 15 SLA 2009	Anchorage	Egan Center Cruise Passenger Staging and Upgrades	\$1,000,000
2010	§ CH 15 SLA 2009	Haines Borough	Port Chilkoot Waterfront Improvements	\$1,900,000
2010	§ CH 15 SLA 2009	Hoonah, City	Cruise Ship Mooring Buoy System	\$1,000,000
2010	§ CH 15 SLA 2009	Juneau, City and Borough	Cruise Ship Dock Improvements	\$2,500,000
2010	§ CH 15 SLA 2009	Juneau, City and Borough	Auke Bay Seawalk Construction	\$800,000
2010	§ CH 15 SLA 2009	Ketchikan, City	Port of Ketchikan Berth I and II Replacement	\$3,000,000
2010	§ CH 15 SLA 2009	Ketchikan, City	Reconstruction of Downtown Bridges and Trestles	\$5,000,000
2010	§ CH 15 SLA 2009	Kodiak, City	Pedestrian Improvements Between Cruise Ship Dock (Pier II) and Downtown Kodiak	\$700,000
2010	§ CH 15 SLA 2009	Seward, City	Bus Transportation Assistance for Cruise Ship Passengers	\$167,000
2010	§ CH 15 SLA 2009	Seward, City	Dredging Cruise Ship Berthing Basins and Approaches	\$4,500,000
2010	§ CH 15 SLA 2009	Sitka, City and Borough	Commercial Passenger Vessel Lightering Facility Improvements	\$2,000,000
2010	§ CH 15 SLA 2009	Skagway Municipality	Municipal Wastewater Treatment Facility Improvements Due to Seasonal Cruise Impacts	\$2,500,000
2010	§ CH 15 SLA 2009	Valdez, City	City Dock Information and Interpretative Center	\$800,000
2010	§ CH 15 SLA 2009	Valdez, City	Dock Improvements	\$3,325,000
2010	§ CH 15 SLA 2009	Whittier, City and Borough	Railroad Station Improvements	\$325,000
2010	§ CH 15 SLA 2009	Wrangell, City and Borough	Construction Activities to Complete the Marine Passenger Vessel Center	\$2,500,000
2010	§ CH 15 SLA 2009	Wrangell, City and Borough	Stikine Avenue Sidewalk Extension	\$390,000
Total FY2010				\$42,407,000

CPV-Related Legislative Grants to Communities FY2009 – FY2012				
Fiscal Year	Appropriation Source	Recipient	Project	Appropriation
2011	§ CH 43 SLA 2010	Haines Borough	Port Chilkoot Cruise Ship Dock Upgrade	\$2,910,000
2011	§ CH 43 SLA 2010	Hoonah, City	Harbor Improvements	\$1,000,000
2011	§ CH 43 SLA 2010	Juneau, City and Borough	Cruise Ship Dock Improvements	\$9,000,000
2011	§ CH 43 SLA 2010	Ketchikan, City	Cruise Ship Berth IV Traffic Signal	\$1,300,000
2011	§ CH 43 SLA 2010	Ketchikan, City	Replace Cruise Ship Berths I and II	\$10,000,000
2011	§ CH 43 SLA 2010	Seward, City	Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation	\$300,000
2011	§ CH 43 SLA 2010	Seward, City	Security and Fire Protection for Commercial Passenger Vessels	\$2,000,000
2011	§ CH 43 SLA 2010	Sitka, City and Borough	Commercial Passenger Vessel Facilities and Visitor Improvements	\$4,500,000
2011	§ CH 43 SLA 2010	Sitka, City and Borough	Crescent Harbor Sidewalk Widening	\$1,000,000
2011	§ CH 43 SLA 2010	Skagway Municipality	Commercial Passenger Vessel Lightering and Harbor Improvements	\$4,000,000
2011	§ CH 43 SLA 2010	Skagway Municipality	Municipal Wastewater Treatment Facility Improvements Due to Seasonal Cruise Impacts	\$800,000
2011	§ CH 43 SLA 2010	Wrangell, City and Borough	Commercial Passenger Vessel Facility	\$3,250,000
2011	§ CH 43 SLA 2010	Wrangell, City and Borough	Waterfront Master Plan	\$75,000
Total FY2011				\$40,135,000
2012	§ CH 5 FSSLA 2011	Anchorage	Alaska Aviation Museum Energy and Safety Improvements	\$495,000
2012	§ CH 5 FSSLA 2011	Homer, City	Cruise Ship Dock and Passenger Facility Improvements	\$6,000,000
2012	§ CH 5 FSSLA 2011	Hoonah, City	Berthing Facility	\$1,000,000
2012	§ CH 5 FSSLA 2011	Kodiak, City	Pedestrian Pathway Planning and Design	\$384,000
2012	§ CH 5 FSSLA 2011	Kodiak, City	Pier and Downtown Pedestrian Improvements	\$1,600,000
2012	§ CH 5 FSSLA 2011	Seward, City	Cruise Ship Boardwalk Expansion	\$25,000
2012	§ CH 5 FSSLA 2011	Seward, City	Harbor Restrooms Improvements	\$130,000
2012	§ CH 5 FSSLA 2011	Sitka, City and Borough	Commercial Passenger Vessel and Visitors Facility Improvements	\$3,000,000
Total FY2012				\$12,634,000
Grand Total				\$106,944,700

COMMUNITY PROFILES—NEEDS, PRIORITIES, AND EXPENDITURES

The *Community Profiles* section includes a two-page summary for the city and/or borough governments that receive shared CPV revenue. To provide an understanding of the overall cruise ship traffic to a community, the summaries include port calls and all cruise passengers between 2007 and 2013, regardless of whether the passengers pay the tax. The totals do not include passenger counts for Alaskan Dream Cruises or Un-cruise Adventures, small vessel operators that began operations in 2011.

The profiles describe how communities identify cruise ship vessel and passenger needs. In most cases, these needs and objectives are well-documented in local comprehensive plans, annual budget reports, waterfront master plans, port and harbor development plans, and studies undertaken specifically to determine how to spend shared CPV-revenue. For example, the City and Borough of Sitka developed the *Sitka Passenger Fee Fund Implementation Plan* (2010), and the Municipality of Skagway commissioned a study on *Allocating Commercial Passenger Vessel Excise Tax Revenues* (2009). The Haines Borough also collected input on infrastructure needs in the *Haines Cruise and Fast Ferry Passenger Survey* (2011). Two other communities rely heavily upon studies that assessed the opinions of cruise ship companies to help them determine community needs. For example, Valdez commissioned a study of the cruise industry and how it viewed the community after cruise ship traffic declined during the early 2000's. The City and Borough of Wrangell hired a consultant to prepare an analysis of Wrangell as a cruise ship destination. Although CPV revenues to the City of Valdez and the City and Borough of Wrangell are relatively small, the priorities and expenditures in these communities are clearly based on recommendations in these studies. In each study, the recommendations are intended to help the community enhance the cruise visitor experience and strengthen its position as a cruise destination.

All communities have multiple processes in place to vet proposed projects for CPV funding and further clarify the community's needs and priorities for receiving cruise ships. The annual budget process with public comment is the most visible and prominent process in all communities. City and borough department heads are also very engaged in identifying projects and evaluating cost of services to the visitors since they are directly responsible for delivering the services. A number of communities work closely with the visitor industry, cruise industry, and business community. For example, the City and Borough of Sitka has established a Marine Passenger Fund Committee that includes the Port and Harbor Commission, the Sitka Convention and Visitors Bureau, the Tourism Commission, the Historic Preservation Commission, the cruise industry, and various city and borough department heads.

The *Community Profiles* also include a summary of shared CPV revenue, CPV-related legislative grants, and CPV expenditures. In communities where cruise ship passenger numbers and shared CPV revenue are relatively small, the revenue is used primarily to offset costs of providing services directly to the cruise ships vessels and the passengers. These services generally include port security, equipment and time for servicing vessels, and extra police, fire, emergency and medical personnel. In one community, a city official said that with the current levels of shared CPV revenue, it would take 4,600 years to pay for a capital project on the city's priority list. Therefore, communities with small allotments of shared CPV revenue were often able to undertake larger capital projects by securing CPV-related legislative grants.

In summary, the communities spent most shared CPV revenues on direct services to vessels and/or passengers and on multi-year port repair, enhancement, and development projects. In addition to services focused on the safe movement of passengers in and out of the port area, communities also used funding for restrooms, shuttle services, benches, and directional/interpretive signage.

MUNICIPALITY OF ANCHORAGE

Unified Home Rule Municipality

2012 Population: 298,842

FY2007 – FY2014 Shared CPV Tax Revenue: \$182,175



PROFILE

The Municipality of Anchorage is located in southcentral Alaska at the base of the Chugach Mountains along the coast of Cook Inlet. Anchorage is home to the state's main air hub, the Ted Stevens Anchorage International Airport, and paved highways connect Anchorage with Fairbanks, Valdez, the Kenai Peninsula, Denali National Park and Preserve, and Wrangell-St. Elias National Park and Preserve. The Alaska Railroad's main passenger depot is also located in Anchorage and runs from Seward to Fairbanks.

Anchorage Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	0	0
2008	0	0
2009	1	256
2010	9	12,828
2011	11	14,939
2012	8	10,030
2013	1	499
2007-2013 Total	30	38,552

Source: Cruise Line Agencies of Alaska.

Although a major transportation hub for air, highway, and rail travel, Anchorage receives only a modest amount of cruise visitors. Since inception of the CPV tax, Anchorage has hosted 30 cruise ships and nearly 40,000 cruise passengers. During 2011 and 2012, Holland America Line's Amsterdam made a port call in Anchorage every other Friday, boosting Anchorage cruise visitors to a high of 14,939. Silversea Cruises and Oceana Cruises also made port calls in Anchorage for the first time in 2011. Silversea Cruises made one port call during 2013 (two sailings). Holland America returns again to Anchorage during 2014 with four scheduled port calls.

PROJECTED NEEDS OF COMMUNITY

The Municipality of Anchorage appropriates Commercial Passenger Vessel Excise Tax (CPV) revenues to the Port of Anchorage through the annual budget process. Because of the relatively small number of cruise vessels the city receives each year, the Municipality of Anchorage uses shared CPV revenues for direct passenger and vessel services at the port.

Priority Projects for CPV Revenue	
Project	Type
Operational costs and security	Passenger services

Source: Port of Anchorage.

SHARED CPV REVENUE DISTRIBUTION

Between FY2010 and FY2014, the Municipality of Anchorage received \$182,175 in CPV revenue, ranging from a low distribution of \$865 for FY2010 to a high distribution of \$66,190 for FY2012.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$0.00	0
2008	\$0.00	0
2009	\$0.00	0
2010	\$865	173
2011	\$63,575	12,717
2012	\$66,190	13,238
2013	\$48,570	9,714
2014	\$2,975	595
Total	\$182,175	36,437

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, the Municipality of Anchorage received nearly \$11.5 million in legislative grants from the Commercial Vessel Passenger Tax Account, primarily for port infrastructure.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2010	\$1,000,000	Egan Center cruise passenger staging upgrades
2010	\$10,000,000	Port of Anchorage expansion
2012	\$495,000	Alaska Aviation Museum energy and safety improvements
Total	\$11,495,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

The Port of Anchorage uses shared CPV revenue to service cruise ship vessels and provide port security. The port also uses the funds to safely load, unload,

and transport passengers in and out of the port area. Between 2009 and 2012, the Port of Anchorage used the funds to provide services for 30 cruise ship calls and approximately 40,000 passengers.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2010	\$865	Operational costs and security
2011	\$63,575	Operational costs and security
2012	\$66,190	Operational costs and security
2013	\$48,570	Operational costs and security
Total	\$179,200	

Source: Port of Anchorage.

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Photo: Port of Anchorage.
Oceana Cruises sent cruise ships to Alaska for the first time during 2011.

HAINES BOROUGH

Home Rule Borough

2012 Population: 2,620

FY2007 – FY2014 CPV Shared Tax Revenue: \$1,129,930



PROFILE

Haines Borough is located on the shores of Lynn Canal between the Chilkoot and Chilkat Rivers, 80 air miles northwest of Juneau. The community's proximity to Glacier Bay National Park, the Chilkat Bald Eagle Preserve, Kluane National Park, and Tatshenshini-Alsek Provincial Park is a draw for visitors. In the Alaska cruise market, the community's ability to attract cruise ships is highly dependent upon the availability of Glacier Bay permits, overall growth of the cruise market, and docking capacity in Skagway.

Haines Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	77	27,659
2008	107	50,121
2009	72	43,550
2010	44	32,259
2011	21	27,176
2012	22	31,007
2013	21	32,378
2007-2013 Total	364	244,150

Source: Cruise Line Agencies of Alaska (CLAA).

Note: CLAA estimates do not include Un-cruise Adventures or Alaskan Dream Cruises. The companies began operations in 2011.

Haines received 364 ship calls and exceeded 244,000 total cruise visitors between 2007 and 2013. Cruise visitation peaked at more than 50,000 visitors during 2008 when Princess Cruises and Holland America Line added Haines to their itineraries, but declined again when Majestic America Line and Cruise West ceased operations in 2008 and 2010, respectively. Princess Cruises replaced the Sea Princess with the larger Grand Princess for the 2013 cruise season. During 2014, Haines is scheduled to receive 19 port calls.

PROJECTED NEEDS OF COMMUNITY

The city manager, harbor master, tourism director, finance director, and public facilities director, recommend projects to the assembly to be funded by Commercial Passenger Vessel Excise Tax (CPV) revenue. The appropriation process requires a minimum of three public meetings and two public hearings. The assembly also conducts a series of budget work sessions, at least one of which is devoted to the Capital Improvement Program, which includes CPV projects.

The borough considers visitors' input on infrastructure needs, as well. In a 2011 study of cruise and fast ferry visitors, cruise visitors said a continuous walkway along the waterfront was most important to them, followed by better directional signage.

Finally, the *Haines Borough 2025 Comprehensive Plan* addresses future priorities for cruise vessel infrastructure, which include major repairs at the Port Chilkoot Cruise Ship Dock. The comprehensive plan also acknowledges the continuous waterfront walkway as a priority project.

Priority Projects for CPV Revenue	
Project	Type
Wooden dock and gangway replacement on Port Chilkoot Cruise Ship Dock	Port facilities
Port facility improvements: double berth, moorage float, new viewing/queuing area, and benches on Port Chilkoot Cruise Ship Dock	Port facilities

Source: Haines Borough.

SHARED CPV REVENUE DISTRIBUTION

Between FY2007 and FY2014, the Haines Borough received \$1.3 million in shared CPV tax revenue. The highest distribution amount was \$215,410 received in FY2009.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$6,290	1,258
2008	\$107,930	21,586
2009	\$215,410	43,082
2010	\$204,635	40,927
2011	\$154,270	30,854
2012	\$146,680	29,336
2013	\$154,080	30,816
2014	\$140,635	28,127
Total	\$1,129,930	225,986

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared CPV revenue, the Haines Borough has received legislative grants for port-related projects from the Commercial Vessel Passenger Tax Account. These grants provided funding for repairs, improvements and upgrades at the Port Chilkoot Cruise Ship Dock (PCCS Dock).

CPV-Related Legislative Grants		
Fiscal Year	Total	Project
2009	\$1,543,700	Port Chilkoot Cruise Ship Dock repairs and debt retirement
2010	\$1,900,000	Port Chilkoot waterfront improvements
2011	\$2,910,000	Port Chilkoot Cruise Ship Dock upgrade
Total	\$6,353,700	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

The Haines Borough uses CPV shared revenue for projects that help the city safely and efficiently host cruise ship passengers. Expenditures to date have provided passenger services (security, restrooms, etc.) and addressed cruise passengers' priority of wanting better signage.

Shared CPV Revenue Expenditures		
Fiscal Year	Total	Projects
2008	\$1,950	Portable restroom facilities (PCCS Dock parking lot)

Shared CPV Revenue Expenditures		
Fiscal Year	Total	Projects
2009	\$93,670	Temporary restroom facilities, cruise ship shuttle, port security
2010	\$87,338	Cruise ship shuttle, people mover cart repairs, temporary restrooms (completed), port and tourism staff, janitorial services for PCCS Dock restroom, totem project
2011	\$90,719	Cruise ship shuttle, port and tourism staff, janitorial services for PCCS Dock restrooms, pedestrian improvements, interpretive and wayfinding signage, bear proof trash cans, park benches, flowers at dock
2012	\$96,421	Cruise ship shuttle, port and tourism staff, janitorial services and electric hand dryers for PCCS Dock restroom, interpretive and wayfinding signage, flowers at dock
	\$370,098	

Source: Haines Borough.

RELATED INFORMATION

- Haines Borough. 2012. *Haines Borough 2025 Comprehensive Plan*.
- McDowell Group, Inc. 2011. *Haines Cruise and Fast Ferry Passenger Survey*.

CONTACT

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Photo: Lawrence Roffee.
Cruise ship, Haines, Alaska.

CITY OF HOMER

1st Class City

2012 Population: 5,153

FY2007 – FY2014 Shared CPV Tax Revenue: \$93,664



PROFILE

The City of Homer, located within the Kenai Peninsula Borough, has more than 5,000 residents. Commercial fishing has been the traditional mainstay of the Homer economy, however the city also has a growing arts community and tourism is becoming increasingly important. Homer is also a gateway to destinations such as Kachemak Bay State Park and Lake Clark National Park and Preserve.

In past years, Homer primarily received small and medium-sized cruise ships, but Holland America Line sent a large ship, the Amsterdam, to Homer between 2008 and 2012. Silversea Cruises and Oceania Cruises also visited Homer between 2010 and 2012. Although Homer only hosted the Silver Shadow during the 2013 cruise season, the city's 2014 cruise ship schedule includes four visits from the Amsterdam and one from the Silver Shadow.

Homer Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	0	0
2008	1	1,163
2009	2	1,674
2010	9	12,828
2011	14	14,990
2012	7	8,833
2013	1	254
2007-2013 Total	34	39,742

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

To plan for the community's cruise vessel and passenger needs, the harbor master, city manager, and public works director identify priority projects and propose them to the Ports and Harbor Commission.

The commission sends approved projects to the city council to be vetted through the public process.

Priority Projects for CPV Revenue	
Project	Type
Paving cruise ship staging area and Ramp 3 design and engineering	Port facilities
Cruise ship staging area/restroom/pedestrian trail	Port facilities

Source: City of Homer.

SHARED CPV REVENUE DISTRIBUTION

When eligible ports of call, such as Homer, are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee shared with the port community. To date, the City of Homer's share of CPV revenue is \$92,808. The highest distribution was \$32,688 for FY2012.

Shared CPV Revenue Distribution			
Fiscal Year	City Share	Borough Share (grant)	Passengers*
2007	\$0.00	\$0.00	NA
2008	\$0.00	\$0.00	NA
2009	\$2,898	\$0.00	1,159
2010	\$3,725	\$2,898	1,490
2011	\$31,788	\$0.00	12,715
2012	\$32,688	\$68,201	13,075
2013	\$21,710	NA	8,684
2014	\$855	NA	342
Total	\$93,664	\$71,099	37,465

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014); and Kenai Peninsula Borough.

*Only includes passengers that pay the CPV tax.

The city received an additional \$71,099 from the Kenai Peninsula Borough (between FY2010 and FY2012) after the borough assembly passed an ordinance making the borough's share of the CPV tax

available to Homer and Seward through a grant process. The ordinance stipulates that the funds must be used for port and harbor improvements that benefit cruise ship passengers for purposes that comply with AS 43.52.200-298, SB 256 and HB 310. Homer and Seward city managers submit letters to the Kenai Peninsula Borough mayor to request funding. The grant request specifies how the project meets the expenditure requirements established in state law.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, the City of Homer has received one legislative grant from the Commercial Vessel Passenger Tax Account for cruise ship dock infrastructure.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2012	\$6,000,000	Cruise ship dock and passenger facility improvements
Total	\$6,000,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

Homer used its share of CPV revenue to help defray the costs of servicing 34 ship calls between 2008 and

2013, conservatively estimated at \$77,000 for direct man hours and equipment costs. Homer uses CPV grant revenues from the Kenai Peninsula Borough for passenger services, port facilities and harbor infrastructure.

Shared CPV Revenue Expenditures*		
Fiscal Year	Amount	Projects
2010	\$2,898	Security, traffic cones, signage
2012	\$35,513	Harbor Improvements to staging area, design of restrooms and trail around east of the harbor
2012	\$32,688	Paving the cruise ship staging area and design of Ramp 3 replacement
Total	\$71,099	

Source: City of Homer.

*Kenai Peninsula Grant to the City of Homer.

CONTACT

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Photo: Homer News.

Security officers check passengers leaving and returning to the Holland America cruise ship Amsterdam at the Deep Water Dock during the summer of 2010.

CITY OF HOONAH

1st Class City, Unorganized Borough

2012 Population: 777

FY2007 – FY2014 CPV Shared Tax Revenue: \$4,552,090

PROFILE

The City of Hoonah is a Tlingit community of approximately 750 residents, located on the northeast shore of Chichagof Island, 40 air miles west of Juneau. Hoonah, a relatively new cruise destination, hosted its first season of cruise visitors at Icy Strait Point during 2004. Icy Strait Point, owned by Huna Totem Corporation (HTC), is currently Hoonah's largest employer, with local Tlingit residents comprising 85 percent of the staff.

A unique feature of visiting Icy Strait Point is HTC's policy of having only one cruise ship in port at a time. Between 2007 and 2013, Hoonah received 470 ship calls and more than 900,000 visitors. Visitation peaked at 161,920 passengers during 2007.

Hoonah Cruise Ship Visitors 2007-2013		
Year	Ship Calls	Passengers
2007	80	161,920
2008	58	126,381
2009	69	134,575
2010	63	122,974
2011	73	127,866
2012	63	120,786
2013	64	124,320
2007-2013 Total	470	918,822

Source: Cruise Line Agencies of Alaska (CLAA).

PROJECTED NEEDS OF COMMUNITY

After gathering input from the planning commission and the public on an annual basis, the city council approves a prioritized list of projects to be funded by the Commercial Passenger Vessel Excise Tax (CPV). Priority projects include municipal waterline improvements, a multi-service facility, and a cruise ship docking facility.

Priority Projects for CPV Revenue	
Project	Type
Replacement and upgrade of municipal water line	Vessel services
Multi-service facility to house a public safety building	Passenger and vessel services
Docking facility to more efficiently transport passengers to and from ships	Port infrastructure

Source: City of Hoonah.

SHARED CPV REVENUE DISTRIBUTION

Since FY2007, the City of Hoonah has received more than \$4.5 million in shared CPV revenue. The highest distribution amount was \$1,130,220 received in FY2011.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$14,015	2,803
2008	\$536,010	107,202
2009	\$359,155	71,831
2010	\$640,015	128,003
2011	\$1,130,220	226,044
2012	\$636,345	127,269
2013	\$610,105	122,021
2014	\$626,225	125,245
Total	\$4,552,090	910,418

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared revenue, the City of Hoonah has received grants from the Commercial Vessel Passenger Tax Account. The purpose of the grants is to help pay for a new berthing facility, harbor improvements, and a cruise ship mooring buoy system.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2009	\$500,000	Cruise ship mooring buoy system
2010	\$1,000,000	Cruise ship mooring buoy system
2011	\$1,000,000	Harbor improvements
2012	\$1,000,000	Berthing facility
Total	\$3,500,000	

Sources: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

The City of Hoonah uses CPV shared revenue primarily for passenger services. These services include restrooms facilities, extra police coverage, and park and walking path maintenance.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2006	\$10,460	Passenger services
2007	\$11,389	Passenger services
2008	\$12,675	Passenger services
2009	\$16,536	Passenger services, park and walking path maintenance

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2010	\$25,289	Passenger services, park and walking path maintenance
2011	\$25,932	Passenger services, park equipment, visitor center employee, resurfacing White Alice Road for visitors
2012	\$425,894	Passenger services, visitor center employee, funding a portion of multi-service facility project, and fencing to protect the graveyard from excessive visitor traffic
Total	\$528,175	

Source: City of Hoonah.

Passenger services include temporary restroom facilities, extra police coverage during ship days.

CONTACT

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Photo: Chris Roberts. Passengers aboard Celebrity Century come ashore and head up the ramp to the former Hoonah Packing Company.

CITY AND BOROUGH OF JUNEAU

Unified Home Rule Municipality

2012 Population: 32,832

FY2007 – FY2014 Shared CPV Tax Revenue: \$12,795,385



PROFILE

The City and Borough of Juneau (CBJ) is located on the mainland of Southeast Alaska in the heart of the Inside Passage. Juneau is one of Alaska's oldest cities, established in 1880 before the Klondike Gold rush of 1898. The city and borough also provides access to some of the region's top attractions including Glacier Bay National Park and Preserve, Tracy Arm-Fords Terror Wilderness Area, and Admiralty Island National Monument.

The CBJ received more than 6.7 million cruise visitors between 2007 and 2013, with visitors peaking at 1,032,274 during 2008. Following a 14 percent decrease in cruise passengers between 2009 and 2010, cruise visitors rebounded for three consecutive years during 2011, 2012, and 2013.

Juneau Cruise Ship Visitors 2007-2013		
Year	Ship Calls	Passengers
2007	730	1,017,341
2008	712	1,032,274
2009	638	1,019,507
2010	584	879,310
2011	476	875,947
2012	485	927,941
2013	511	978,559*
2007-2013 Total	4,136	6,730,879

Source: Cruise Line Agencies of Alaska.

*Does not include Alaskan Dream Cruises or Un-cruise Adventures.

PROJECTED NEEDS OF COMMUNITY

According to the city and borough's FY2012 budget narrative, Juneau's port infrastructure is "inadequate to properly service the number and type of cruise ships making calls." To address infrastructure needs, the CBJ has dedicated shared Commercial Passenger

Vessel Excise Tax (CPV) revenue to the construction of cruise ship berths that can handle the larger Panamax cruise ships.

Priority Projects for CPV Revenue	
Projects	Type
Cruise ship berth enhancement	Port facilities

Source: City and Borough of Juneau.

SHARED CPV REVENUE DISTRIBUTION

The CBJ has had a \$5 per passenger Marine Passenger Fee since 1999 when Juneau voters passed Proposition 1. The fee precluded the city from receiving shared CPV revenue until § 13cb 101 SLA 2010 permitted revenue sharing to communities that levied their own cruise ship passenger taxes. The CBJ received its first shared CPV revenue disbursement in FY2012.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2012	\$4,096,730	819,346
2013	\$4,151,020	830,204
2014	\$4,547,635	909,527
Total	\$12,795,385	2,559,077

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, the CBJ received nearly \$23 million in legislative grants from the Commercial Vessel Passenger Tax Account for cruise passenger and cruise industry-related infrastructure and services projects.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2008	1,500,000	Commercial passenger vessel dock retaining wall repair and replacement
2008	1,300,000	Airport cruise passenger baggage and facility safety improvements
2009	2,500,000	Cruise ship dock improvements
2009	800,000	Auke Bay seawalk construction
2010	9,000,000	Cruise ship dock improvements
2011	7,500,000	Cruise ship dock improvements
Total	\$22,600,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

Shared CPV revenues are combined with funds from the CBJ Port Development Fee to pay down bonds obtained for cruise ship berth enhancement.

Shared CPV Revenue Expenditures		
Fiscal Year	CPV Expenditures	Projects
2012	\$4,096,730	Cruise ship berth enhancement
Total	\$4,096,730	

Source: City and Borough of Juneau.

RELATED INFORMATION

- City and Borough of Juneau, *Biennial Budget for Fiscal Year 2013: Capital Projects*.
- City and Borough of Juneau, *Biennial Budget for Fiscal Years 2013 and 2014: Budget History and Overview*.

CONTACT

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Aerial view of Juneau, Alaska and cruise ships at port.



KENAI PENINSULA BOROUGH

2nd Class Borough

2012 Population: 56,756

FY2007 – FY2014 CPV Shared Tax Revenue: \$2,559,621

PROFILE

The Kenai Peninsula extends approximately 150 miles southwest from the Chugach Mountains, south of Anchorage. It is separated from the mainland on the west by Cook Inlet and on the east by Prince William Sound. Most of the peninsula is part of the Kenai Peninsula Borough, a region of nearly 57,000 residents.

Two of the borough's cities, Seward and Homer, are eligible to receive shared CPV revenue. Between 2007 and 2013, the two cities received 436 port calls and over one million passengers. The City of Seward receives 96 percent of the borough's cruise ship passengers.

During 2008, cruise visitation to the borough peaked at 167,122 cruise visitors). Cruise ship visits to Kenai Peninsula Borough ports declined between 2009 and 2012 after Holland America Lines and Princess Cruises redeployed ships to Europe.

Seward and Homer Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	56	156,014
2008	66	167,122
2009	72	164,730
2010	65	148,957
2011	68	147,769
2012	58	145,725
2013	51	125,437
2007-2013 Total	436	1,055,754

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

When eligible ports of call are cities in a borough, such as Homer and Seward, the city and the borough each

receive \$2.50 of every \$5 Commercial Vessel Passenger Tax (CPV) fee. Each year, the Kenai Peninsula Borough Assembly passes an ordinance, accepting and appropriating the borough's share of revenue. The ordinance authorizes the mayor to distribute CPV funds to the port cities through grant agreements. To obtain a grant, the cities submit letters to the borough mayor requesting the funds. They confirm that the proposed projects comply with state statutes requiring funds to be used for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and their passengers. The cities provide a final narrative and financial report to the borough after the project is complete.

SHARED CPV REVENUE DISTRIBUTION

Between FY2007 and FY2014, the Kenai Peninsula Borough received \$2,559,621 in shared CPV revenue from the State of Alaska. The highest distribution amount was \$406,080 received in FY2011.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$16,223	6,489
2008	\$367,430	146,972
2009	\$348,645	139,458
2010	\$391,138	156,455
2011	\$406,080	162,432
2012	\$357,553	143,021
2013	\$364,975	145,990
2014	\$307,577	123,031
Total	\$2,559,621	1,023,848

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

SHARED CPV REVENUE EXPENDITURES

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2009	\$383,652.50	Grant to improve port security and fire protection for cruise ships (Seward)
2010	\$345,747.50	Grant to improve port security and fire protection for cruise ships (Seward)
2010	\$2,897.50	Grant for port improvement projects (Homer)
2012	\$761,705.00	Grant for port improvement projects (Seward)
2012	\$35,512.50	Grant for port improvement projects (Homer)
2012	\$324,865.00	Grant for port improvement projects (Seward)
2012	\$32,687.50	Grant for port improvement projects (Homer)
Total	\$1,887,068	

Source: Kenai Peninsula Borough (Ordinances 2008-19-33; Ordinance 2009-19-27; Ordinance 2011-19-25; Ordinance 2011-19-79).

The Kenai Peninsula Borough has distributed all shared CPV revenue to the City of Homer and the City of Seward for passenger/vessel services and port improvement projects.

CONTACT

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Photo: The Celebrity Millennium docked in Seward.

CITY OF KETCHIKAN

Home Rule City in the Ketchikan Gateway Borough

2012 Population: 8,291

FY2007 – FY2014 CPV Tax Revenue: \$6,139,736



PROFILE

Ketchikan, a city of 8,291 residents, is known as Alaska's "first city" due to its location at the southern tip of the Inside Passage. It is the first Alaska city visitors reach as they cruise north, and for many visitors, their first introduction to the beauty and majesty of Alaska. Between 2007 and 2013, Ketchikan received an average of 900,000 cruise visitors each year, with visitors peaking at 948,685 during 2013.

Ketchikan Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	519	901,595
2008	527	941,910
2009	509	936,220
2010	426	828,929
2011	426	844,412
2012	436	894,320
2013	490	948,685*
2007-2013 Total	3,333	6,296,071

Source: Cruise Line Agencies of Alaska.

*Does not include Alaskan Dream Cruises or Un-cruise Adventures.

PROJECTED NEEDS OF COMMUNITY

For the past seven years, the undisputed and number one priority safety need for the City of Ketchikan's cruise ship facility has been the construction of Berth 3 (completed 2008) and the rehabilitation of Berths 1 and 2. With the last of these initial projects scheduled for completion during 2015, the city began meeting last year with representatives from Cruise Line Agencies of Alaska, key members of the visitor industry, and the downtown business community to identify projects to be considered for future funding with shared CPV revenues. Proposed projects are inserted into the port budget which is initially reviewed by the Port and Harbors Advisory Board and ultimately approved by the Ketchikan City Council.

Priority Projects for CPV Revenue	
Projects	Type
Debt service for Berth 3 construction	Port facility
Waterfront Promenade reconstructions and seawall repairs (connects port facilities with harbor facilities and downtown historic district)	Port facilities, harbor infrastructure, and passenger services

Source: City of Ketchikan.

SHARED CPV REVENUE DISTRIBUTION

Ketchikan imposes a passenger wharfage fee of \$7 per passenger to offset port facility costs to provide services to ships and passengers who visit Ketchikan and to mitigate the impacts of passenger and ship use of city services. The fee precluded the city from receiving shared CPV revenue until § 13cb 101 SLA 2010 permitted revenue sharing to communities that levied their own cruise ship passenger taxes. Ketchikan received its first shared revenue disbursement in FY2012. Additionally, when eligible ports of call, such as Ketchikan, are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee. Between FY2012 and FY2014, the City of Ketchikan's share of CPV revenue was more than \$6 million. The highest distribution was \$2,214,745 received in FY2014 for taxes collected in calendar year 2013.

Shared CPV Revenue Distributed		
Fiscal Year	Amount	Passengers*
2012	\$1,947,248	835,325
2013	\$1,977,770	791,108
2014	\$2,214,745	885,898
Total	\$6,139,736	2,512,331

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, Ketchikan received nearly \$23 million in grants from the Commercial Vessel Passenger Tax Account for port infrastructure and passenger services (pedestrian and safety enhancements).

CPV-Related Legislative Grants		
Fiscal Year	CPV Expenditures	Projects
2009	\$3,000,000	Berths 1 and 2 replacement project
2010	\$3,000,000	Berth 1 and 2 replacement
2010	\$5,000,000	Reconstruction of downtown bridges and trestles
2010	\$375,000	Downtown pedestrian enhancements
2011	\$1,300,000	Cruise ship berth 4 traffic signal
2011	\$10,000,000	Replace cruise ship berths 1 and 2
Total	\$22,675,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

The City of Ketchikan has used shared FY2012 CPV revenues and the majority of the legislative grants from the State's CPV tax account to fund planning, design, and construction of port infrastructure (Berth 3) and improvement projects (Berths 1 and 2).

Shared CPV Revenue Expenditures		
Fiscal Year	CPV Expenditures	Projects
2012	\$1,302,148	Repaid inter-fund loan from Economic and Parking Development Fund to Port Enterprise Fund that financed the design and engineering costs incurred for 2006 Port Redevelopment Project which led to construction of Berth 3.
2012	\$645,100	Replaced fender piles on Berths 1C and 1D.
Total	\$1,947,248	

Source: City of Ketchikan.

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Photo: Port of Ketchikan.

KETCHIKAN GATEWAY BOROUGH

Second-Class Borough

2012 Population: 13,938

FY2007 – FY2014 CPV Tax Revenue: \$15,112,600



PROFILE

The Ketchikan Gateway Borough, a region of nearly 14,000 residents, is known as Alaska's "first city" due to its location as the first Alaska city visitors reach as they cruise north, and for many visitors, their first introduction to the beauty and majesty of Alaska. Between 2007 and 2013, Ketchikan received an average of 900,000 cruise visitors each year, with visitors peaking at 948,685 during 2013.

Ketchikan Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	519	901,595
2008	527	941,910
2009	509	936,220
2010	426	828,929
2011	426	844,412
2012	436	894,320
2013	490	948,685*
2007-2013 Total	3,333	6,296,071

Source: Cruise Line Agencies of Alaska.

*Does not include Alaskan Dream Cruises or Un-cruise Adventures.

PROJECTED NEEDS OF COMMUNITY

The Ketchikan Gateway Borough uses an analytical approach to spending Commercial Passenger Vessel Excise Tax (CPV) revenue. On an annual basis, the borough determines (1) the costs of maintaining infrastructure that cruise passengers and crew rely heavily upon and (2) costs of delivering public services to the passengers and crew. The borough apportions these costs between residents and visitors based on their proportion of overall use. Borough staff completes the analysis and makes recommendations for expending revenue to the borough assembly. The Ketchikan Gateway Borough Assembly hears public comment on proposed expenditures and makes the final decision on how to spend the CPV revenue.

Priority Projects for CPV Revenue	
Projects	Type
Visitor safety	Passenger services
Visitor center	Passenger services
Transit enhancement	Passenger services

Source: Ketchikan Gateway Borough.

SHARED CPV REVENUE DISTRIBUTION

When eligible ports of call, such as Ketchikan, are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee. Between FY2007 and FY2014, the Ketchikan Gateway Borough's share of CPV revenue is nearly \$11 million. The highest distribution was \$2,326,148 received in FY2009 for taxes collected in calendar year 2008.

Shared CPV Revenue Distributed		
Fiscal Year	Amount	Passengers*
2007	\$203,810	81,524
2008	\$2,040,775	816,310
2009	\$2,326,148	897,834
2010	\$2,313,793	930,459
2011	\$2,088,313	925,517
2012	\$1,947,248	835,325
2013	\$1,977,770	791,108
2014	\$2,214,745	885,898
Total	\$15,112,600	6,163,975

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

The Ketchikan Gateway Borough did not receive legislative grants for cruise ship-related infrastructure between FY2007 and FY2012.

SHARED CPV REVENUE EXPENDITURES

CPV Shared Revenue Expenditures		
Fiscal Year	CPV Expenditures	Projects
2009	\$1,882,163.53	Expenditures for visitor services and infrastructure upgrades
2010	\$1,485,702.36	Expenditures for visitor services and infrastructure upgrades
2011	\$1,619,383.94	Expenditures for visitor services and infrastructure upgrades
2012	\$2,371,342.84	Expenditures for visitor services and infrastructure upgrades
Total	\$7,358,592.67	

Source: Ketchikan Gateway Borough Finance Director, January 9, 2014.

The Ketchikan Gateway Borough uses CPV shared revenue to cover the costs of delivering services and maintaining infrastructure for the benefit of the cruise industry. The borough uses CPV revenue primarily for passenger safety and enhanced passenger services. Examples of expenditures include upgrades to the borough's transit system, rain and weather shelters, and passenger enhancement projects through the Ketchikan Visitors Bureau, pedestrian safety upgrades (i.e. walkway improvements, street crossing improvements), emergency services upgrades such as locator beacons for trail use, and emergency services response materials and equipment.

CONTACT

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Photo: Cruise ships along the waterfront in Ketchikan.

CITY OF KODIAK

Home Rule City, Kodiak Island Borough

2012 Population: 6,431

2007 – 2014 CPV Tax Shared Revenue: \$131,825



PROFILE

The City of Kodiak, located on Kodiak Island, is Alaska's largest island and the second largest island in the United States. Known as the Emerald Isle, Kodiak's verdant landscape and abundant outdoor opportunities make it a popular choice for nature enthusiasts. Commercial fishing accounts for approximately one-third of the local economy. It hosts Alaska's largest and most diversified fishing fleet with more than 700 home-ported commercial fishing vessels and another 500 transient vessels. Kodiak is a renowned sportfishing destination that offers access to all five species of salmon along with halibut, rockfish, cod, and trout.

Kodiak received 97 cruise ships and nearly 100,000 cruise passengers between 2007 and 2013. Cruise visitation reached a peak of 19,372 cruise visitors during 2010. Only seven cruise ships carrying a total of 3,231 visitors called in 2013.

Kodiak Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	7	4,709
2008	15	11,903
2009	20	10,235
2010	21	19,372
2011	15	14,715
2012	12	11,551
2013	7	3,231
2007 to 2013 Total	97	75,716

Source: Cruise Line Agencies of Alaska.

PROJECTING NEEDS OF COMMUNITY

The City of Kodiak owns Pier 2, a multi-purpose, deep-draft dock, that also serves cruise ships. When the city receives shared Commercial Passenger Vessel Excise Tax (CPV) revenue, it is deposited into a Cargo Enterprise Fund. The harbormaster and Discover

Kodiak director recommend cruise ship facility needs to community leaders. Approved projects relating to cruise passenger movement and dock security and safety are funded from the Cargo Enterprise Fund. The city plans to build a covered reception/security/restroom building to accommodate passengers at Pier 2, but the project is currently unfunded.

Priority Projects for CPV Revenue	
Project	Type
Port-related projects to improve safety, security, and usability of the cruise ship terminal	Port facilities
Planning, designing, and building a public restroom for Pier 2.	Port facilities

SHARED CPV REVENUE DISTRIBUTION

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers
2007	\$0.00	0
2008	\$5,103	2,041
2009	\$24,778	9,911
2010	\$25,487	10,195
2011	\$15,762	6,305
2012	\$32,622	13,049
2013	\$23,473	9,389
2014	\$4,600	1,840
Total	\$131,825	52,730

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

When eligible ports of call, such as the City of Kodiak, are cities located in a borough, the city and the borough each receive \$2.50 of each \$5 passenger fee. Between FY2008 and FY2014, the City of Kodiak's share of shared CPV revenue was \$131,825. The highest distribution amount was \$32,622 received in FY2012.

LEGISLATIVE GRANTS

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2009	\$250,000	Cruise Ship/Pier II Master Plan
2010	\$700,000	Pedestrian Improvements Between Cruise Ship Dock (Pier II) and Downtown
2012	\$384,000	Pedestrian Pathway
2012	\$1,600,000	Pier and Downtown Pedestrian Improvements
Total	\$2,934,000	

Source: Alaska Division of Community and Regional Affairs.

In addition to receiving shared CPV tax revenue, the City of Kodiak received nearly \$3 million in legislative appropriations from the Commercial Vessel Passenger Tax Account to provide safe walking access from the dock to downtown for cruise passengers. The pedestrian pathway was scaled back due to unforeseen construction complications. The most critical and expensive portion of the planned project was completed in October 2013. The remainder of the pathway, reception, and restroom project requires additional funding.

SHARED CPV REVENUE EXPENDITURES

Wide variations in the number of ship calls dramatically impacts shared CPV revenues. In general, the revenues are used for ship and passenger services. The City of Kodiak has pursued funds through the

CPV tax appropriation process for infrastructure improvement projects relating to cruise ships.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2007	\$0.00	NA
2008	5,103	Direct services for ships and passengers
2009	24,778	Direct services for ships and passengers
2010	25,487	Direct services for ships and passengers
2011	15,762	Direct services for ships and passengers
2012	32,623	Direct services for ships and passengers
Total	\$103,753	

Source: City of Kodiak.

"Direct services" includes docking and cargo, safety, security, traffic management, and dockside utilities.

RELATED INFORMATION

- Dowl HKM. 2012. *Development Concept Plan for Shelikof Street/Jack Hinkel Way to Marine Way.*
- PND Engineers, Inc. 2010. *City of Kodiak Waterfront Master Plan.*

CONTACT

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Photo: Kodiak Daily Mirror.

KODIAK ISLAND BOROUGH

2nd Class Borough

2012 Population: 14,041

2007 – 2014 CPV Tax Shared Revenue: \$131,825



PROFILE

Kodiak Island Borough is located on the western side of the Gulf of Alaska. It is the largest island in Alaska and the second largest in the United States. Kodiak Island is known for the Kodiak brown bear and world-class sport fishing, offering access to all five species of salmon along with halibut, rockfish, cod, and trout. Kodiak is one of the largest commercial fishing ports in the nation, hosting Alaska's largest and most diversified fishing fleet with more than 700 home-ported commercial fishing vessels and another 500 transient vessels. Kodiak is also home to the nation's largest United States Coast Guard Base and the first commercial rocket launch facility.

All cruise visitors to the Kodiak Island Borough stop at the port facilities at the City of Kodiak. Kodiak received 97 cruise ships and nearly 100,000 cruise passengers between 2007 and 2013. Cruise visitation reached a peak of 19,372 cruise visitors during 2010. Only seven cruise ships carrying a total of 3,231 visitors called in 2013.

Kodiak Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	7	4,709
2008	15	11,903
2009	20	10,235
2010	21	19,372
2011	15	14,715
2012	12	11,551
2013	7	3,231
2007 to 2013 Total	97	75,716

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

Kodiak receives a relatively small portion of the Alaska cruise market and is interested in attracting more cruise ships. The Kodiak Island Borough works with the Kodiak Convention and Visitors Bureau to determine how CPV funds can be used to attract and enhance cruise ship travel to the island.

SHARED CPV REVENUE DISTRIBUTION

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers
2007	\$0.00	0
2008	\$5,103	2,041
2009	\$24,778	9,911
2010	\$25,487	10,195
2011	\$15,762	6,305
2012	\$32,622	13,049
2013	\$23,473	9,389
2014	\$4,600	1,840
Total	\$131,825	52,730

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

When eligible ports of call, such as Kodiak, are cities located in a borough, the city and the borough each receive \$2.50 of each \$5 passenger fee. Between FY2008 and FY2014, the Kodiak Island Borough's share of shared CPV revenue was \$131,825. The highest distribution amount was \$32,622 received in FY2012.

SHARED CPV REVENUE EXPENDITURES

The Kodiak Island Borough's portion of shared CPV revenue is relatively small. Since the City of Kodiak owns and operates the port and harbor facilities, the borough uses its shared CPV revenue to attract and enhance cruise ship travel to the island.

CONTACT

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Shared CPV Revenue Expenditures		
Fiscal Year	CPV Expenditures	Projects
2007	\$0.00	NA
2008	\$0.00	NA
2009	24,775	Projects with Kodiak Convention and Visitors Bureau
2010	25,487	Projects with Kodiak Convention and Visitors Bureau
2011	15,763	Projects with Kodiak Convention and Visitors Bureau
2012	32,622	Projects with Kodiak Convention and Visitors Bureau
Total	\$98,647	



Photo: Discover Kodiak

CITY OF SEWARD

Home Rule City, Kenai Peninsula Borough

2012 Population: 2,754

FY2007 – FY2014 Shared CPV Tax Revenue: \$2,465,957



PROFILE

The City of Seward, situated on Resurrection Bay on the east coast of the Kenai Peninsula, is 125 highway miles south of Anchorage and is the gateway to the Kenai Fjords National Park. The Port of Seward is a “turnaround port” for cross-gulf itineraries and the point of embarkation and disembarkation for many Alaska cruise vacations.

Seward received more than 400 port calls and exceeded one million total cruise visitors between 2007 and 2013. Declines in cruise visitation since 2010 are attributed to Holland America and Princess Cruise Lines redeploying ships to Europe.

Seward Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	56	156,014
2008	65	165,959
2009	70	163,056
2010	56	136,129
2011	54	132,779
2012	51	136,892
2013	50	125,183
2007 to 2013 Total	402	1,016,012

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

To help the city safely and efficiently host cruise ship passengers, Seward’s finance director, harbormaster, and city manager recommend projects to be funded by shared Commercial Passenger Vessel Excise Tax (CPV) revenue. The Seward Chamber of Commerce, Port and Commerce Advisory Board, and interested parties provide input and suggestions, and the city

manager submits final recommendations to the city council for approval via resolution.

When eligible ports of call, such as Seward, are cities located in a borough, the city and the borough each receive \$2.50 of every \$5 passenger fee shared with the port community. In addition to receiving shared CPV revenue directly from the State of Alaska, Seward also receives CPV revenue from the Kenai Peninsula Borough after the borough assembly passed an ordinance making the borough’s share of the CPV tax available to Homer and Seward through grants. The ordinance stipulates that the funds must be used for port and harbor improvements that benefit cruise ship passengers for purposes that comply with state law (AS 43.52.200-298, SB 256 and HB 310). Homer and Seward city managers submit letters to the Kenai Peninsula Borough mayor to request funding. The grant request specifies how the project meets the expenditure requirements established in state law.

Priority Projects for CPV Revenue	
Project	Type
Shuttle bus service	Passenger and vessel services
Cruise ship dock dredging	Port infrastructure
Security float completion	Port infrastructure
Sidewalk from cruise ship dock to small boat harbor	Passenger and vessel services

Source: City of Seward.

SHARED CPV REVENUE DISTRIBUTION

During the past six fiscal years, Seward received nearly \$2.5 million in shared CPV revenue from the State of Alaska and approximately \$1.8 million from the Kenai Peninsula Borough through CPV grants. The highest shared revenue distribution from the State of Alaska was \$387,413 received during FY2010.

Shared CPV Revenue Distribution			
Fiscal Year	City Share	Borough Share (grant)	Passengers*
2007	\$16,222	NA	6,489
2008	\$367,430	NA	146,972
2009	\$345,747	\$383,653	138,299
2010	\$387,413	\$345,747	154,965
2011	\$374,293	NA	149,717
2012	\$324,865	\$1,086,570**	129,946
2013	\$343,265	NA	137,306
2014	\$306,722	NA	122,689
Total	\$2,465,957	\$1,815,970	986,383

Sources: Alaska Department of Revenue, Tax Division. *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014); and Kenai Peninsula Borough.

*Only includes passengers that pay the CPV tax.

** Two FY012 grants for \$761,705 and \$324,865.

LEGISLATIVE GRANTS

In addition to receiving shared CPV revenue, Seward received legislative grants from the Commercial Vessel Passenger Tax Account for capital projects to upgrade commercial passenger vessel services and infrastructure.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2010	\$167,000	Bus transportation for cruise ship passengers
2010	\$4,500,000	Dredging cruise ship berthing basins and approaches
2011	\$300,000	Commercial passenger vessel harbor security - Coast Guard building relocation
2011	\$2,000,000	Security and fire protection for commercial passenger vessels
2012	\$25,000	Cruise ship boardwalk expansion
2012	\$130,000	Harbor restrooms improvements
Total	\$7,122,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

The City of Seward uses CPV shared revenue for port infrastructure and passenger services. Plans for future

projects include improved ambulance service to cruise ships, safety improvements to the cruise ship pedestrian walkway, and cruise terminal amenities.

Shared CPV Revenue Expenditures			
Fiscal Year	City Share	Borough Share (grant)	Projects
2007	\$16,222	NA	Expansion engineering
2008	\$367,430	NA	Timber float purchase (security float)
2009	\$345,747	\$383,653	Float upland improvements
2010	\$387,413	\$345,747	Security float installation; upland improvements
2011	\$374,293	\$0.00	Security float installation; upland improvements; expansion engineering
2012	\$324,865	\$761,705	Shuttle bus; USCG security building; cruise ship dock dredging
2012	NA	\$324,865	Ambulance services; security dock dredging; cruise ship terminal paving and striping; boardwalk/sidewalk improvements
Total	\$1,815,970	\$1,815,970	

Source: City of Seward.

CONTACT

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Photo: www.travelalaska.com.
Fishing boats and cruise ships docked in Seward.

CITY AND BOROUGH OF SITKA

Unified Home Rule Municipality

2012 Population: 9,084

FY2007 – FY2014 CPV Shared Tax Revenue: \$5,125,480



PROFILE

The City and Borough of Sitka, located on Sitka Sound, is surrounded by small, forested islands. With just over 9,000 residents, the city is marked by the picturesque remnants of its Russian heritage, including the onion-shaped domes and gold colored crosses of the Saint Michael's Russian Orthodox Cathedral. Tlingit culture is also deeply rooted in this small seaside city. Long before Russians or Americans inhabited the area, Tlingit Indians made it their home for thousands of years.

The City and Borough of Sitka received 1,342 cruise ships and more than 1.2 million passengers between 2007 and 2013. Cruise visitation reached a peak of 289,753 cruise visitors during 2008 and a low of 99,920 cruise visitors during 2013.

Sitka Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	261	233,936
2008	317	289,753
2009	234	224,335
2010	179	144,383
2011	139	129,380
2012	116	110,714
2013	96	99,920
2007-2013 Total	1,342	1,232,421

Source: Cruise Line Agencies of Alaska (CLAA).

*Does not include Un-cruise Adventures or Alaskan Dream Cruises. The companies began operations in 2011.

The decrease in cruise visitors is attributed to a general decline in the cruise market from 2009 to 2011, the loss of small ship calls when Cruise West ceased operations at the end of 2010, and itinerary changes in the remaining cruise market (shifts to other Alaska

ports). Alaskan Dream Cruises and Un-cruise Adventures began operations in 2011 and are strengthening the small ship market in Southeast Alaska.

PROJECTED NEEDS OF COMMUNITY

The City and Borough of Sitka established a special revenue fund to accept proceeds of the Commercial Passenger Vessel Excise Tax (CPV) from the State of Alaska. The city and borough also developed a master plan to identify priority projects to be constructed with CPV revenues. The city and borough assembly adopted the plan on December 22, 2009. Community members submitted projects complementary to those in the plan for consideration, and the city administrator submitted the projects to a Marine Passenger Fee Fund Committee (Port and Harbor Commission, Sitka Convention and Visitors Bureau, Tourism Commission, Historic Preservation Commission, cruise industry, Sitka finance director, Sitka public works director) with his recommendations. The committee provides comments, and the city and borough assembly approves projects for funding.

Priority Projects for CPV Revenue	
Project	Type
Centennial Hall upgrade	Passenger services
Yearly passenger services expenses	Passenger services

Source: City and Borough of Sitka.

SHARED CPV REVENUE DISTRIBUTION

The City and Borough of Sitka received more than \$5 million in shared revenue between FY2007 and FY2014. The city received a high distribution of \$1,359,039 for FY2009.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$103,325	20,665
2008	\$1,025,670	205,134
2009	\$1,359,030	271,806
2010	\$1,078,480	215,696
2011	\$706,505	141,301
2012	\$414,130	82,826
2013	\$135,355	27,071
2014	\$302,985	60,597
Total	\$5,125,480	1,025,096

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2010	\$2,000,000	Commercial passenger vessel lightering facility improvements
2011	\$4,500,000	Commercial passenger vessel facilities and visitor improvements
2011	\$1,000,000	Crescent Harbor sidewalk widening
2012	\$3,000,000	Commercial passenger vessel and visitor facility improvements
Total	\$10,500,000	

Source: Alaska Division of Community and Regional Affairs.

In addition to receiving shared revenue, the City and Borough of Sitka received legislative appropriations from the Commercial Vessel Passenger Tax Account for capital projects to upgrade commercial passenger vessel services and infrastructure.

SHARED CPV REVENUE EXPENDITURES

The City and Borough of Sitka spends shared CPV revenue primarily on passenger services that include port security, Centennial Hall staffing, public safety (fire, police, and public works), wayfinding and interpretive signage, and a custodial contract for visitor restrooms.

The city and borough plans to use shared CPV revenues, not required for yearly passenger services, for the Centennial Hall upgrade project.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2009	\$220,315	Yearly passenger services expenses
2010	\$610,065	Yearly passenger services expenses, security scanner, public telephones
2011	\$904,770	Yearly passenger services expenses, seawalk,
2012	\$510,321	Yearly passenger services expenses
Total	\$2,245,471	

Source: City and Borough of Sitka.

RELATED INFORMATION

- City and Borough of Sitka. Municipal Code Chapter 4.05 Establishing a Marine Passenger Fee Fund.
- MRV Architects, Jones and Jones, McDowell Group. 2010. *Sitka Passenger Fee Fund Implementation Plan*.

CONTACT

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Photo: A tender boat in the Sitka Sound lighters passengers from ship to shore.

MUNICIPALITY OF SKAGWAY

First Class Borough

2012 Population: 961

FY2007 – FY2014 CPV Shared Tax Revenue: \$26,490,710



PROFILE

Skagway is located 90 miles northeast of Juneau at the northern end of Lynn Canal and 108 road miles south of Whitehorse, Canada. As a visitor destination, Skagway is ideally located as a port of call for cruise ships, a transfer site for rail and interior bus tours, and a link on the highway system and the Alaska Marine Highway. The Klondike Gold Rush Historical Park and White Pass and Yukon Railroad are major attractions.

Skagway received nearly 3,000 cruise ship calls and more than 5 million passengers between 2007 and 2013. Passenger volume peaked at 821,874 visitors during 2013, achieving the city's highest visitation numbers since 2007.

Skagway Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	486	820,829
2008	466	781,676
2009	424	785,034
2010	370	697,060
2011	345	708,981
2012	355	755,681
2013	388	821,874
2007-2013 Total	2,834	5,371,135

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

In 2008, Skagway commissioned a study to quantify the impact of cruise ship visitation on municipality services and facilities. Municipal department directors identified quantifiable cruise visitor impacts such as 1) increased staffing levels and facility hours, 2) increased demand for municipal utilities, 3) increased emergency and non-emergency call volume for public safety departments, 4) increased demand for permits and inspections, 5) increased pedestrian and vehicular

congestion, and 6) increased public restroom and other facility maintenance. Based on the results of the study, Skagway uses shared CPV revenues to pay for municipal services or facilities that benefit cruise ship visitors. These include services provided by the fire, police, and public works departments and facilities such as the civic center, museum, library and health center. In addition to identifying passenger service needs, the *Skagway 2020 Comprehensive Plan* identifies port infrastructure and passenger services projects.

Priority Projects for CPV Revenue	
Projects	Type
Port gateway project	Port infrastructure
Public safety building	Port infrastructure and passenger services

Source: Municipality of Skagway.

SHARED REVENUE DISTRIBUTION

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$339,855	67,971
2008	\$3,717,410	743,482
2009	\$3,862,970	772,594
2010	\$3,904,825	780,965
2011	\$3,455,540	691,108
2012	\$3,470,720	694,144
2013	\$3,728,105	745,621
2014	\$4,011,285	802,257
Total	\$26,490,710	5,298,142

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

The Municipality of Skagway received nearly \$26.5 million in CPV shared revenue between FY2007 and FY2014. The highest distribution was \$4 million received during FY2014.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, Skagway received nearly \$10 million in legislative grants from the Commercial Vessel Passenger Tax Account (FY2009 to FY2012) and \$10 million for city dock improvements from other sources.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2009	2,000,000	Seawalk Intermodal Cruise Ship Access Project
2010	2,500,000	Municipal wastewater treatment facility improvements due to seasonal cruise impacts
2011	4,000,000	Commercial passenger vessel lightering and harbor improvements
2011	800,000	Municipal wastewater treatment facility improvements due to seasonal cruise impacts
Total	\$9,300,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED REVENUE EXPENDITURES

To date, the Municipality of Skagway has used approximately half of its shared CPV revenue for port infrastructure and passenger services. The municipality plans to use remaining CPV revenue for future port development, as well as engineering and construction of a public safety building.

Shared CPV Revenue Expenditures		
Fiscal Year	CPV Expenditures	Projects
2009	\$1,273,980	Annual operating expenditures for visitor services and port upgrades
2010	\$3,741,005	Annual operating expenditures for visitor services and port upgrades
2011	\$1,683,894	Annual operating expenditures for visitor services and port upgrades
2012	\$2,684,124	Annual operating expenditures for visitor services and port upgrades
Total	\$9,383,003	

Source: Municipality of Skagway.

RELATED INFORMATION

- Blasco, Robert P. and Van Altvorst, James A. 2008. *Allocating Commercial Passenger Vessel Excise Tax Revenues*.
- Sheinberg Associates. 2009. *Municipality of Skagway 2020 Comprehensive Plan*.

CONTACT

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Holland America Line's Zuiderdam in Skagway, 2007.

CITY OF UNALASKA

1st Class City, Unorganized Borough

2012 Population: 4,768

FY2007 – FY2014 CPV Shared Tax Revenue: \$20,125



PROFILE

Located approximately 900 miles southwest of Anchorage along the Aleutian chain, Unalaska is home to the Port of Dutch Harbor and sits in the heart of the North Pacific and Bering Sea fisheries. Its status as the only natural deep-water port in Western Alaska has made it an important port since the 18th century when the Russian fur traders first sailed here.

Unalaska received 39 cruise ship calls and nearly 10,000 passengers between 2007 and 2013. Cruise visitation peaked at nearly 3,400 visitors in 2009, but dropped nearly 70 percent when Crystal Cruises (1080 passengers), the World of Residensea (320 passengers), Hapag Lloyd (188 passengers), and Cruise West (114 passengers) did not return for the 2010 cruise season. Crystal Cruises, Silverseas, and the World of Residensea returned for one sailing each during 2012. Cruise West ceased operations altogether at the end of the 2010 cruise ship season.

Unalaska Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	9	2,534
2008	6	709
2009	14	3,398
2010	4	956
2011	3	707
2012	3	1,371
2013	0	0
2007-2013 Total	39	9,675

Source: Cruise Line Agencies of Alaska.

PROJECTED NEEDS OF COMMUNITY

Although the City of Unalaska receives a relatively small share of the Commercial Passenger Vessel

Excise Tax (CPV), the *Unalaska Comprehensive Plan 2020* identifies a need for better facilities to accommodate cruise ships. Priority projects include improvements to the UMC dock and completing pedestrian pathways for cruise visitors.

Priority Projects for CPV Revenue	
Project	Type
UMC Dock Improvements Project (\$40 M)	Port facilities
S Curves Pathway Project (\$1 M)	Port facilities

Source: City of Unalaska.

SHARED CPV REVENUE DISTRIBUTION

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$0.00	NA
2008	\$0.00	NA
2009	\$0.00	NA
2010	\$7,620	1,524
2011	\$3,000	600
2012	\$1,310	262
2013	\$4,120	824
2014	\$4,165	833
Total	\$20,125	4,043

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

The City of Unalaska received slightly more than \$20,000 in shared CPV revenue between FY2007 and FY2014. The highest distribution was \$7,620 received during FY2010.

LEGISLATIVE APPROPRIATIONS

The City of Unalaska did not receive legislative appropriations between FY2007 and FY2012 for cruise ship port and harbor infrastructure.

SHARED CPV REVENUE EXPENDITURES

The amount of shared revenue the city receives is insufficient to undertake large scale projects. Therefore, the city uses shared CPV revenue to augment funding for city services to cruise ship visitors.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2010	\$7,620	City services to visitors
2011	\$3,000	City services to visitors
2012	\$1,310	City services to visitors
Total	\$11,930	

Source: City of Unalaska.

RELATED INFORMATION

- City of Unalaska. 2011. *Unalaska Comprehensive Plan 2020*.

CONTACT

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Photo: Unalaska/Port of Dutch Harbor Convention and Visitors Bureau.

CITY OF VALDEZ

Home Rule City

2012 Population: 4,144

FY2007 – FY2014 CPV Shared Tax Revenue: \$65,335



PROFILE

The City of Valdez is located on the north shore of Port Valdez, a deep water fjord in Prince William Sound. It is 305 road miles from Anchorage and 364 road miles south of Fairbanks at the southern terminus of the Trans Alaska Pipeline System.. Valdez is an important seaport with a major cargo and container facility. Commercial fishing has also been a a key component of the economy. Valdez is surrounded by some of the world's tallest coastal mountains and offers convenient access to the Columbia Glacier, a popular day trip destination. Valdez also has a strong trail system with 33 miles of trails and four trail heads within less than one mile of the cruise ship dock.

Since 2007, Valdez has received 23 cruise ships and approximately 13,000 visitors. Beginning with the 2004 cruise season, Celebrity Cruises stopped port calls in Valdez after adding Icy Strait Point to its itinerary. Princess Cruises visited Valdez in 2008 and 2009, but reduced statewide capacity during 2010. The reduction primarily impacted cross-gulf itineraries and communities like Valdez.

Valdez Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	0	NA
2008	9	5,553
2009	11	6,367
2010	1	469
2011	1	331
2012	0	0
2013	1	382
2007-2013 Total	23	13,102

Source: Cruise Line Agencies of Alaska.

PROJECTING NEEDS OF COMMUNITY

Following a steep decline in cruise ship traffic in the early 2000's, Valdez commissioned a study of the cruise industry and how it viewed the community. The study identified a list of priority actions necessary to strengthen the existing visitor industry. These actions included the following:

- move cruise ship berth downtown
- expand small boat harbor
- develop tour packages and excursions
- improve city dock and uplands for better access to downtown area
- revitalize downtown physical appearance and business retail
- coordinate local attractions and events
- develop and connect trails and parks
- design and construct a multi-agency facility including a natural history museum
- enhance sport fishing opportunities, and
- leverage special events and festivals to market Valdez Civic and Convention Center.

The City of Valdez developed the *Old City Dock Master Plan* to address the priorities identified in the study and secured funding from a variety of federal, state, and local sources. The community's top priorities were to move the cruise ship berth downtown and improve the city dock and uplands for better access to the downtown area.

Priority Projects for CPV Revenue	
Project	Type
Move cruise ship berth downtown.	Port facilities
Improve city dock and uplands for better access to downtown area.	Port facilities
Develop an interpretive center.	Passenger services

Source: City of Valdez.

SHARED REVENUE DISTRIBUTION

Between FY2007 and FY2014, the City of Valdez received \$65,353 in shared CPV revenue. The highest distribution amount was \$31,730 received in FY2009.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$0.00	NA
2008	\$0.00	NA
2009	\$28,355	5,671
2010	\$31,730	6,346
2011	\$2,335	467
2012	\$1,650	330
2013	\$0.00	0
2014	\$1,265	253
Total	\$65,335	13,067

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2009	\$1,675,000	Cruise Ship Dock Renovation and Uplands Repair
2010	\$3,325,000	Dock Improvements
2010	\$800,000	City Dock Information and Interpretative Center
Total	\$5,800,000	

Source: Alaska Division of Community and Regional Affairs.

In addition to receiving shared CPV tax revenue, the City of Valdez received nearly \$6 million in legislative grants from the Commercial Vessel Passenger Tax Account. The grants paid for cruise ship dock renovation, uplands repair, and an information and interpretive center.

SHARED CPV REVENUE EXPENDITURES

The amount of shared CPV revenue the City of Valdez receives is minimal, so the city uses it to offset local general funds invested in the city's waterfront revitalization efforts. To date, Valdez has spent nearly \$9 million dollars on capital improvement projects. Specific projects include demolishing an uplands fish processing plant, dredging the dock, installing a new dock fendering system, replacing deficient dock support piling, renovating dock uplands, constructing a restroom facility and seasonal tent structures, redecking the dock, replacing the dock water system, adding a new mooring dolphin, paving and landscaping the adjacent dock staging and parking areas, and revitalizing Ruth Pond Park just across the street from the dock area.

RELATED INFORMATION

- PND. (2007). *Valdez Waterfront Development Master Plan*.

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Photo: Aerial Port of Valdez

CITY OF WHITTIER

2nd Class City

2012 Population: 227

FY2007 – FY2014 Shared CPV Tax Revenue: \$6,264,900



PROFILE

Whittier is on the southeast shore of the Kenai Peninsula, at the head of Passage Canal in Prince William Sound, about 60 miles southeast of Anchorage. The U.S. Army constructed a port and a railroad terminus to transport fuel and supplies into Alaska during World War II. A railroad spur and two tunnels were completed during 1943. The rail tunnel was expanded to accommodate rail and highway vehicles during 2000. Tours, charters, and sportfishing in Prince William Sound attract seasonal visitors.

Whittier Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	96	225,071
2008	80	220,117
2009	80	212,598
2010	48	126,866
2011	29	130,312
2012	36	170,758
2013	45	202,336
2007-2013 Total	414	1,288,058

Source: Cruise Line Agencies of Alaska.

Like Seward, Whittier is a primary transfer or destination port for cross-gulf cruises. The ships call at Whittier because of its proximity to Anchorage and destinations throughout Southcentral Alaska. Between 2007 and 2013, Whittier received more than 400 cruise ship calls and nearly 1.3 million passengers. Declines in cruise visitation since 2010 are primarily due to the loss of the Carnival Spirit, which carried about 35,000 cruise visitors to and from Whittier each year between 2005 and 2009. Cruise port calls during 2013 increased to 45, but remain less than half of the 96 port calls in 2007. Passenger numbers on the other hand exceeded 200,000 for the first time since 2009.

PROJECTING NEEDS OF COMMUNITY

Cruise ships stop several times a week at a floating dock and embarkation building owned by privately-owned Whittier Dock Enterprises LLC. The dock and building can accommodate a single cruise ship visit each day. The Alaska Railroad owns the facilities where passengers are transferred between the cruise and the rail lines. Since the cruise ship docking facilities are privately owned, the City of Whittier's goals for expending shared Commercial Passenger Vessel Excise Tax (CPV) revenue are to (1) provide facilities for pedestrians and (2) enhance opportunities for cruise ship visitors to patronize local businesses and charters. Improvements to the harbor district are needed to achieve the second goal.

The Whittier city council established a Commercial Vessel Passenger Special Revenue Fund to receive shared revenue from the state. The city planning commission has engaged the public in the discussion on expending shared CPV funds and has served as the working group that reviews, evaluates, and recommends projects for CPV funding. The Whittier Port and Harbor Commission also submits capital improvement recommendations to the city council. Through its budgetary authority, the city council appropriates CPV funds for expenditure.

Priority Projects for CPV Revenue	
Project	Type
Visitor center	Passenger services
Covered walkways/boardwalks	Passenger services
Enclosed rest areas, benches, and additional restrooms	Passenger services

Sources: City of Whittier, Planning Commission, Port and Harbor Commission, and Whittier City Council.

SHARED CPV REVENUE DISTRIBUTION

Between FY2007 and FY2014, the City of Whittier received a more than \$6 million in CPV revenue. The highest distribution was \$1,059,970 for FY2009.

CPV Shared Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$44,840	8,968
2008	\$1,059,970	211,994
2009	\$1,001,985	200,397
2010	\$1,045,550	209,110
2011	\$695,790	139,158
2012	\$637,265	127,453
2013	\$828,865	165,773
2014	\$950,635	190,127
Total	\$6,264,900	1,252,980

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

In addition to receiving shared CPV tax revenue, the City of Whittier received \$325,000 in legislative appropriations from the Commercial Vessel Passenger Tax Account.

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2010	\$325,000	Railroad Station Improvements
Total	\$325,000	

Source: Alaska Division of Community and Regional Affairs.

SHARED CPV REVENUE EXPENDITURES

In general, the City of Whittier uses shared CPV revenues for passenger services. These services include hiring a season physician, paramedic, police officer, and fire protection.

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2008	\$191,177	Harbor engineering fees, patrol and tunnel safety vehicle, bear cage and freight, medical supplies
2009	\$61,197	Ambulance/medical supplies, harbor engineering fees, seasonal paramedic, peace officer, physician

Shared CPV Revenue Expenditures		
Fiscal Year	Amount	Projects
2010	\$167,156	Whittier Museum, on-call physician, medical supplies, harbor engineering fees, parking lot, restrooms, seasonal paramedic and police officer, fire truck
2011	\$233,654	Whittier Museum, harbor restroom, parking lot, soil liner
2012	\$5,000	Whittier Museum, on-call physician, medical supplies, harbor engineering fees, parking lot, restrooms, seasonal paramedic and police officer
Total	\$658,184	

Source: City of Whittier.

RELATED INFORMATION

- *Whittier Comprehensive Plan Update* (2012), City of Whittier.
- *City of Whittier FY2012 Financial Report, Period Ending December 31, 2012* (2013), City of Whittier.

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Photo: Small boats and cruise ship in Whittier Harbor.

CITY AND BOROUGH OF WRANGELL

Unified Home Rule Borough

2012 Population: 2,448

FY2007 – FY2014 CPV Shared Tax Revenue: \$91,175



PROFILE

The City and Borough of Wrangell lies on the northwest tip of Wrangell Island near the mouth of the Stikine River, a historic trade route to the Canadian Interior. Wrangell's economy is based on commercial fishing, tourism, and timber from the Tongass National Forest. The Stikine River and surrounding area attract visitors who engage in fishing, glacier viewing, and kayaking adventure tours. Nearby Anan Wildlife Observatory is famous for black and brown bear viewing.

Wrangell received 124 cruise ship calls and nearly 30,000 passengers between 2008 and 2012. The seven-year total was less than the peak year of 46,000 passengers during 2004 when a Norwegian Cruise Line (NCL) ship visited Wrangell once a week. Large cruise ships have not visited Wrangell since NCL repositioned one of the company's Alaska ships to Hawaii during 2006.

Wrangell Cruise Ship Visitors 2007-2013		
Calendar Year	Ship Calls	Passengers
2007	34	5,192
2008	24	4,002
2009	14	3,842
2010	29	3,869
2011	8	4,719
2012	3	678
2013	12	6,417
2007-2013 Total	124	28,719

Source: Cruise Line Agencies of Alaska (CLAA). Data do not include Un-cruise Adventures or Alaskan Dream Cruises. The companies began operations in 2011.

Since 2006, Wrangell received small and medium-sized ships such as the Empress of the North (2007-2008) and the Silver Shadow (2008-2012). Seattle-based Cruise West vessels called on Wrangell from 2006

until 2010 when the company ceased operations at the end of the season. Alaskan Dream Cruises and Un-Cruise Adventures began visiting Wrangell in 2011.

PROJECTED NEEDS OF COMMUNITY

Despite declining cruise visitor numbers since 2004, the *City and Borough of Wrangell's Comprehensive Plan* indicates resident interest in attracting one to two large cruise ships per week to the community. Priority actions include strengthening pedestrian connections from the cruise ship dock to the Nolan Center and Shakes Island (safe crosswalks, wider sidewalks, maps, and interpretive signs). An analysis of the City of Wrangell as a cruise ship destination in 2006 showed that the downtown dock is properly equipped to handle Panamax-size cruise ships, with very good access to and from the dock for arriving and departing cruise ships. The analysis identified downtown revitalization and improving Wrangell's physical presentation as primary actions to strengthen Wrangell's viability as a cruise destination.

Currently, city economic development staff, the Wrangell Port Commission, and the Wrangell Convention and Visitor Bureau recommend projects to be funded by the Commercial Passenger Vessel Excise Tax (CPV).

Priority Projects for CPV Revenue	
Projects	Type
Street banners, information kiosk, benches, and pocket park near cruise ship dock	Passenger Services

Source: City and Borough of Wrangell.

SHARED CPV REVENUE DISTRIBUTION

The City and Borough of Wrangell received more than \$90,000 in CPV shared revenue between FY2007 and FY2014. The highest distribution was \$31,175 received in FY2014.

Shared CPV Revenue Distribution		
Fiscal Year	Amount	Passengers*
2007	\$0.0	0
2008	\$0.0	0
2009	\$9,975	1,995
2010	\$26,180	5,236
2011	\$2,510	502
2012	\$19,350	3,870
2013	\$1,730	346
2014	\$31,430	6,286
Total	\$91,175	18,235

Sources: Alaska Department of Revenue, Tax Division, *Shared Taxes and Fees Annual Reports* (FY2007 to FY2012) and *Commercial Passenger Vessel Excise Tax Legislative Review Report* (2014).

*Only includes passengers that pay the CPV tax.

LEGISLATIVE GRANTS

CPV-Related Legislative Grants		
Fiscal Year	Amount	Project
2010	\$2,500,000	Marine passenger service center
2010	\$390,000	Stikine Avenue sidewalk extension/ Front Street
2011	\$3,250,000	Commercial passenger vessel facility
2011	\$75,000	Waterfront master plan
Total	\$6,215,000	

Source: Alaska Division of Community and Regional Affairs.

In addition to receiving shared CPV tax revenue, the City and Borough of Wrangell received just over \$6 million in legislative grants from the Commercial Vessel Passenger Tax Account.



Photo: Wrangell Chamber of Commerce.

SHARED CPV REVENUE EXPENDITURES

The City and Borough of Wrangell did not spend CPV distributions through FY2012 because the community was in the midst of a multi-year downtown revitalization project, waiting until its completion to determine the best use for the CPV funds. However, the city and borough spent \$9,000 in FY2013 on street decorations and landscaping along the newly completed Front Street corridor. Additionally, since CPV shared revenue distributions are relatively small in comparison to funds required for a capital project, the city and borough is allowing the revenue to accumulate in the hopes of undertaking larger projects in the future.

RELATED INFORMATION

- Global Destinations Development, LLC, 2006. *Analysis of Cruise Ship Destination and Marketing Plan, Wrangell Alaska*. Miami, Florida.
- Sheinberg and Associates. 2010. *City and Borough of Wrangell Comprehensive Plan*. Juneau, Alaska.

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