

Attachment B
Temporary Delay in Proposed New Cruise Terminal Project

Staff shall temporarily delay the new Cruise Terminal Project until there is greater understanding of the impact of COVID-19 on the Alaska cruising market. Prior to pausing the project, staff will complete key elements of the project to preserve the value of work already done and to be positioned for future work. The total estimate for that work is about \$500,000, described further as follows:

1. Complete existing condition work nearing completion

Environmental conditions work will be completed for the following technical areas:

- Biological resources
- Transportation/traffic
- Air quality model (complete baseline/no action analyses and report)
- Noise analysis (finalize baseline/no action model and report)
- Draft cultural resources technical report (review and finalize draft)
- Aesthetics/Light and Glare
- Environmental Justice
- Land Use

Estimated cost for completion of work nearing completion: \$175K-225K, including cost for shelving the work described under item 4 below.

2. Complete select work applicable to future development

In addition, staff shall complete work that supports the development of T46 whether or not cruise related:

- Geotechnical analysis (\$200K)
- Preliminary design of low freeboard fenders (\$25K)
- Capacity analysis of existing bollards (\$25K)

3. Cruise Investment Partner Selection Process

Selection of a private investment partner has been paused and proposers notified. The Executive Director will evaluate the RFP process in light of the COVID 19 impacts on the Alaska cruise Industry.

4. Prepare project for shelving

To preserve the value of investment made to date, project would be prepared for shelving by documenting the status of on-going work packages:

Shelved design packages:

- Common area planning
- Drainage
- Gangway Support
- Wharf modifications/strengthening
- Design of new 200-tonne bollards
- Shore power design

Shelved environmental work:

- Project description
- Scopes and methodologies

5. Evaluate status of Alaska cruise industry in light of COVID-19 impacts

Staff will present an evaluation of the Alaska homeport cruise industry and recommendations concerning the resumption of the project in Q4 as part of the capital budget process. The analysis will consider:

- Impacts of COVID-19 on the industry's 2020 cruise season
- Developments in health and safety regulatory requirements to protect passengers and the community
- Resilience of the industry and market forecasts for the Alaska cruise business
- Economic benefits to the Port and the community