



City and Borough of Juneau
City & Borough Manager's Office
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TO: Borough Assembly
Eaglecrest Board
Eaglecrest Summer Operations Task Force

DATE: March 23, 2022

FROM: Rorie Watt, City Manager

RE: Gondola Investment

Goldbelt Corporation has expressed interest in providing funding for up to \$10M for installation of the used Gondola and other related improvements. This is, indeed, a remarkable turn of events.

The decision to purchase the gondola was difficult for the Assembly for several reasons, including the issue that summer operations is an activity that lies substantially in the arena of private sector activity. A potential contract with Goldbelt would solve many issues for CBJ.

The rough proposal is that Goldbelt would provide funding in exchange for a contractual agreement to receive a percentage of summer ridership on the gondola until such time as appropriate return is earned. A contractual agreement of this nature would require authorization by Ordinance.

However, prior to authorizing an Ordinance, the Assembly would first have to provide direction to negotiate directly with Goldbelt. This is the threshold decision – should the Manager negotiate directly with Goldbelt or should there be contemplation of other business relationships.

There are many reasons why Goldbelt is uniquely situated to be the best source of private capital for the installation of improvements at Eaglecrest. Those reasons include:

1. Long horizon. Like CBJ, Goldbelt is designed to be in business forever. As such, their ability to agree to long term agreements, contemplate long term pay back is substantially more flexible than other private sector parties.
2. Profit earned by Goldbelt stays in the community.
3. Goldbelt is an adjacent land owner.
4. Goldbelt operates the Mount Roberts Tramway, opening up a variety of opportunities for sales and marketing.

Recommendation:

At the 4/11 COW, the Assembly should contemplate directing the Manager by motion to negotiate directly with Goldbelt Corporation. Prior to this meeting, the Eaglecrest Board and Summer Operations Task Force should contemplate the inclusion of Goldbelt and provide advice to the Assembly.

I recommend that the Assembly direct the Manager to negotiate an agreement with Goldbelt and bring that agreement back to the Assembly for discussion, debate and adoption.