

## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2022-07 on first and final reading authorizing the Municipal Administrator to apply for a RAISE 2022 Grant with the Department of Transportation for \$7,842,488 with a 20% match commitment to support the reconstruction of the steel pile wall and crane at the Marine Services Center.




# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Melissa Henshaw, Public and Government Relations Director

**Date:** April 6, 2022

**Subject:** Authorization to Apply for a U.S. Department of Transportation Grant to Support Reconstruction of the Sheet Pile Wall and Crane at the Marine Service Center (MSC)

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### Project Background

The Infrastructure Investment and Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL) authorized and appropriated \$1.5 billion to be awarded by the Department of Transportation (DOT) for Local and Regional Project Assistance Program Grants under National Infrastructure Investments. Funds for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants program are awarded on a competitive basis under the FY 2022 Appropriations Act. RAISE grants support capital investments in surface transportation that will have a significant local or regional impact that improve safety, economic strength and global competitiveness, equity, and climate and sustainability. DOT evaluates applications based on the following criteria: safety, environmental sustainability, quality of life, economic competitiveness and opportunity, state of good repair, and mobility and community connectivity with additional considerations of partnership and collaboration, innovation, demonstrated project readiness, and cost effectiveness.

The steel sheet pile retaining wall was originally constructed in 1976. Over the years several different corrosion protection systems have been installed to reduce corrosion of the sheet piling and steel tie-back rods. Additionally, there is a crane at the top of the wall that needs to be replaced to continue to support the fishing fleet and businesses that use this to load/unload product.

In 2011 an engineering condition assessment was performed on the retaining wall. The study concluded that a major renovation of the structure would be required in the near future. A 2021 assessment confirmed the defects from the 2011 report and noted some additional concerns and gave updated cost estimates of \$12 million, however per grant requirements, the 5-year escalation of 22% is not allowed; the project amount has been reduced to \$9.8 million.

### Grant Background

Link to the FY 2022 RAISE Grant program: <https://www.transportation.gov/RAISEgrants/raise-nofo>

RAISE 2022 Grant key factors:

- RAISE Grant was announced March 22, 2022, and applications are due by April 14, 2022.
- Federal share is 80 percent and non-Federal share amount is 20 percent. Although not recommended, rural communities can have a smaller non-Federal share.
- The 2022 RAISE Grant program has \$1.5 billion in available funds – Not more than 50 percent to rural and not more than 50 percent to urban projects.
- RAISE Grants for rural communities may not be less than \$1 million and no more than \$25 million per project. Not more than \$225 million for any one state.
- Grants will be announced August 2022.
- Funds must be expended no later than September 30, 2031.
- Up to three RAISE grants applications can be submitted.
- Previously incurred expenses cannot be included in the application.
- Benefit Cost analysis is required.

### **Fiscal Note**

Estimated Project Cost:

MSC Port Wall and Crane	\$7,842,488 amount requested
	<u>\$1,960,662 20% match</u>
	\$9,803,109 total

If funded, the infrastructure improvements will be accounted for within the Harbor Department Enterprise Fund as a capital project. Outlined below are potential sources for the \$1,960,662 match which would come to the Assembly to authorize execution of the grant if/when we are selected for a grant. At this time, we would also seek Assembly guidance to finalize the source of working capital to be used to match the grant.

The 20% match commitment of \$1,960,662 for the MSC sheet pile and crane replacement could be funded in large part by the MSC Enterprise Fund working capital, though as revenue generated from the seawall is paid to the Harbor Fund, there is also justification to use Harbor Fund working capital to fund part or all of the MSC seawall.

### **Recommendation**

Approve resolution 2022-07 authorizing the Municipal Administrator to apply for a RAISE 2022 Grant with the Department of Transportation (DOT) for \$7,842,488 with a 20% match commitment to support reconstruction of the sheet pile wall and crane at the Marine Service Center (MSC).

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2022-07

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO APPLY FOR A RAISE 2022 GRANT WITH THE DEPARTMENT OF TRANSPORTATION (DOT) FOR \$7,842,488 WITH A 20% MATCH COMMITMENT TO SUPPORT THE RECONSTRUCTION OF THE STEEL PILE WALL AND CRANE AT THE MARINE SERVICES CENTER (MCS)

WHEREAS, the working waterfront at MSC includes a sheet pile wall which is utilized as a berth for marine vessels including fishing vessels, trampers, sailing vessels, small passenger vessels, government vessels and barges that utilize the convenient downtown public seawall to transfer goods, cargo, and passengers to/from vessels in Sitka; and

WHEREAS, the seawall at MSC provides access to a public crane and a 21,000 square foot cold storage building that serves two major fish processors in transporting their product and numerous small business owners such as the frozen at sea and charter fleet; and

WHEREAS, The Alaska Department of Fish and Game records show more than 500 vessel permits in 2021 participating in 65 different fisheries and almost 1,200 permits to various individuals; and

WHEREAS, the fishing industry is an important component in this community and furthermore, the capability to have a working waterfront to move product and conduct business is essential; and

WHEREAS, in 2011 an engineering condition assessment was performed on the sheet pile wall that was built in 1976 at MSC and projected a remaining service life of 5 years and a 2021 inspection confirmed the defects from the 2011 inspection and noted some additional concerns; and

WHEREAS, the CBS proposes a \$9,803,109 project to replace the sheet pile wall and crane; and

WHEREAS, the DOT announced a RAISE 2022 Grant opportunity and CBS is eligible for up to \$25 million per project.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka to authorize the CBS Municipal Administrator to apply for a RAISE 2022 Grant with the Department of Transportation for \$7,842,488 with a 20% CBS match commitment of \$1,960,622 for a total project cost of \$9,803,109.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 12th day of April 2022.

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Steven Eisenbeisz, Mayor

ATTEST:  
  
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Sara Peterson, MMC  
Municipal Clerk

1st and final reading 4/12/2022

Sponsor: Administrator