MEMORANDUM

To: Mayor McConnell and Members of the Assembly

Jim Dinley, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director

Dan Tadic, P.E., Senior Engineer DMT

Reviewed: Jay Sweeney, Finance Director

Mellissa Cervera, Contract Coordinator M

Stephen Weatherman, P.E., Municipal Engineer

Date: March 6, 2013

Subject: Sea Walk – Crescent Harbor Park to National Historic Park

Recommendation to Establish a Sea Walk Sinking Fund

Background

The goal of the Sea Walk project is to create a seamless connection along Sitka's waterfront for visitors and year-round residents alike. The overall Sea Walk, when all portions are complete, will create a continuous pedestrian experience along the water's edge to the greatest extent possible, connecting the O'Connell Bridge Lightering Facility to the National Historic Park. The Sea Walk will become a multi-use trail that is a core year-round community resource.

This segment of Sea Walk will extend along Crescent Harbor Park, from the Centennial Hall Parking Lot to the Sitka Sound Science Center (SSSC), and along the waterfront to a termination at the National Park Service (NPS) boundary on Lincoln Street (see attached sheet C-001). This portion of the Sea Walk will greatly improve connectivity and will provide unique educational, historical, and way-finding opportunities.

Analysis

An annual sinking fund estimate has been developed for this project and is attached to this memorandum. A sinking fund would provide funding for annual maintenance and eventual replacement of this infrastructure. It is estimated that this portion of the Sea Walk will cost the City approximately \$6,910 to maintain on an annual basis to include refuse collection, landscape maintenance, surface cleaning, lighting maintenance, and miscellaneous repairs. In order to budget for annual maintenance and eventual replacement of all project elements, it is estimated that \$48,077 should be set aside annually into a sinking fund.

Fiscal Note

At the present time, the balance of the Marine Passenger Fee Fund (MPFF) is \$1,945,000. The revenue received for fiscal year 2012 was \$135,000.

Public Works has planned for all capital in the MPFF to potentially be dedicated to the Centennial Building Remodel project. In addition, a portion of annual MPFF proceeds is used to reimburse the Harbor Fund and General Fund for passenger safety-related expenses. The annual amount of such reimbursements is projected to exceed the amount of MPFF proceeds received for fiscal year 2014 with the inclusion of the Old Sitka Dock transportation contract.

If the Assembly approves the transfer of MPFF proceeds into the Public Infrastructure Sinking Fund to provide for maintenance and eventual replacement of Sea Walk infrastructure, this will adversely impact the Centennial Building project, leaving a funding shortfall that must be addressed in some other way.

Alternatively, if a transfer of funds into the Public Infrastructure Sinking Fund is not made in order to provide for maintenance and eventual replacement of Sea Walk infrastructure, the City

and Borough will begin to incur future unfunded maintenance and repair obligations. Without a sinking fund to provide future money for repairs and replacements, such repairs will need to either be provided from other sources, including general tax revenues, or the improvement (Sea Walk) will have to be ultimately removed. Attached is the MPFF Budget Summary which was provided to the Assembly on February 8, 2013.

Possible Motion:

Approve dedicating \$48,077 from the Marine Passenger Fee Fund beginning with accruals for calendar year 2014, fiscal year 2015, and thereafter annually to establish a sinking fund to cover future maintenance and replacement costs for the Sea Walk.

SEA WALK - CRESCENT HARBOR PARK TO NATIONAL HISTORIC PARK FINAL DESIGN ANNUAL SINKING FUND CONTRIBUTIONS

ANNUAL MAINTENANCE	Unit of				Total
	Measure	Quantity	Unit Price	Sub Total	Maintenance
Estimated Annual Maintenance Costs			•		\$6,400
Refuse collection	Person-day	4	\$320.00	\$1,280	
Landscape maintenance					
Weeding, re-planting	Person-day	2	\$320.00	\$640	
Supplies	ls	1	\$500.00	\$500	
Surface cleaning					
2-person crew 2 days (2x per year)	Person-day	8	\$320.00	\$2,560	
Power washer	Equip-day	4	\$100.00	\$400	
Miscellaneous					
Concrete, deck and guardrail repairs, etc.	ls	1	\$1,000.00	\$1,000	

WITH ADDITIVE ALTERNATE

Lighting Maintenance (Lamp repl, power)

Asssume 25 LED lamps at 10 w, half time
Lamp replacement at 30,000 hr life, 25 lamp/7-yr

Unit of Measure	Quantity	Unit Price	Sub Total	Total Maintenance
				\$6,910
kwh	1100	\$0.10	\$110	
lamp	4	\$100.00	\$400	

REPLACEMENT COSTS

Replacement Cost
Concrete sidewalk, curb and gutter
Bridges
Timber deck
Guardrail
Site furnishings

Present Estimate	Estimated Service Life (years)	Replacement Cost at Infl Rate 1.5%	Annual Sinking Fund Payment at Int Rate 2.0%	Total Sinking Fund Payment Replacement	Total Maintenance & Replacement
				\$36,800	\$43,200
\$417,400	30	\$652,400	\$16,082	, , , , , , , , , , , , , , , , , , , ,	, , , ,
\$180,400	40	\$327,200	\$5,417		
\$69,000	30	\$107,900	\$2,660		
\$143,500	25	\$208,200	\$6,500		
\$23,100	20	\$31,100	\$1,280		

WITH ADDITIVE ALTERNATE

Lighting and wiring

Present Estimate	Estimated Service Life (years)	Replacement Cost at Infl Rate 1.5%	Annual Sinking Fund Payment at Int Rate 2.0%	Total Sinking Fund Payment Replacement	Total Maintenance & Replacement
\$88,000	20	\$118,500	\$4,877	\$4,877	\$48,077

MEMORANDUM

To:

Mayor McConnell and Assembly Members

Jim Dinley, Municipal Administrator

From:

Michael Harmon P.E., Public Works Director

cc:

Jay Sweeny, Finance Director

Date:

February 8th, 2013

Subject:

Marine Passenger Fee Fund (MPFF) Budget Summary

Per the request of the Mayor, we put together a budget summary for the projected activity related to the Marine Passenger Fee Fund. Mr. Dinley requested that we include all visitor related projects that are actively progressing. The attached budget summary is what we project needing to be secured within the period of the FY14 budget. The Signage, Way-finding, and Branding Project is not something Public Works is directly working on and the cost is a guess at this point as a placeholder.

The Marine Passenger Fee Fund is under duress seeing a significant drop in revenue over the last couple of years. We are down to the point that it is simply not keeping up with our potential operational costs dedicated to this fund. This factor will put more strain on the General Fund to fill this gap. Additionally, to close the gap on the projected shortfall, we are recommending postponing the Museum Expansion (\$4.2-million) within the first phase of the Centennial Hall Project. This improvement will be master planned into the building, but construction will not take place until more funds are secured.

MARINE PASSENGER FEE FUND (MPFF) FY14 SUMMARY

2/7/2013

MPFF REVENUE SUMMARY

MPFF FY 2013 FUND REVENUE	\$ 135,355.00	
CURRENT MPFF UNRESTRICTED BALANCE		
(Including FY13 \$135,355)		\$ 1,754,000.00

MPFF PROJECTED EXPENDITURES

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	G	RANT FUNDING	Т	OTAL PROJECT		PROJECTED
ACTIVE VISITOR PROJECT BUDGET SUMMARY		SECURED		COST		SHORTFALL
Centennial Hall Upgrade	\$	10,191,271.00	\$	15,200,000.00	\$	(5,008,729.00)
Crescent Harbor Sidewalk Widening	\$	700,000.00	\$	700,000.00	\$	-
Sea Walk Pt B - O'Connell to Harbor Way	\$	1,004,755.00	\$	1,004,755.00	\$	-
Sea Walk Pt C - Crescent Harbor to NHP	\$	1,080,000.00	\$	1,380,000.00	\$	(300,000.00)
Centennial/Crescent Harbor Parking Lot	\$	3,950,000.00	\$	3,950,000.00	\$	-
Signage - Wayfinding, Interpretive, and Branding	\$	-	\$	750,000.00	\$	(750,000.00)
SUBTOTALS*	\$	16,926,026.00	\$	22,984,755.00	\$	(6,058,729.00)

ANNUAL OPERATIONAL COST SUMMARY FOR MPFF

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General Fund	\$	(95,933.00)
Harbor Fund	\$	(15,317.00)
Building Maintenance	\$	(1,543.00)
Old Sitka Dock Transportation Contract	\$	(35,406.00)
SUBTOTAL	\$	(148,199.00)
TOTAL PROJECTED EXPENSES FY14*	\$	(6,206,928.00)
	200	

NET BALANCE (Revenue - Expenditures)* \$ (4,452,928.00)

* NOTE: The Museum Expansion is estimated to cost \$4,200,000 and is planned to be dropped from the Centennial Hall Project to reduce the overall projected shortfall.