






City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Michael Harmon, Public Works Director 
Melissa Haley, Controller 

Date: June 10, 2020

Subject: Budget Adjustment for Increased Grant Amount
TSA Baggage Screening Improvements
Sitka Rocky Gutierrez Airport Terminal Improvements Project

Background

The City and Borough of Sitka (CBS) received a grant from the Transportation Security Administration (TSA) in June of 2016 for \$158,570 for the design of improvements to the baggage screening area to increase the speed, efficiency, and security of baggage and fish box handling. Sitka is unique in terms of the need to process a large flow of fish box traffic quickly and efficiently with very limited space in the current configuration.

Assembly approved the application for these funds and execution of the TSA grant agreement in August 2014 and appropriated the TSA grant funding in Ordinance 2016-16 for the design and bidding services. The TSA grant will cover 95% of the total costs with a CBS 5% local match.

As this project has progressed the scope and cost are becoming more refined. To address these changes, TSA has authorized increased grant funds of \$86,816.70 to support the design phase of the project. A budget adjustment ordinance is needed to approve this increased grant amount.

Analysis

The TSA baggage area is one of the needed critical improvements identified in the Terminal Improvements Project Conceptual Planning Diagram, which was approved by the Assembly in 2017. Its physical location is central within the terminal building. Determining the final size and shape is critical because any changes to it would impact the adjacent areas and other critical terminal improvements. You can view the

conceptual plan and assembly ordinance on the project page.

The project has effectively been on hold awaiting the TSA Grant Amendment. This offer was received April 28, 2020. With Assembly approval of the budget appropriation, we will be able to move forward with the SIT Terminal Improvements Project along with the specific TSA Baggage Screening Improvement.

Fiscal Note

The TSA grant modification will cover 95% of the total additional costs \$86,816.70 with an addition CBS 5% match needed of \$4,569.30. See the cost breakdown below. The Airport Terminal Improvement Project has sufficient funds already appropriated and available to support the required match funds.

Total Anticipated TSA baggage area improvement budget:

| <u>Preconstruction:</u> | <u>Original Grant</u> | <u>Increase</u> | <u>Total</u> |
|-------------------------|-----------------------|-----------------|--------------|
| TSA Grant Amount | \$158,569.25 | \$86,816.70 | \$245,384.95 |
| CBS 5% Local Match | \$8,345.75 | \$4,569.30 | \$12,915.05 |

Construction:

| | |
|--------------------------------|--------------------|
| Anticipated TSA Grant Amount | \$3,397,500 |
| Anticipated CBS 5% Local Match | <u>\$178,815</u> |
| Total | <u>\$3,567,315</u> |

It is important to note there is not guarantee we will receive more funding to construct this project but we are following the steps necessary to be eligible.

Recommendation

Increase the Airport Baggage & TSA Area project budget by \$86,816.70 and authorize the additional expenditures of these funds.