

CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2013-12

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, APPROVING SUBMITTAL AND EXECUTION OF A MUNICIPAL HARBOR FACILITY GRANT APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (ADOT&PF) IN THE AMOUNT OF \$320,000 FOR THE PROJECT ENTITLED ELIASON HARBOR FLOATATION UPGRADES

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities administers the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka owns and maintains Eliason Harbor which is eligible for a Municipal Harbor Facility Grant which, if awarded, will pay 50 percent of the eligible construction costs of this project; and

WHEREAS, the City and Borough of Sitka will provide the required 50 percent in local matching funds for the Eliason Harbor Floatation Upgrades per the Municipal Harbor Facility Grant program; and

WHEREAS, the City and Borough of Sitka is capable of completing the Eliason Harbor Floatation Upgrades within eighteen (18) months after award of a Municipal Harbor Facility Grant; and

WHEREAS, Eliason Harbor is critical to the City and Borough of Sitka to provide greatly needed year-round vessel moorage;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Eliason Harbor Floatation Upgrades and agrees, subject to available Alaska Legislative funding and selection by ADOT&PF, to enter into a grant agreement with the State of Alaska, Department of Transportation and Public Facilities for a Municipal Harbor Facility Grant;

AND BE IT FURTHER RESOLVED by the Assembly that the Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 23rd day of July, 2013.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Acting Municipal Clerk

MEMORANDUM

To: Mayor McConnell and Assembly Members
Jay Sweeney, Interim Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *MH*
Dan Tadic, P.E., Senior Engineer *DT*
Stan Eliason, Harbormaster *SE*

Cc: Mike Middleton, Interim Finance Director *MM*
Stephen Weatherman, P.E., Municipal Engineer *SW*
Mellissa Cervera-Bean, Contract Coordinator *MC*

Date: July 17, 2013

Subject: ADOT&PF Municipal Harbor Facility Tier II Grant Application
Eliason Harbor Floatation Upgrades

Background

Eliason Harbor, once referred to as New Thomsen Harbor, was designed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) and constructed in two phases. Phase I construction began in 1996 and Phase II construction was completed in 1999.

Eliason Harbor was evaluated as a part of the Harbor System Master Plan in late 2011. While the overall harbor facility was deemed in good condition with a remaining safe and useable life of 20 years, at that time the consultants noted issues with freeboard on the main floats and the log reinforced breakwater floats (5, 6 and West Transient).

The term "freeboard" in relation to float design refers to the height of the top of the deck boards above the water surface. Eliason Harbor design freeboard under dead loading was approximately 17.5 - 18 inches. For perspective, design freeboard for more recent projects at Thomsen Harbor (2006) and ANB Harbor (2013) under dead load was 20 inches and 22 inches respectively. Freeboard measurements obtained by Harbor Staff at Eliason Harbor prior to any floatation upgrades ranged from 14 - 18 inches. A freeboard measurement of just 15 inches places the lower timber sill at the water surface.

Analysis

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally-owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored based on nine weighted criteria.

The 50/50 Grant Program is comprised of two tiers: Tier I applications are for repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities whether formerly State-owned or not. Since Eliason Harbor was never State owned, the Eliason Harbor Floatation Upgrade project would fall under a Tier II grant application.

Floatation upgrades at Eliason Harbor have been budgeted as Capital Projects under the Harbor Fund in FY12, FY13 and again in FY14. Securing Tier II grant funding for this project would allow the City and Borough to complete the necessary floatation upgrades at this now 15+ year old facility for half price. It is imperative to get the timber elements out of the water in an effort to prevent rapid deterioration and ensure that the floats last another 20+ years. A resolution of support from the Assembly is not required for the application, however would provide the City and Borough the best possible chance of securing funding for this project.

Fiscal Note

The floatation upgrades at Eliason Harbor were not a scheduled improvement contained within the Sitka Harbor Master Plan CIP (2012). Despite this absence, upgrading the floatation at Eliason has been a high priority for the Harbor Department since the issue was first discovered in late 2010. The Harbor Department has spent nearly \$300,000 since 2011 adding floatation tubs to the floats at Eliason Harbor.

Funding of the 50% local match to the grant, if approved, would be provided for by either undesignated working capital of the Harbor Fund, or if such working capital is insufficient or earmarked for other projects, by the proceeds of loans or bonding. The Harbor Master Plan anticipates such bonding in 2013, 2015 and 2017.

In order to finance the required match through either working capital or debt, implementation of the proposed multi-year moorage rate increase is necessary; otherwise, subsidization by the General Fund may become necessary.

Recommendation

Authorize the Interim Administrator to submit an ADOT&PF Municipal Harbor Facility Tier II Grant Application for the Eliason Harbor Floatation Upgrades project and execute the grant if received.



TIDAL DATA

EHW	14.6'
EHT	12.7'
MHHW	9.9'
MHW	9.1'
MLLW	0.0'
ELW	-4.0'



City and Borough of Sitka
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**ELIASON HARBOR
 FLOATATION
 UPGRADES**

DRAWN:	JJH	SCALE:	N.T.S.
CHECKED:	D. TADIC	DATE:	07.12.2013
DRAWING NAME	EliasonHarbor		
SHEET NO.	1 / 1		



Memo

To: City and Borough of Sitka Assembly
From: Jay Sweeney, Interim Municipal Administrator
Date: 7/18/13
Re: Eliason Harbor Float Upgrades Tier II Grant Application

Upon reviewing the Eliason Harbor Float Upgrades Tier II Grant application in the Assembly packet, I had several concerns and unanswered questions. Upon discussing the issues with the Public Works and Harbor Departments, my questions were answered. I feel, however, that supplemental disclosure and discussion is in order.

The Eliason Harbor Float Upgrades project has been budgeted for in a piecemeal fashion over the last few fiscal years, with each year's capital appropriation representing the work to be accomplished in that year. These appropriations are, in actuality, phases of an overall project whose entire scope is much larger. In the refinements we have been making to the capital project budgeting process, we have been moving towards showing projects in their entirety, with the different funding components (working capital, grant, and loan) displayed. Projects which are contingent on the acquisition of grant funding are shown in such a fashion in the budget.

The Eliason Harbor Float Upgrades project has not been displayed in this new format within the FY14 budget; instead, the amount shown for the project in the FY14 budget is representative of the amount which would be expended just for a small segment of the work in FY14.

So that the Assembly has complete information, additional information concerning the Eliason Harbor Float Upgrade project ("the project") is as follows:

- The project is a multi-year project upgrading all floats and costing a total of approximately \$1,500,000;
- Floats 2, 4, 7, 8, 9 and 10 have already been upgraded;
- The grant being applied for is to upgrade floats 5, 6 and the west transient float. The total cost of this phase is \$640,000, of which \$320,000 is being applied for in a grant and 320,000 will come from the Harbor Fund working capital;
- If the grant is received and work is completed, floats 1, 3, and the main float will still need to be finished in future years;
- Although the grant is being applied for in FY14, if it is received, work will be completed in FY15. For this reason, the full cost phase for which the grant is being applied for was not included in the FY14 budget.
- If the grant is not received, the Harbor Department will continue picking at this project at approximately \$50,000 per year, funded out of Harbor Fund working capital;
- The FY14 budget will be amended to reflect the entire project within the Harbor Fund capital project plan
- The project was not included in the Harbor Master Plan for two reasons: (1) the full scope of the degree of the degradation of the floats was unknown at the time of the condition survey,

and (2) as repairs were already partially underway, the project was considered ongoing. The upcoming revision of the Harbor Master Plan, with supporting financial analysis to determine rates, will provide for this project in its entirety.

Despite the piecemeal manner in which this project has been approached so far and incomplete representation of the project within the budget and the Harbor Master Plan, the bottom line is that the work must be accomplished and approval of the grant request is sound and appropriate.

If the repair work is not accomplished, then the eventual replacement target date for Eliason Harbor will be hastened due to accelerated deterioration of the harbor infrastructure.