Exhibit 2. Application Form

Project title: Gary Paxton Industrial Park Haulout Facility
Project location(s): 4565 Sawmill Creek Road, the uplands 4550 Sawmill Creek Road.
Name of applicant (organization/entity): City and Borough of Sitka
Name of applicant's representative (person): John Leach, Municipal Administrator
Name of applicant's project manager (person): Michael Harmon, Public Works Director
Name of applicant's financial contact (person): Melissa Haley, Finance Director

- ■ I acknowledge that I am duly authorized to represent my organization
- ■ I acknowledge that I have reviewed all information included in the original FOA and all subsequent information related to the FOA (if any) posted on the Commission's website
- ■ I certify that my organization is in good standing with the Internal Revenue Service
- ■ If applicable, I confirm that my organization is authorized to apply on a tribal entity's behalf and have provided reference to an appropriate authorizing resolution included in the Appendix (not subject to the page limit)

Project Summary – please describe the project:

- identify the problem
- describe the project to address the problem identified
- summarize the steps (tasks) to accomplish the project
- schedule (start and end dates or milestones)
- provide the total cost of the project and amount of funding requested
- identify if the community/communities served is/are a distressed community, disadvantaged community, and/or Environmentally Threatened Community

Commercial fishing, and the associated marine service sector, is a main driver of Sitka's economy. The existing vessel haulout facility in Sitka terminated operations in the spring of 2022 to pursue other opportunities, leaving the community without the ability to haul vessels. The lack of this critical infrastructure will cause an economic, environmental, and safety hardship to the local fleet in Sitka.

The City and Borough of Sitka (CBS) has worked with the private sector over the past decade on a private sector solution for the development of a vessel haulout at the Gary Paxton Industrial Park (GPIP). This effort has been unsuccessful. The CBS is investigating a public private partnership (PPP) to develop a haulout facility. Denali Commission funding of a planning, engineering, and environmental assessment will assist the CBS with determining updated cost estimates of the project and will allow the CBS to properly develop a PPP to move the development of a haulout forward.

The CBS is requesting funding for a first phase to update planning, engineering, and cost estimates including; Survey and Geotechinal analysis of the proposed haulout location, Engineering Concepts, Wind and Wave Assessment, Pre-Design, and a Capital Improvement Plan in the amount of $430,000. In phase two, the CBS is requesting funding for the next phase of development, an environmental assessment (EA) of the site to include; EA Project Management, Initial EA Development, and Environmental Assessment in the amount of $440,000. The CBS will match with an in-kind donation of in-house staff time and resources in the amount of $99,480 for managing outside consulting firms to project the planning, engineering, and environmental assessments.

The CBS wishes to move this project along as soon as possible, due to the lack of the critical infrastructure and safety issues. The project is anticipated to take 24 months to complete the environmental assessment. The CBS has applied for US DOT RAISE Funds for the construction of a haulout facility. The CBS continues to work with local shareholders on the development of the facility.

The City and Borough of Sitka is Non-Distressed according to the 2021 Distressed Communities Report.

The City and Borough of Sitka is not served as an environmentally Threatened Community as identified in the Commission's 2019 Statewide Threat Assessment.

SIGNATURE:
John M. Leach

Digitally signed by John M. Leach
Date: 2022.05.04 13:24:28 -08'00'

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Project Narrative

Sitka is a remote, rural community located on the outer coast of Baranof Island in Southeast Alaska. Sitka has a population of 8,458 according to the 2020 US Census. Sitka is a diverse community with a local economy driven mainly by tourism, health care, and commercial fishing.

Sitka's maritime industry is an important part of the community and economy that is currently being affected by lack of critical infrastructure in the community. 2020 ADF&G records show more than 400 commercial fishing vessels home ported in Sitka. Sitka based fishermen hold 526 commercial fishing permits of which 366 were fished in 2020 by Sitkan fishermen, who landed 17.8 million pounds with estimated gross earnings of $31.1 million. Sitka is home to one of the largest fishing fleets in Alaska. According to the National Oceanic and Atmospheric Administration, Sitka ranked 19th in the nation for fishery landings and value in 2019 and 7th in the State of Alaska for the same statistics.

The existing vessel haulout facility in Sitka, owned by Halibut Point Marine Services LLC (HPM), has been a haulout facility since the mid 1980's. The company ceased operations March 31, 2022, to pursue other business opportunities, leaving the community without an ability to haul vessels. The HPM haulout facility was a large economic driver in the community, many independent marine service providers have earned a living working on the various vessels that visit Sitka and the HPM yard. The lack of a haul out and shipyard facility in Sitka will cause the commercial vessel owners to travel to other communities for vessel work. The community will be underserved in the ability for vessels to get work done by local marine service providers, causing further job losses.

A public vessel haulout facility in Sitka is critical to retaining existing marine service sector jobs and to provide resiliency in Sitka. The disruptive loss of the community vessel haulout in conjunction with the economic effects of the SARS-CoV-2/COVID-19 virus has taken a toll on the local economy. A Sitka developed haulout has the ability to create an estimated 15-20 new marine service sector jobs and become a large economic driver in Sitka due to the proposed increased site footprint and marine haulout equipment over the existing HPM facility.

Not having a local Sitka haulout will impact roughly 90 percent of the local commercial fleet, causing them to travel at least 300 miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint. Sitka recently had an economic Benefit Cost Analysis developed (Appendix A). The analysis shows that not having a local haulout option in Sitka will cost the commercial fleet almost $15 million in increased travel costs, roughly $2.5 million in opportunity cost of time, and over $11 million in emissions avoided over 20 years for a total analysis of $29 million impact when using the 3 percent discount rate for emissions. Additionally, a significant safety concern exists with no ability to haul vessel in emergency situations.

The City and Borough of Sitka (CBS) is requesting financial assistance in its planning efforts to construct a marine haulout facility at the Gary Paxton Industrial Park (GPIP) located in Sitka Alaska and owned by the CBS. See Appendix Figure 1, 2, and 3. Planning efforts by the CBS consist of investigating the economic benefit of the project to the community, a conceptual design and cost estimate, and an environmental assessment of the subject area for the development. Sitka has funded and completed an economic assessment with attached Benefit Cost Analysis attached in the Appendix.

This project will contribute to a reduction in crashes, fatalities, and injuries as Sitka vessel owners would have the opportunity to remain in Sitka to conduct annual repair and maintenance activities. The

private marine haulout facility had been in operation for over 40 years. In a span of five years from 2017 to 2021, there have been 481 individual users of the private marine haulout. If vessels must travel 150 miles to reach the closest haulout for required routine maintenance, it is bound to attribute negatively to safety. The induced travel from the closure of the existing haulout facility can be hazardous to vessel operators already working long harvest hours.

The CBS request that the Denali Commission consider funding for additional planning efforts through either the Transportation or Infrastructure Program Area. The CBS is requesting funding for the following:

1. Phase I - Updated Conceptual Design and Cost Estimate - $430,000

The existing CBS cost estimates and conceptual design was completed in 2014. The cost estimate is outdated and assumed not accurate due to inflation and other factors over the years. Additionally, multiple different locations on the GPIP properties have been investigated for the location of haulout infrastructure. The CBS would like to thoroughly investigate the existing proposed location and a new location identified by the most recent RFP process.

2. Phase II - Environmental Assessment (EA) - $440,000

An environmental assessment is a lengthy process that will take time before construction of the project can begin. The lack of an existing haulout facility is causing great anxiety in the community and time is of the essence for emergency and safety concerns. Have a complete EA will speed up the project and provide needed information for future development.

This project is critical for the maritime industry in the Sitka area, specifically the commercial fishing industry and the marine service sector in Sitka. This project is necessary to (1) continue to allow for local vessel haul out options that have been historically provided in the community, (2) reduce travel costs and emissions for vessels having to travel to other regional shipyards, (3) provide critical infrastructure for emergency vessel repairs and (4) retain and grow local marine service sector jobs.

Scope of Work and Schedule

Concept design and all components needed to complete the Environmental Assessment (EA) for a total cost of $870,000. Engineering and environmental at the same time in total it will take approximately 2-years to complete. Engineering on its own would take 12-months and the EA on its own takes 24-months.

Planning and Engineering (12-months):

Task 1 - Survey and Geotechnical ($150,000)

Perform Field Survey and Geotechnical Exploration to ensure that the site is suitable for the proposed development. This scope will include Topographic and Planimetric Survey, Bathymetric Survey and Property Boundary Survey efforts as needed. Existing data sets capable of providing study level efforts will be researched and explored prior to field data collection. Load calculations will be performed to determine any needed mitigation to support heavy loading related to transporting and storing large vessels on site.

Task 2 - Engineering Concepts Update ($70,000)

Update the concept drawing and project description, using existing topographic/ bathymetric data, and recommendations from prior siting studies. The concept drawing shall make a preliminary assessment of the feasibility of a haulout and associated upland improvements. The concept drawing shall also depict how the facility would be expanded to accommodate the 20-year forecast of demand. This task will reconfirm facility demand and sizing and coordinate a stakeholder/user meeting in coordination with the public

scoping meeting to discuss the project and a survey to document/reconfirm user demand.

Task 3 - Wind and Wave Assessment ($30,000)

Update wind and wave design criteria for the site using new data that has become available. Research available wind data and develop a predicted wave height using a simple fetch analysis.

Task 4 - Pre-Design: ($125,000)

Prepare pre-design documents for the project that include plans and a conceptual cost estimate suitable for the EA, permits and final planning and funding decisions. Pre design will also show a conceptual future expansion phase(s), with conceptual costs. This will include consultations with the CBS harbormaster, FAA, Coast Guard, Corps of Engineers, DOT&PF, and other relevant agencies and prepare and compile the predesign findings in a report.

Task 5 - Capital Improvement Plan (CIP) Charter ($55,000)

Develop a preliminary CIP Charter to include final project scoping information, schedule, engineer's estimates, funding plan and funding sources for the project.

Environmental Assessment (24-months):

Task 1 - EA Project Management: ($25,000)

Environmental Lead will coordinate consultant resource specialists and subconsultants to ensure that the scope of work is clear, information is communicated between parties as needed, and schedule updates are received on a regular basis.

Task 2 - Initial EA Development: ($35,000)

This task consists of developing the projects Purpose and Need Statement, identifying Alternatives, developing Study Area, and develop the Public and Agency Outreach Plan.

Task 3 - Environmental Assessment: ($380,000)

Complete an EA draft document and all necessary public and agency review required including cultural resources to produce a final document to be used for project permitting and NEPA.

Organization, Capacity, and Delivery Method

The City and Borough of Sitka (CBS) is a unified city-borough in Southeast Alaska. The Municipal Administrator is the chief administrative officer with responsibility to direct the operation of the entire city and borough. A seven-member Assembly is the elected body that establishes vision and direction for the community's future.

Sitka's team is continually and successfully executing over $20 million in projects per year including having carried out projects up to $150 million. The Public Works Director was certified in managing Federally funded projects under the State of Washington's Department of Transportation program for managing Federal Highway funds and his work has been referenced in training manuals for local government. The best practices used in managing Federal Highway funds has been carried over to Sitka policy and staffing efforts to mitigate risk on projects and has served Sitka well over the last 12 years executing over $240 million in projects without incident or contractor claims. The Finance Department is fully staffed and includes a Grant Accountant that is knowledgeable in the post-award stage of state harbor facility grants and other Federal grants.

City and Borough of Sitka	
Michael Schmetzer, Municipal Engineer Project Manager 100 Lincoln Street, Sitka, AK 99835 Phone: 907-747-1807 Fax: 907-747-3158 Email: mike.schmetzer@cityofsitka.org	Melissa Haley, Finance Director Financial Contact 100 Lincoln Street, Sitka, AK 99835 Phone: 907-747-4050 Fax: 907-747-0536 Email: melissa.haley@cityofsitka.org

The CBS intends to contract third party professional consulting firms to complete the tasks outlined above. A CBS project manager and facility manager will work with the outside consultants and provide a link between the community, the municipality, and the outside firm.

CBS acknowledges to:

- Negotiate with the Denali Commission to determine the exact award amount and period of performance.
- Agree to the Commission's standard Terms and Conditions or negotiate minor changes on a case-by case basis.
- Comply with all applicable federal, state, and local regulations.

Partnerships and Leveraged Funds

The City and Borough of Sitka (CBS) has long recognized the importance of the fishing and the maritime industry to the community of Sitka. The CBS has been working on vessel haulout development concepts since the GPIP properties were acquired in 1999. The project has been a legislative priority for the community since FY2005. The CBS has released three separate Request for Proposals (RFP) over the last decade for private sector development of a vessel haul out facility. None of the responders to the RFPs have been successful in obtaining all of the necessary funding to move the project forward. The CBS has submitted haulout development funding requests the past three years via the USDOT BUILD and RAISE Grant opportunities. Both Alaska US Senators visited the proposed project site at the GPIP in 2021 and were briefed on the importance of a local haulout to the community of Sitka. The development of a haulout facility in Sitka is the community's top priority.

The project has the support of local fishermen, local fish processing facilities, and marine service sector businesses. In 2021 a group of local benefactors of a haulout in Sitka was formed, called the Sitka Community Boatyard Group LLC. This group has been working with the CBS and other shareholders on the establishment of the haulout. The Sitka Community Boatyard has expended its own funding on engineering designs, and has commitments for additional funding as well.

The CBS has tried unsuccessfully for years via the RFP process to have the private sector develop the haulout. The CBS is investigating moving the project forward as a public-private-partnership. The CBS intends to work with local shareholders on the future development of the haulout through its competitive bidding processes outlined in Section 18.12.010 of its governing code. Having a clear understanding of a conceptual design, updated estimate costs, and an environmental assessment will help with the development of a future public-private-partnership.

Budget/Resources

The CBS has funded the economic benefit cost analysis and updates for $18,500. Additionally, the CBS has committed to funding 20% or $1,837,600 of the estimated $9,188,000 total project costs estimated during the 2022 RAISE Grant application.

Budget by Cost Category			
Cost Classification	Denali	Match	Total
1. Personnel & Fringe			
Project Manager ($100/hr at 35 hrs/month)		$84,000	$84,000
Facility Manager ($43/hr at 15 hrs/month)		$15,480	$15,480
1. Contractors	$870,000		$870,000
2. Project (program) income	$0.00	$0.00	$0.00
3. TOTAL PROJECT COSTS	$870,000	$99,480	$969,480
FEDERAL FUNDING			
4. Federal assistance requested			$870,000

CBS match of $99,480 will consist of in-house staff time and resources to manage outside consultants for the planning, engineering, and environmental assessment.

Budget by Task	
Task	Total Cost
1. P&E Survey and Geotechnical	$ 150,000
2. P&E Engineering Concepts Update	$ 70,000
3. P&E Wind and Wave Assessment	$ 30,000
4. P&E Pre-Design	$ 125,000
5. P&E Capital Improvement Plan (CIP) Charter	$ 55,000
Subtotal for P&E	*$ 430,000*
1. EA Project Management	$25,000
2. EA Initial EA Development	$35,000
3. Environmental Assessment	$380,000
Subtotal for EA	*$ 440,000*
TOTAL PROJECT COSTS	**$870,000**

Funding Summary	
Total project Costs	$ 938,250
City and Borough of Sitka Match	$ 99,480
Denali Commission	$870,000

Distressed Community and/or Disadvantaged Community Statement

The City and Borough of Sitka is Non-Distressed according to the 2021 Distressed Communities Report. It is not in an Area of Persistent Poverty nor is it close to any of those areas in the State of Alaska. The project is census tract 2 and not located in a Historically Disadvantaged Community nor located in any of the four Federally designated community development zones. According to the U.S. Census Bureau, a combination of more than one race that includes American Indian and Alaska Native percentage population of Sitka is 14.9 percent relative to 2.8 percent for the U.S.

Environmentally Threatened Community Statement

The City and Borough of Sitka is no served as an environmentally Threatened Community as identified in the Commission's 2019 Statewide Threat Assessment.

Appendix

Maps

Figure 1- GPIP Haulout project location

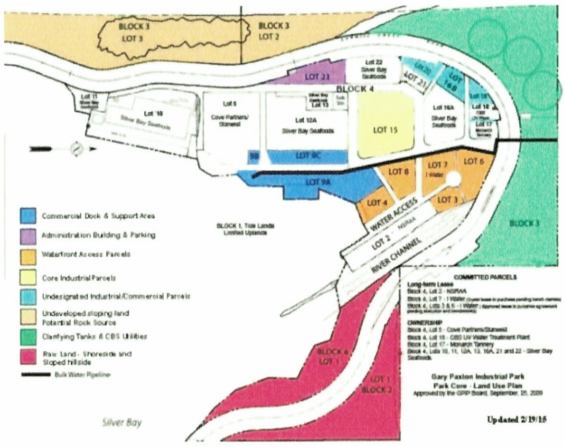

Figure 2- Sawmill Cove Industrial Park Subdivision (GPIP)

Photographs

Figure 3- GPIP dock and uplands

Figure 2- Travel lift

BCA

The following information was taken from an April 2022 Benefit Cost Analysis (BCA) prepared by Cordova Consulting in Chickaloon, AK. The entire BCA can be provided upon request.

The calculations of data has been removed as the data is detailed and lengthy. The BCA analyzes taking no action and not having a local haulout facility in Sitka versus the development of a 150-ton haulout facility. The CBS is providing the assumptions for each category analyzed in the BCA; Vessel Avoided Travel, Vessel Emissions, and Opportunity Cost of Travel. The Benefit-Cost Summary provides a summary of the data and shows a significant expense to the fleet and the environmental by not developing a haulout in Sitka.

Vessel Forecast

There are more than 400 fishing vessels permits with Sitka addresses in the Alaska Commercial Fisheries Entry Commission (CFEC) database for 2020. Using these vessels and their characteristics as a minimum for vessels wishing to haul-out to conduct repairs and maintenance at Sitka is a conservative estimate. There are many more vessels that could use the haul-out facility including recreational, government, barge, and research vessels. In addition, vessels from other communities could also find the need to haul-out at Sitka. Supporting data for these other vessels is not readily available so they have not been included in the benefits analysis, which strongly suggests that benefits are understated in this evaluation.

The responses informed the following assumptions in order to determine benefits for the project:

- All commercial fishing vessels must haul their boats at least annually for pressure washing below the water line, anti-fouling paint, and replacement of sacrificial zincs, and other activity.
- The existing boat haul-out is now closed requiring commercial vessels to seek haul-out services elsewhere.
- Vessels less than 20-feet in length can be removed from the water by trailer for annual maintenance and repair.
- Vessels in the 20-foot to 40-foot length listed as trollers on the vessel permit file are too large to haul out by trailer and must travel to Wrangell for haul out. Vessels in the under 40-foot category are estimated to travel at 8.3 nautical miles per hour.
- Vessels in the 40-foot to 60-foot length must travel to either Wrangell (167 nautical miles one-way), Petersburg (159 nautical miles one-way), or Hoonah (58 nautical miles one- way) for annual haul-out. Vessels in the 40-60-foot category are estimated to travel at 10 nautical miles per hour.
- Vessels greater than 60-feet in length will need to travel to Seattle, or similar location in the Pacific Northwest, for annual maintenance and repair.

Seattle is 902 nautical miles away. Vessels in the greater than 60-foot category are estimated to travel at 10 nautical miles per hour.

- The useful life of the haul-out/trave lift prior to needing upgrades or major repairs is assumed to be 20 years so this forecast uses a 20-year present value calculation.
- Benefits and costs have been discounted at a 7 percent discount rate in order to compare values in today's dollars.
- Benefits from emissions reduced have been discounted at 7 percent and 3 percent as required by US DOT Benefit Cost Analysis updated guidance from March 2022.

In order to facilitate the choice of project to pursue, the benefit analysis then looked at the base case and an alternative with 150-ton trave lift. See Figure 4. The base case is needed in order to compare the other alternative to a "no action" scenario. Using a 20-year period of analysis allows for comparison to the construction costs which occur in advance of benefits accruing. Benefits are assumed to begin accruing in 2024 after a 2-year construction period.

Assumptions for each of the alternatives follows:

In this case, the existing haul-out facility closes in 2022 and vessel owners must seek alternatives to maintain and repair vessels. The following assumptions were used:

- Vessels under 20-feet in length can be removed by trailer and stay in Sitka for maintenance and repairs.
- Vessels in the 20-foot to 40-foot range identifying as trollers cannot be hauled out by trailer (due to width) and are expected to travel to Wrangell for haul-out. Wrangell will probably be overwhelmed with the number of vessels, and it is expected that Petersburg will serve as a back-up to Wrangell.
- Vessels in the 40-foot to 60-foot category must travel to either Wrangell or Petersburg for annual haul-out. This analysis uses the responses from telephone interviews conducted May 2021 for selection of alternative ports to haul-out. Some vessels will travel to Hoonah as well for haul-out and repairs.
- Vessels greater than 60-feet in length must travel to Seattle or similar Pacific Northwest location for annual haul-out.
- The existing haul-out owner provided ten years data showing a slight increase in the demand for haul-out services. This increased demand was about 1.4 percent annually for vessels in the under 60-foot category. So, the vessels in the under 60-foot category are assumed to increase by 1.4 percent annually.

Several more vessels can be accommodated with a larger trave lift than are currently accommodated with the existing 88-ton trave lift. Assumptions concerning the 150-ton trave lift are as follows:

- 84 percent of vessels in the under 40-foot category will use the 150-ton trave lift based on current usage.
- 84 percent of vessels in the 40-foot to 150-foot category will also use the 150-ton trave lift.
- The number of vessels grows in the under 60-foot category annually by 1.4 percent based on most recent 10 years of existing haul-out usage.
- Interview results from May 2021 indicate that all vessel owners would use the new trave lift facility once a year.
- Vessels greater than 150-feet report gross tonnages more than 150 tons so cannot use the 150-ton trave lift and must travel to Pacific Northwest ports for repair and maintenance.

Vessel Avoided Time

Additional assumptions concerning the avoided travel include:

- Sitka vessels would be making a roundtrip to the alternate port for haul-out as these vessel owners have addresses in Sitka and are presumed to live there year-round.
- Vessel speeds are estimated at 8.3 nautical miles per hour for vessels under 40-feet.
- Vessel speeds are estimated at 10 nautical miles per hour for vessels greater than 40-feet.
- Vessels make one trip per year for haul-out repairs and maintenance.
- Vessels must haul-out every three years for inspections. This haul-out is assumed to take place the same time as repair and maintenance.
- The forecast assumes that the vessels in the under 60-foot category increase by 1.4 percent annually based on the historical usage of the existing haul-out facility.

Vessel Emissions

"Transportation activities contribute significantly to localized air pollution, and some transportation projects offer the potential to reduce the transportation system's impact on the environment by lowering emissions of air pollutants that result from production and combustion of transportation fuels. The economic damages caused by exposure to air pollution represent externalities because their impacts are borne by society as a whole, rather than by the travelers and operators whose activities generate these. By lowering these costs, transportation projects that reduce emissions may produce environmental benefits."

Once the existing haul-out facility shuts down, there will be additional travel requirements imposed on the Sitka commercial vessels as they seek haul-out facilities elsewhere. This

analysis takes a conservative approach and uses the 2010 total cost per cylinder for Stoichiometric Gasoline Direct Injections[5] and assumes at least one 8-cylinder engine for each of the vessel types described in this analysis.

The 2010 cost per cylinder from the National Highway Transportation Safety Administration Final Regulatory Impact Analysis was $67.00. Updating this to 2020 dollars using deflator indexes from the Bureau of Economic Analysis results in $74.26 per cylinder in emissions reduction. (Calculation: $67 * 113.638(2020$) / 102.532(2010$) = $74.26)

Emissions under the base case total $21.9 million. Emissions under the 150-ton trave lift are $5.3 million. Emissions will be discounted in a subsequent step along with discounting of project costs in order to determine the net benefits and benefit to cost ratio. Emissions avoided with the 150-ton trave lift are $16.6 million ($21.9 million minus $5.3 million). These will be discounted in a subsequent step.

Opportunity Cost of Time

The opportunity cost of time measures the choice of the next best alternative to the thing chosen. In this case, vessel operators must stay on their vessel during travel to alternate harbors. Vessel operators could elect to do something else with their time. For instance, being with family, visiting with friends, and enjoying all that Alaska has to offer.

Given the hectic pace of the summer fishing season in Alaska, most vessel operators would choose to continue other productive work. However, failing data to support this assumption, this analysis assumes that vessel operators would choose leisure activity if transportation to alternate ports could be avoided with haul-out improvements. Leisure activity for purposes of this analysis is 1/3 of the wage rate for the various positions on each of the vessel types described.
Wage rates were obtained from the State of Alaska Department of Labor and Workforce Development Occupational Database for May 2020 – Statewide wage rates, the most recent data available. These wage rates probably understate the actual wage rates of captains and mates working in Alaska waters.

Opportunity Cost of time for captain and crew who must accompany the vessel to alternate ports for haul-out maintenance and repairs totals $8.2 million over the 20-year period of analysis.
Opportunity Cost of Time for the 150-ton trave lift alternative is $2.3 million. The difference between the base case and the 150-ton trave lift is a benefit of $5.9 million. Opportunity Cost of Time will be discounted in a subsequent step along with discounting of project costs in order to determine the net benefits and benefit to cost ratio.

Benefit-Cost Summary

Net benefits for the 150-ton trave lift alternative are almost $25 million over the 20-year period of analysis when using the 7 percent discount rate. When we use the 3 percent discount rate for emissions, the present value of benefits is $29.1 million. See Table 18. The benefit to cost ratio from the 150-ton trave lift infrastructure improvement at the Gary Paxton Industrial Park in Sitka is a 3.39 using a 7 percent discount rate and a 20-year period

of analysis and rises to 3.96 when using the 3 percent discount rate for emissions. Net benefits are $17.6 million using the 7 percent discount rate and $21.8 million when using the 3 percent discount rate for emissions.

Table 18 – GPIP Haul-Out Comparison of Benefits and Costs

Summary of Calculations	150-ton Haul-out
Benefit calculations – 2020 $$ @ 7%	
Vessel avoided travel	$ 14,762,000
Opportunity Cost of time	$ 2,521,000
Emissions reduced	$ 6,980,000
PV Benefits summary @ 7%	**$ 24,263,000**
Benefit calculations – 2020 $$ @ 3% for Emissions	
Emissions reduced at 3%	$ 11,144,000
PV Benefits summary @ 3% for Emissions	**$ 28,427,000**
PV periodic maintenance	$ 113,000
PV Residual value of assets	$ 607,000
Sum maintenance and Residual Value	**$ 720,000**
Total benefits at 7%	**$ 24,983,000**
Total benefits at 3% for Emissions	**$ 29,147,000**
Cost Calculations – 2020 $$	
PV Cost of Project	$ 7,368,000
PV Net benefits (benefits – costs) @7%	**$ 17,615,000**
PV Net benefits (benefits – costs) @3% for Emissions	**$ 21,779,000**
Benefit/cost ratio (benefits/costs) @ 7%	**3.39**
Benefit/cost ratio (benefits/costs) @ 3% for Emissions	**3.96**

Alaska Longline
FISHERMEN'S ASSOCIATION

Post Office Box 1229 / Sitka, Alaska 99835 907.747.3400 / alfafishak@gmail.com

March 14, 2022

The Alaska Longline Fishermen's Association (ALFA) supports the City and Borough of Sitka in its application for the RAISE Transportation Discretionary Grant to build the Gary Paxton Industrial Park (GPIP) haul out and marine service center.

Over 600 commercial fishing boats are homeported in Sitka. Sitka has the largest commercial fishing fleet in Southeast Alaska and the third largest marine fleet in the state of Alaska. The fleet requires marine infrastructure to function safely and successfully; in fact, every commercial fishing boat must conduct out of water maintenance annually to be in compliance with insurance requirements. Since the closure of Sitka's commercial haul out, local vessel owners have been forced to travel long distances to other towns and, in some cases, states to perform regular maintenance and repair work, imposing high costs in fuel and lost fishing time on the fleet, jeopardizing the economic viability of the marine service sector, and reducing revenue and economic activity to the community. Constructing a haul out and marine service center is critical to the health of the Sitka fishing industry and the community. If Sitka is without a haul out for more than a few years, many vessel owners will relocate to another town that does provide essential infrastructure.

Locating a high-capacity marine haul out facility in Sitka would also allow Sitka to support the Southeast Alaska Coast Guard fleet. The Coast Guard implements a regular maintenance schedule that requires vessels to be hauled for repairs and servicing. Currently the only options for Coast Guard vessels requiring dry dock maintenance are in Seattle, San Diego, and Seward. This poses a challenge for the Southeast fleet, as they must transit long distances to perform regular maintenance. Constructing a yard capable of servicing the Coast Guard fleet would create job opportunities, attract more skilled workers to Sitka, and support economic development.

ALFA believes that the haul out project at the GPIP site meets the primary selection criteria. A marine haul out and service center will substantially increase safety, environmental sustainability, quality of life, economic competitiveness, essential repair and crucial economic activity in the City of Sitka.

Thank you in advance for your consideration of the City and Borough of Sitka's request for RAISE Transportation Discretionary Grant funding to build a marine haul-out at the Gary Paxton Industrial Park.

Sincerely,

Linda Behnken

Linda Behnken
(Executive Director, ALFA)

United States Senate

April 21, 2022

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Dear Secretary Buttigieg:

We are writing to express our support for the applications submitted by the City and Borough of Sitka (Sitka) to the fiscal year 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. Both projects are vital for the continued operations of the maritime industry that supports the rural community of Sitka, Alaska which, in turn, serves as an important hub for the region.

Sitka's strategic location reduces costs of bringing fish products to market and helps surrounding small geographically challenged Alaska communities and entities, such as the city of Port Alexander, Armstrong Keta hatchery, and Little Port Walter NOAA Research Station, have access to basic amenities including mail, fuel, and groceries. The need to travel to alternate ports for product delivery poses risks as vessels compete for limited space to conduct their business.

The first project is to build a new haul-out facility to repair larger barges and to haul out vessels weighing up to 150 tons. The project will be located on city-owned property at the Gary Paxton Industrial Park. A new haul-out facility will create new jobs and become a large economic driver in Sitka due to the increased site footprint and marine haul-out equipment. A vessel haul-out facility in Sitka is critical for the commercial fishing industry and marine service sector in Sitka. Without it, 90 percent of Sika's local commercial fleet will need to travel at least 300 miles round trip to get a haul out for necessary maintenance. This project will help to retain existing marine service sector jobs and to provide infrastructure resiliency.

The second project is to construct a seawall to protect Sitka's Marine Service Center (MSC), a cold storage facility. The MSC is owned by Sitka and provides processing capability and access to cold storage for the fleet's harvest. The existing seawall is in imminent danger of failure -- it is approximately 46 years old and has surpassed the end of its useful design life. The seawall is living on borrowed time; failure of the seawall will result in the destruction of the upland off-loading and cold storage. The seawall services many users that include small cruise ships, fishing boats, sailing vessels, government vessels, and barges. If the seawall fails, the MSC will need to be condemned. Without this facility, Sitka does not have enough capacity for cold storage space nor for the users. Sitka has barely enough cold storage space as it is. A RAISE grant award would be a lifeline for Sitka and improve the economic conditions for the fishing and maritime service industry that is vital to the community.

Consistent with applicable law, policy, and guidance, we respectfully ask that you give due consideration to the City and Borough of Sitka's fiscal year 2022 RAISE grant applications. We also ask that you keep our offices apprised of the outcome.

Sincerely,

Lisa Murkowski
United States Senator

Dan Sullivan
United States Senator

City and Borough of Sitka Resolution