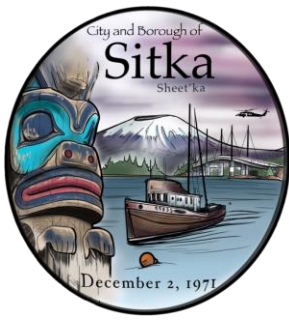


POSSIBLE MOTION

I MOVE TO approve Resolution 2022-11 on first and final reading authorizing the Municipal Administrator to apply for a Denali Commission Grant under the Transportation Program Area for \$870,000 with an in-house staff time and resource match of \$99,480 to support haulout infrastructure at the Gary Paxton Industrial Park (GPIP).





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: May 2, 2022

Subject: Authorization to Apply for a Denali Commission Funding Opportunity under the Transportation Program Area for the Gary Paxton Industrial Park (GPIP) Haulout

Project Background

In 2018 the GPIP Board began actively planning for the construction and operation of a marine vessel haul out and related marine shipyard services. The goal of CBS is to create a marine services shipyard at the GPIP that has the capability of hauling out vessels up to 150 tons as well as hauling out larger barges for repair and refurbishment. Specifically, CBS is seeking to construct a marine vessel haulout facility and an EPA approved boat washdown area(s). Additionally, CBS has available for long-term lease up to 6.8 acres of GPIP uplands and would like to create opportunities for marine tradesmen and support businesses that support Sitka's commercial and sport fishing fleets.

This grant would be to complete the concept design and all components needed to complete the Environmental Assessment (EA) for the haulout.

Grant Background

Link to the Funding Opportunity Announcement for the Denali Commission:

<https://securereservercdn.net/198.71.233.52/02e.11d.myftpupload.com/wp-content/uploads/2022/04/FY2022-Funding-Opportunity-Announcement.pdf>

The Denali Commission was established in 1998 as an independent federal agency to promote rural development throughout Alaska. Every year the Commission is largely funded via its federal congressional appropriation as well as receives transfers from the State of Alaska, other federal agencies, and other funders.

The Commission makes funds available for projects as a competitive basis through the funding opportunity announcement. The statutory authority for the solicitation is Section 305 of the Denali Commission Act of 1998, which authorizes the Commission, acting through the Federal Co-Chair, to award grants.

Denali Commission funding opportunity key factors:

- The grant was announced April 11, 2022, and applications are due by May 13, 2022.
- No match is required.
- The Transportation program area has \$15.7 million in available funds.
- Applicants may request awards up to \$2 million.
- Criteria include improves health and safety, provides improved access to services, and provides income-producing activities.

Fiscal Note

This application is for a concept design and all components needed to complete the Environmental Assessment for a total cost of \$870,000. In order to make the application stronger and score higher, a 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 over the projected 24-month timeline.

The total estimated project cost for the GPIP haulout facility is \$9,188,000.

Recommendation

Approve this resolution authorizing the Municipal Administrator to apply for a Denali Commission Funding Opportunity under the Transportation project area for \$870,000 to include a CBS match of \$99,480 for in-house staff time and resources to support haulout infrastructure at the Gary Paxton Industrial Park (GPIP).

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2022-11

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO APPLY FOR A DENALI COMMISSION GRANT UNDER THE TRANSPORTATION PROGRAM AREA FOR \$870,000 WITH AN IN-HOUSE STAFF TIME AND RESOURCE MATCH OF \$99,480 TO SUPPORT HAULOUT INFRASTRUCTURE AT THE GARY PAXTON INDUSTRIAL PARK (GPIP)

WHEREAS, Sitka's main private haulout facility serving Sitka's marine fleet closed March 31, 2022, leaving the community with no way to fully serve our critical commercial fishing and maritime fleet; and

WHEREAS, Sitka has the largest small boat harbor system and one of the biggest fishing fleets in the State and has long recognized the importance of the fishing and maritime industry to the community of Sitka; and

WHEREAS, The Alaska Department of Fish and Game records show more than 500 vessel permits in 2020 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 conduct repair and maintenance activity close to home and the fishing grounds enables vessel owners to be safer and more efficient; and

WHEREAS, the Denali Commission announced a grant opportunity and CBS is eligible for up to \$2 million; and

WHEREAS, the GPIP Board and CBS have been working on vessel haulout development plans since acquiring the old pulp mill site in 1999; and

WHEREAS, the CBS proposes a \$99,480 in-house staff time and resource match to accompany a grant for \$870,000 to supplement the develop a haulout facility at the GPIP site with the capability of hauling out vessels up to 150 tons or more.

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 Denali Commission Grant under the Transportation program area for \$870,000 and commit to a match of \$99,480 for in-house staff time and resources.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 10th day of May 2022.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading: 5/10/2022

Sponsor: Administrator