

RESOLUTION NO. 2013-11

A RESOLUTION OF THE ASSEMBLY 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 \$2,700,000 FOR THE PROJECT ENTITLED SITKA TRANSIENT FLOAT

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 the Sitka Transient Float and the Sitka Transient Float 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 reconstruction of the Sitka Transient Float per the Municipal Harbor Facility Grant program; and

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

WHEREAS, the Sitka Transient Float is critical to the City and Borough of Sitka to provide greatly needed year-round transient 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 Sitka Transient Float 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 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 9th day of July, 2013.

Mimi 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 *SH*
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 3, 2013

Subject: ADOT&PF Municipal Harbor Facility Tier I Grant Application
Sitka Transient Float

Background

The Sitka Transient Float (STF), formerly known as Thomsen Harbor Floating Breakwater, was designed and constructed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in 1973. The STF was reoriented in 1996 during the construction of Eliason Harbor, after construction of the rubble mound breakwater in 1994. Prior to this point two breakwater segments ran perpendicular to each other and provided shelter for Thomsen Harbor. The float segments were reoriented to their current location which runs northwest along Sitka Channel. In 1998 the float was decked over with timber framing. The float no longer serves as a wave attenuator, however currently provides valuable transient moorage space in the harbor system.

The STF has undergone many repair projects in the past 40 years. Substantial repair projects occurred in 1983 and 1989. In 2011 and again in 2012, emergency repairs were made to float connection hardware, transverse thru-rods, and anchor chains after significant structural deficiencies were noted. The facility is near the end of its safe and useable life and must be replaced in its entirety.

The STF was evaluated as a part of the Harbor System Master Plan in late 2011 and was included in the Capital Improvement Project (CIP) Plan with an anticipated replacement date of 2015. The facility was evaluated again in 2013 by Moffatt & Nichol (M&N) under a small contract to support the ADOT&PF Municipal Harbor Facility Grant Application. In both cases the consultants noted that the facility was aged and had already experienced failures of critical components. It was estimated to have a remaining safe and useable life of less than 3-4 years. A replacement cost estimate completed in 2013 by M&N estimated the replacement cost of the STF to be approximately \$5,323,000 (2014 dollars). Adjusting for inflation and assuming that construction would not occur before 2015; Staff increased the cost estimate to \$5,400,000. The replacement costs are based on an assumption that this facility will continue to operate as a transient moorage facility rather than function as a floating wave attenuator. Note: the Harbor System Master Plan and associated moorage rate recommendations are currently under review

by Staff at the direction of the Assembly based on the recommendation of the Harbor Working Group.

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. CBS submitted an application for the STF in 2012. The STF scored in third place out of four applications submitted with only the top two projects receiving funding.

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 that were not formerly State-owned. Tier I applications are given the higher priority whereas Tier II applications are seldom funded. Since the STF was at one time State-owned, it is eligible for a Tier I grant. However, the way the program works is each facility is allowed only one Tier I grant after which time, any further repairs or replacements would fall under a Tier II application and would thus be much more difficult to obtain funding. In last year's application, Staff presented the case that the STF was a standalone facility and not a part of Thomsen Harbor. The State reviewers did not agree with that assertion, therefore if this grant is awarded it will likely mean that Thomsen Harbor is ineligible for a future Tier I grant when it is due for replacement around 2047.

The STF is the next grant-eligible project for the CBS Harbor Department under the Harbor System Master Plan CIP and the urgency for replacing this facility has been heightened due to the recent costly emergency repairs that have been completed. Securing grant funding for this project would allow the City and Borough to replace this aging facility for half the cost of a new facility before it fails completely. 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

Replacement of the STF is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). Replacement of the STF was planned to be accomplished in 2015, but is becoming more critical due to the rapidly deteriorating condition of the present float.

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 I Grant Application for the replacement of the Sitka Transient Float and execute the grant if received.