



CITY AND BOROUGH OF SITKA

FY2026 Legislative Priorities

Provide public services for Sitka that support a livable community for all
Service | Integrity | Teamwork | Kindness | Accountability

Support for Sitka's Working Waterfront Infrastructure

Funding for a Marine Haul Out: Sitka plays a pivotal role in Alaska's seafood industry, ranking 11th in the U.S. by weight, with 87 million pounds of seafood worth \$71.4 million landed in 2023. However, the lack of infrastructure threatens the economic stability of the community. In October 2022, Sitka voters demonstrated their commitment to addressing this issue by allocating \$8.2 million from the Permanent Fund to initiate development of a marine haul out facility. Additionally, a \$1 million Denali Commission grant was secured for a vessel lift.

Delays in permitting and rising costs have been a detriment, shifting all remaining expenses to Phase 2, and bringing the project's total cost, including upland shipyard development, to \$24 million. Despite these challenges, Sitka broke ground on November 8, 2024, reaffirming its dedication to this essential infrastructure project. Federal and State support is critical to close the funding gap, managing rising costs, and ensuring uplands planning and development proceed without placing additional financial strain on the community.

Funding for Eliason Harbor Electrical and Float Repairs: Eliason Harbor, Sitka's largest harbor, requires urgent electrical and float system repairs to extend its useful life by 10 years until a phased replacement can begin. A 2023 inspection identified critical deficiencies, with immediate electrical repairs estimated at \$1.12 million to address main service equipment, distribution panelboards, and cables. Additional float repairs will address widespread decay and damage. This work is essential to prevent further system failures, ensure safety, and maintain harbor operations.

Funding for Utility Infrastructure

Thimbleberry Bypass: Sitka is one of the few municipalities powered entirely by 100% renewable energy. All power generated travels approximately 1.5 miles which crosses hazardous, mountainous, landslide-zone terrain along the Thimbleberry Lake trail. This bypass, critical but difficult to maintain, lacks road access requiring helicoptered poles. Outages caused by damaged poles can take days to replace. Moving the line underground along the State of Alaska right-of-way for ~\$15M, would minimize environmental and safety risks while ensuring Sitka's energy supply remains independent and resilient.

Support for Public Safety

Public Safety Facilities Feasibility Study: Funding is requested for a feasibility study for \$75,000 to evaluate long-term solutions for a new multi-purpose facility to support the Police Department and Jail, ensuring future public safety needs are met. This study will lay the groundwork for long-term improvements.

AK DOT/PF Action on Safety Improvements: Cruise visitation to Sitka in 2023, and as projected for 2024, has more than tripled over pre-pandemic levels. CBS completed a traffic study in the summer of 2022 to identify critical safety and efficiency improvements. Needed action from AK DOT/PF include pedestrian crossing improvements, critical intersection improvements, and multimodal transportation planning.

Support for Transportation

Reliable Alaska Marine Highway Service: The Alaska Marine Highway System (AMHS) is a critical lifeline for Sitka, providing essential transportation for residents and visitors. The significant reduction in ferry service has led to economic disruptions and reduced access to household necessities, contributing to an unsustainable rise in the cost of living. CBS urges the State to restore reliable and consistent AMHS service to meet the essential needs of our community.



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Support for Economic Resilience

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Funding to Expand Housing: As Sitka experiences growth from the tourism sector, expansion of the Southeast Alaska Regional Health Consortium (SEARHC), and the pending arrival of a USCG Fast Response Cutter, it is evident that Sitka's workforce needs more access to housing and childcare to sustain economic growth. CBS requests funding to aid in the development of municipal lands for housing and to improve access to these areas. Additionally, CBS requests the transfer of state-owned lands in Indian River Valley, an area with high development potential, to the municipality to support housing expansion and economic resilience.

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Funding for Childcare: Sitka faces a severe childcare shortage, with only one spot available for every 3.5 children under age 5. Infant and toddler care is especially limited, serving just 7-14% of this age group. High costs, ranging from 13-20% of median household income, far exceed the 7% affordability benchmark set by the U.S. Department of Health and Human Services. CBS requests state and federal support to address this crisis, including dedicated funding to improve wages for childcare providers, enabling sector growth and reducing the burden on local governments.

Support for Nonprofits: Nonprofits play a vital role in Sitka, providing essential services that became even more critical during the COVID-19 pandemic. As demand surged, these organizations stepped up to meet community needs in areas like healthcare, food security, and childcare. However, with diminishing federal and state support, nonprofits increasingly rely on local government to fill the funding gap. This reliance places a growing financial burden on Sitka's residents, who ultimately shoulder the cost. CBS requests direct funding to nonprofits to ensure they can continue their crucial work without placing additional strain on our community.

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Reducing Barriers to Effective Grant Utilization: Grant funding is a vital resource for our community, but the administrative burden associated with securing and managing these funds often undermines their value. The complexities of matching requirements, coupled with extensive reporting and auditing obligations, consume significant staff time and resources. BABA (Buy America Build America) mandates further complicate project implementation, while permitting delays stretch timelines, leading to increased costs. These cumulative challenges frequently double or even triple project expenses, creating barriers to effectively leveraging grant opportunities. Streamlining these processes is essential to ensure that grant funds can be utilized efficiently and effectively to meet community needs.



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