

CITY AND BOROUGH OF SITKA

RESOLUTION 2010-32

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA (CBS)
SUBMITTING CBS 2012 STATE LEGISLATIVE PRIORITIES
TO STATE OF ALASKA AND 2011 LEGISLATURE**

WHEREAS, the City and Borough of Sitka advocates cooperating and sharing resources with the State of Alaska to maximize public infrastructure and services for the citizens of Alaska in the most efficient, cost effective manner; and

WHEREAS, the State of Alaska has inadequately maintained State owned facilities and passed unfunded mandates on to municipalities; and

WHEREAS, municipalities have suffered major budget impacts from State management of the PERS/TRS system, State harbors, State roads and utilities, and other State responsibilities which should be compensated;

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the following FY2012 State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible:

- **State Revenue Sharing/Local Tax Relief** – The City and Borough of Sitka supports the State Revenue Sharing provided on a sustainable basis to equitably compensate Alaska communities for providing local services.
- **Education** – State funding should be increased to cover escalating transportation expenses, the rising costs of fuel and energy, and reasonable new costs to improve the quality of education.
- **Local Control and Maximum Local Self-Government Guaranteed by the Alaska Constitution** – The Legislature should defeat any legislation that creates new unfunded mandates or takes away existing powers of local governments. The State should fund existing unfunded State mandates.
- **Deferred Maintenance of Harbors** – The State should fully fund the deferred maintenance of State harbors transferred to local governments. In addition, the State should fully fund the 50 percent matching grants legislated by SB 291, the Municipal Harbor Facility Grant Fund, to assist with future harbor upgrades.

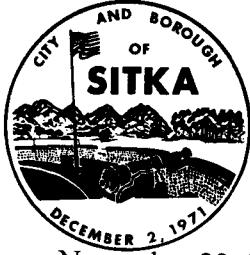
NOW FURTHER BE IT RESOLVED that the Assembly submits the enclosed FY2012 City and Borough of Sitka Legislative Priorities, CBS Legislative Capital Project Requests and CBS Requests for State Funding for State Facilities in priority order to the 2011 Session of the Alaska State Legislature and State of Alaska.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 30th day of November, 2010.

Cheryl Westover, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

November 23, 2010

MEMO TO: Municipal Administrator Jim Dinley
Mayor and Assembly

FROM: Marlene Campbell, *Marlene Campbell* Government Relations Director

SUBJECT: Fiscal Year 2012 CBS State Legislative Priorities

Attached are draft legislative priorities for the coming State Legislative Session. Most of these project requests are updated from the FY'2011 CBS Legislative Priorities which have not yet received funding. These requests are presented in a general priority order, with Expansion to Maximum Capacity of the Blue Lake Hydroelectric Project as the number one priority.

The Assembly is requested to approve Resolution 2010-32 to submit the City and Borough of Sitka's top priority Legislative Capital Project Requests for either direct Legislative appropriations or for various State grant funds for municipal projects. The second section of requests, CBS Requests for State Funding for State Facilities, are CBS funding requests for cooperative projects with State agencies to upgrade State-owned facilities within the City and Borough of Sitka.

Senator Stedman and Representative Wilson have asked that all major CBS project requests be included in the State Legislative Priorities to permit them to assist CBS with multiple funding sources as opportunities may arise. Only a few of these projects generally receive funding in a fiscal year, and those that are not funded are updated and resubmitted the next year.

The Draft FY'12 CBS Legislative Priorities list has been reviewed by the Long-Range Planning Commission, which took no specific action.

If you have questions please contact me at 747-1855 or by e-mail campbell@cityofsitka.com.

**SITKA LEGISLATIVE PRIORITIES
FISCAL YEAR 2012**

CITY AND BOROUGH OF SITKA

100 Lincoln Street, Sitka, Alaska 99835

Phone: 907-747-1808



Providing for Today...Preparing for Tomorrow

January 2011

2010 CITY AND BOROUGH OF SITKA ASSEMBLY

Providing for Today...Preparing for Tomorrow

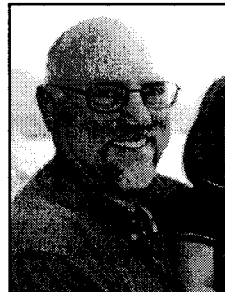
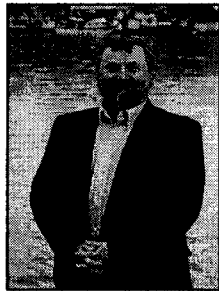
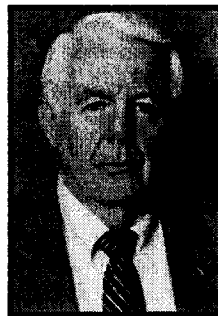


Photo not available at this time.

Top row L to R: Deputy Mayor Larry Crews, Mayor Cheryl Westover, Vice Deputy Mayor Mim McConnell
Bottom Row L to R: Phyllis Hackett, Terry Blake, Thor Christianson, Pete Esquiro



Jim Dinley
Municipal Administrator

**FY2012 CITY AND BOROUGH OF SITKA
DRAFT STATE LEGISLATIVE PRIORITIES**

November 2010

CITY AND BOROUGH OF SITKA STATE LEGISLATIVE PRIORITIES

- CBS Resolution 2010-32 Supporting FY2012 State Legislative Priorities
- FY2012 Sitka School District State Legislative Priorities

CITY AND BOROUGH OF SITKA LEGISLATIVE CAPITAL PROJECT REQUESTS

- Expansion to Maximum Capacity of the Blue Lake Hydroelectric Project
- Ultraviolet Disinfection for Sitka Municipal Drinking Water Supply
- Paving Failed Collector Streets
- Supplemental/Emergency Diesel Generation
- City-owned Sitka Community Hospital Roof Replacement
- Sawmill Cove Industrial Park Bulkhead Dock
- ANB Harbor Replacement and Fisherman's Work Float Expansion (Municipal Harbor Matching Grants Program)
- Cross Trail Multimodal Pathway
- CBS Commercial Passenger Vessel Tax Visitor Facilities Improvements
- Kettleon Memorial Library Upgrade
- Whitcomb Heights Subdivision Water and Sewer Trunk Lines
- Granite Creek Quarry Expansion
- Sitka Moller Park Baseball Field Improvements
- Expand CBS Biosolids Landfill
- Sitka Swan Lake Recovery and Improvements
- Takatz Lake Hydroelectric Feasibility Analysis
- Sitka Rocky Gutierrez Airport Terminal Critical Upgrades

CBS REQUESTS FOR STATE FUNDING FOR STATE FACILITIES

- State Public Safety Academy Driver Training Facility Upgrade
- Baranof Warm Springs Dock Reconstruction
- Co-funding for Major Maintenance for State/City/Office Building
- Replace Failing Water Supply Line to Japonski Island
- Support for State Services at Sitka Jail Facilities
- State-Owned Nelson Logging Road Upgrade
- Co-funding for City/State/Tribal Justice Center Planning Study
- Provide Equitable Alaska Marine Highway Service to Sitka
- Upgrade State Owned Eagle Way and Old Harbor Mountain Road

2012 Sitka School District State Legislative Priorities

The Sitka School District top priority for legislative capital funding is a covered work area at Sitka High School for vocational education. Focus on providing career and technical education is increasing and we need to provide safe, clean, appropriate areas to train young Alaskans to enter the workforce. Sitka High School is short adequate covered space or indoor area to accommodate the current demand for its popular hands-on career training programs in construction, automotive repair, welding and computer aided design. Funding this project means a covered shop area that will provide capacity to add additional students and improve the quality and safety of the program. Approximate cost for an adequate covered space and equipment is \$2,916,300.

Sitka School District requests \$35,000 in legislative capital funds for a multi-use recreational concrete surface at Pacific High School. PHS is an alternative high school program with an educational philosophy that has been very successful in reaching young people that would otherwise be unlikely to attain a high school diploma. Health and wellness are important in the lives of teenaged students and Pacific High has a highly successful student run school lunch program. Physical activity is the natural complement to good nutrition for a healthful educational environment. A small investment in a concrete pad could provide easy access for student exercise during school hours and additional community access during non school hours.

The Sitka School District seeks funds to improve the area and conditions of the Moller Field track. As a 3A school Sitka High has seen an increase in student athletic participation and an increase in southeast schools traveling to Sitka for athletic competitions. The track surface, outdoor lighting, spectator seating and surroundings need improvement to adequately serve both high school athletic events and off hours community use. The approximate cost is \$3,500,000.

Sitka High School needs improved parking and traffic flow during events with high community participation including athletic events, graduation, concerts and arts performances. When both the gymnasium and the performing arts center are in use the current parking area is inadequate to accommodate the demand for parking. Sitka School District encourages strong community attendance since it is an important element in improving student achievement.

Sitka School District seeks funding to replace and upgrade the playground equipment at Keet Gooshi Heen Elementary School. Improvements in the safety, quality and age appropriateness of the current equipment are important to meet the needs of the students in second through fifth grade. Current standards for playground equipment have changed significantly since the facility was built. Trends in child obesity and our community focus on wellness, requires robust facilities for students to increase their physical activity during recess and after school. The Keet Gooshi Heen playground is also an important community asset for families on weekends and non school days.

Sitka School District seeks to enhance and improve science education in the fields of botany and horticulture through the support of Blatchley Middle School Community Garden and construction of a green house facility on site. Opportunities to provide hands-on science education and explore issues of local food security would increase with a local facility.

Important statewide funding issues endorsed by the Sitka School Board.

- The Sitka School District strongly urges the Legislature to forward fund education. Local school districts must build their school year budgets well in advance of the outcome of the verified student count making it very difficult to accurately estimate revenues for a school year that begins July 1 each year.
- Studies have shown that Early Childhood Education, specifically preschool programs, greatly increase the social and academic success of students due to increased development of language at an early age. Adequately funded optional preschool programs in districts throughout the State of Alaska would increase academic achievement in all communities.
- The Sitka School District requests improved ferry service planned to coincide with significant academic and athletic activities. School districts in Southeast Alaska need ferry access to provide reliable and economically feasible transportation between communities. Frequent and dependable ferry service is necessary for districts to utilize the AMHS in school sponsored trips. The only alternative for many of the communities served by the AMHS is to arrange travel by air which markedly increases transportation costs and diminishes the numbers of students who can afford to participate.
- The Sitka School Board requests legislative support for funding to continue and expand the AASB Consortium for Digital Learning so all Alaskan children have access to appropriate technology for internet access, distance learning opportunities and global citizenry.

Vocational Compound Building and CAD/CAM Program

Vocational Compound Building

basic roof and wall structure, lights, concrete floor, siding and insulation, windows, garage doors, greater open span	\$ 1,472,000.00
scope contingency @ 25%	\$ 368,000.00
Architectural/Engineering services @ 15%	\$ 220,800.00
Admin, Construction Management & Construction Contingency @ 25%	\$ 368,000.00
subtotal	\$ 2,428,800.00

Vocational Compound Additions

1. Enclose dust collector/air compressor to reduce noise	\$ 15,000.00
2. equipment budget for lifts, forklift, lumber racks, etc.	\$ 75,000.00

3. New sub panel and more power for welding stations \$ 20,000.00

Subtotal \$ 110,000.00

Scope contingency @ 15% \$ 16,500.00

A & E Design @ 15% \$ 16,500.00

Admin, Construction Management & Construction
Contingency @ 20% \$ 22,000.00

Vocational Compound Additions Subtotal \$ 165,000.00

CAD/CAM

Computer Aided Design Lab:

Computer Lab (17 stations) \$ 35,000.00

Software/licensing/training \$ 25,000.00

3D printer and large format 2D printer \$ 20,000.00

Computer Aided Machining equipment

CNC Lathe (2) \$ 30,000.00

CNC Mill \$ 15,000.00

Plasma Cutter \$ 10,000.00

CNC Router \$ 25,000.00

CNC Laser \$ 25,000.00

Facility Upgrade

Windows into lab from existing rooms \$ 20,000.00

Local area networking, cabling, etc \$ 10,000.00

subtotal \$ 215,000.00

Scope contingency @ 15% \$ 32,250.00

A & E Design @ 15% \$ 32,250.00

Admin, Construction Management & Construction
Contingency @ 20% \$ 43,000.00

CAD/CAM Subtotal \$ 322,500.00

Total Request \$ 2,916,300.00

*computer aided design/computer aided machining

November 2010

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: EXPANSION TO MAXIMUM CAPACITY OF THE BLUE LAKE HYDROELECTRIC PROJECT

Total Project Cost:	\$100,000,000 (100%)
Funding already secured:	\$20,500,000 State FY2009/2010 (20.5%)
FY2012 State funding request:	\$28,500,000 (28.5%)
FY2012 Federal funding request:	\$1,000,000 (1%)
Additional Funding Required/Outstanding:	\$50,000,000 municipal (50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests financial assistance in constructing a \$100M expansion of the Blue Lake Hydroelectric Project to its maximum energy capacity. **\$28,500,000 further assistance is requested from the State of Alaska, to fully fund the State's interest in the Blue Lake Hydroelectric Project Expansion**, which has increased due to an increase in project costs. Sitka will match each dollar of State assistance with the goal of ultimately financing the project 50 percent with State funds and 50 percent municipal funds. Federal funding has not been forthcoming.

The scope of the Blue Lake Hydroelectric Project is to raise the height of the existing dam by 83 feet to 425 feet, construct a new intake gate and a new section of power tunnel to supply a new powerhouse to be constructed adjacent to the existing powerhouse. The new powerhouse will replace the existing two 4MW generators with three 6MW generators. This will increase installed capacity from 8MW to 18MW, with an increase in Sitka's average total annual hydroelectric energy production by about 35,400 MWh or 29 percent of system capacity. Sitka is aggressively engaged in the preliminary engineering and licensing phase of this expansion of its hydroelectric capability at Blue Lake. The goal is to complete the construction and bring this new hydroelectric capacity on line in 2015.

Sitka has exhausted its hydroelectric resources. Load studies predict up to 5 million gallons of fuel oil for the use of supplemental diesel generators will be required prior to completion of the Blue Lake Expansion Project. Sitka homes and businesses are moving from the high cost of heating oil to clean, renewable hydroelectric energy. The total energy requirements of Sitka are currently met by about 80 percent oil and 20 percent hydroelectric energy resources. Although system load growth declined for FY'10 due to milder weather and stable fuel oil costs, annual KWh sold in FY'09 increased by 3.36 percent over FY'08, which follows load increases of 4.5 percent in FY'08, and 8 percent in FY'06. Base-case load studies have predicted annual load growth at approximately 1.2 percent yet the electric system has seen unprecedented growth, averaging 3.8 percent annually since 1973. The existing hydroelectric generation is now operating at over 96 percent capacity. It is expected that volatile oil prices will continue the trend of significant system load growth and that any new hydroelectric capacity will be fully utilized to displace oil for space and water heating.

Despite CBS actively promoting energy conservation, hydroelectric energy usage is escalating at a rate that will shortly exceed system capacity. Therefore, Sitka is actively working to complete the project as quickly as possible and is pledging 50 percent of the total project costs.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ULTRAVIOLET DISINFECTION FOR SITKA MUNICIPAL DRINKING WATER SUPPLY

Total Project Cost:	\$8,966,000 (100%)
FY 2012 State Funding Request	\$5,530,000 (62%)
City and Borough of Sitka Match	\$1,935,000 (22%)
DEC Subsidized Funding	\$1,500,000 (16%)

City and Borough of Sitka Federal Tax ID Number: 92-0041163

Compliance with the Federal Long Term Enhanced Surface Water Treatment Rule

The State FY2012 funding request is for \$5,530,00.00. These funds will allow the project to be fully funded. CBS has an application pending for a \$2,500,000 loan and a \$3,500,000 matching grant.

The Enhanced Surface Water Treatment Rules (ESWTRs) were issued by Environmental Protection Agency (EPA) requiring drinking water systems to provide additional microbial and disinfection controls for surface water systems. The Long Term 1 & 2 ESWTRs require public health protection against *Cryptosporidium*, while addressing risk tradeoffs with disinfection by-products. This additional treatment must be in operation and approved by the State DEC before October 1, 2014.

The project has move forward with a preliminary design and site layout. The CBS has also prepared a request for proposals document pre-purchase to allow the Ultraviolet (UV) reactors and controls to assure the most cost effective system is installed. Additionally, CBS intends to complete the required water main connections in 2011 as part of State of Alaska DOT Sawmill Creek Road Phase III project.

CBS is blessed with a superior water source, Blue Lake, and is one of a few communities across the country that has met the federal requirements to remain unfiltered. Construction of a filtering system for CBS has been estimated in the \$24-\$47,000,000 range. CBS desires to remain unfiltered. CBS, with the assistance of consultants CH2MHill, has evaluated alternative treatment methods to comply with the ESWTRs which was reported in Comparison of *Cryptosporidium* Treatment Alternatives for the City and Borough of Sitka's Water Treatment Facilities, May 23, 2008. This work selected UV disinfection as the most cost effective and viable alternative for CBS. Additionally, CBS explored conceptual designs for UV treatment systems; comparing and evaluating major manufacturer's UV systems. This was summarized in the June 2008 report, UV Disinfection Feasibility Study. CBS has purchased sophisticated laboratory equipment and has compiled UV absorbance values and water quality data for over a year to aid in proper design and sizing of the equipment.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: PAVING FAILED COLLECTOR STREETS

Total project cost:	\$3,300,000 (100%)
Funding already secured:	\$ 0 (0%)
FY2012 State funding request:	\$2,640,000 DOTPF (80%)
Additional funding required/outstanding:	\$ 660,000 CBS (20%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163	

The City and Borough of Sitka requests \$2,640,000 from the State of Alaska to partner in upgrading City owned and maintained collector roads connected to Sitka State highways. The current estimated cost to fix the failed City owned streets totals over \$39,000,000 and continues to grow each year. The majority of asphalt pavement surfaces of Sitka's existing streets are in cascading failure. A comprehensive pavement condition survey in 2009 showed that 53 percent of the City's 23 miles of paved streets are nearing the end of their service life. The majority of the most severely degraded streets are in the heart of the city, directly feeding into the State's highway system. The City and Borough of Sitka must repair and upgrade these city streets to ensure public safety, to maintain ADA compliance, and to provide improved drainage systems.

The majority of the city streets were paved over 20 years ago with the State's support, and since that time, limited funding has been available to maintain or repair them. Given the extent of the overall needs for road improvements, CBS FY2012 request is focused on the following top priority projects:

1. Edgecumbe Drive (\$2,000,000): Edgecumbe Drive is approximately 1 mile in length and is the only alternate route to Halibut Point Road which is the only State highway servicing the north end of Sitka. This important collector is also the only street servicing the primary elementary school and one of the most populated residential areas in Sitka. The proposed project would include overlaying the existing 40-ft wide paved surface and making minor improvements to the sidewalks and drainage.

2. Jeff Davis Street (\$1,300,000): Jeff Davis Street is a high use collector that provides important relief to Sawmill Creek Road which is the only State highway servicing the south end of Sitka. Jeff Davis is instrumental in dissipating traffic in the downtown area, relieving the congestion on the State's Sawmill Creek Road associated to the Baranof Elementary School zone and the Halibut Point Road/Sawmill Creek Road intersection. Jeff Davis is commonly used as a detour route associated to State work on Sawmill Creek Road and was used during the construction of the State's roundabout this summer. As a result of the heavy use and increase in traffic and truck loading, it has demonstrated a high rate of deterioration. The proposed project would consist of a complete reconstruct of this street including curb, gutter, and sidewalk.

The severity of the degraded streets has made this major maintenance need a high priority for Sitka and was the subject of a sales tax rate increase proposition on the October 2009 ballot to support a \$7,000,000 road rehabilitation plan. This plan was to be bonded and paid back over a 20-year period which is stretched beyond the life span of the improvements. Although this proposition failed, it was evident through the process that the community recognized the overall need and support was demonstrated by organizations such as the Chamber of Commerce.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SUPPLEMENTAL/EMERGENCY DIESEL GENERATION

Total Project Cost:	\$9,500,000 (100%)
Funding already secured:	\$ 538,070 (6%)
FY2012 State funding request:	\$7,125,000 State (75%)
Other funding requests:	\$ 0
Additional Funding Required/Outstanding:	\$1,836,930 Municipal (19%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

Transmission Deficiencies

Sitka has a single transmission line to transport its hydroelectric power into town. The 1.7-mile transmission lines segment between the Blue Lake Hydroelectric Powerplant and the Thimbleberry Lake area runs high over the ridge by Heart Lake and is not accessible by road. This area is subject to rockslides and tree hazards and was responsible for a three day line outage in 2002 and another outage in March 2010. Since it is difficult to get line equipment into this area, a line outage could isolate Sitka from its hydroelectric power plants for weeks until line repairs could be made.

The stand-by Jarvis Street Diesel plant can only carry 1/3 the city load in winter so rolling blackouts would be required. A one week hydroelectric outage would require about 160,000 gallons of fuel (\$800,000 per week assuming \$5 per gallon price) and could cause a great deal of economic damage to the community, potentially millions of dollars if the fish processors are forced to shut down during commercial fishing. Depending on the time of year, the diesel plant is 5-11 MW short of meeting system load.

With adequate emergency diesel generation, potential rolling blackouts and threats to the economic viability of the community would be minimized during a transmission line outage. Having sufficient diesel generation to carry the entire system load would also allow scheduled outages on the transmission line to perform critical maintenance and line upgrades thereby improving overall system reliability.

Generation Deficiencies

Sitka's existing 11MW standby/emergency diesel plant lacks adequate capacity for existing system load, and has significant operational and regulatory challenges. Three of the four diesel units, approximately 7MW of capacity, are over 40 years old and have reached the end of their service life. In addition to the reliability issues, these machines will not meet required EPA emission standards without expensive testing, overhaul, and secondary emissions treatment. **This project would replace these units with three new 3.7MW diesel units that meet EPA standards.**

Load growth studies and present trends indicate as much as 5,000,000 gallons of diesel generation may be required prior to the completion of the Blue Expansion project. In anticipation of this, CBS has completed work on all State and Federal permits to upgrade our existing air quality permits to allow for additional diesel generation. Due to the age of the older units, they are limited on hours of operation due to emissions and efficiency constraints.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: CITY-OWNED SITKA COMMUNITY HOSPITAL ROOF REPLACEMENT

Total project cost:	\$1,100,000 (100%)
Funding already secured:	\$ 0
FY2012 State funding request:	\$1,100,000 DOTPF (100%)
Other Funding Requests:	\$ 0

City and Borough of Sitka Federal Tax ID Number: 92-0041163

CBS requests \$1,100,000 in funds from the State of Alaska to assist CBS in replacing the roof of the City owned Sitka Community Hospital. Due to the financial constraints faced by Sitka's small rural Hospital and the City and Borough of Sitka, only a limited and absolutely necessary amount of remodeling or upgrading of the Hospital building and the grounds has been performed in the recent past. When money is tight, normal maintenance and replacement is deferred until and unless it becomes an operationally threatening situation. This project will allow Sitka to utilize the existing building for years to come.

The existing roof is the original construction from 1983 except for the pavers, which were replaced in 1994. The roof has a 15-year warranty and is eleven years past its warranty expiration. The hospital maintenance and engineering departments have worked very hard to maintain this flat roof in Sitka's rain forest environment. Numerous patches and repairs have been performed over the last ten years. Over time roofing membranes age and ultimately fail, leaking at an increasing rate. It is more cost effective to replace the roof before the failures are widespread. City staff engineers and various contractors have all recommended replacing the roof as the most viable option.

Maintenance of community owned assets is a high priority, and when that asset provides services such as Sitka's community hospital has provided, it becomes an essential community service. Sitka Community Hospital continues to work closely with regional Southeast Alaska Regional Health Consortium (SEARHC) Mt. Edgecumbe Hospital where possible. However, the majority of Sitka's 8,000+ residents are not eligible for SEARHC services. Providing the community with such a critical service and facility 24/7 brings financial strains to a community but does not alleviate the need for hospital services for an isolated community with no road connections.

The many State personnel and interests in Sitka, as well as all of Sitka's non-SEARHC clients, require a safe, dry, life-saving hospital facility. The State is requested to fund this greatly needed roof replacement project, the cost of which is estimated at \$1,100,000.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SAWMILL COVE INDUSTRIAL PARK BULKHEAD DOCK

Total Waterfront Development Project Cost: \$10,850,000
FY2012 State Priority 1 Funding Request: \$ 6,000,000 (State - 55%)
Other Priority 1 funding requests: \$ 4,000,000 (Federal—37%)
Additional Funding Required: \$ 850,000 (CBS Match—8%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over \$10,000,000 of Federal, State and CBS funds were used to complete upland utilities and system upgrades. The State contributed \$1,000,000 toward a raw water line to allow for bulk water export. A Wastewater Outfall Project has also been completed to support fish processors. The Industrial Park is operational, with tenants including Cove Partners Water Bottling, Fortress of the Bear, Island Fever Diving, NSRAA Salmon Hatchery and Silver Bay Seafoods, which processed over 25,000,000 pounds of fish in 2009 and invested nearly \$10,000,000 in facility upgrades and equipment. In 2010, the seafood processors had 175 seasonal employees. A facility to process fish waste is being planned for the park and projects to be operational for the 2011 fishing season.

The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep water port use of the Industrial Park. The existing docks and waterfront facilities are failing and unsafe for use and must be removed and new pilings, bulkhead, dredging and shoreline protection, and other improvements must be completed to allow the park access to the ocean and water transportation avenues.

The highest priority Waterfront Development Project is the Sawmill Cove Bulkhead Dock Completion – total cost \$10,850,000. CBS requests \$6,000,000 State funds; \$4,000,000 Federal funds and \$850,000 CBS match. This multi-purpose dock facility, a bulkhead cargo and freight dock, will be located in the center of the Industrial Park waterfront (Lot 9). **Phase 1 includes a bulkhead dock, fender system, and uplands improvements to allow freight to come over the dock for \$5,650,000.** It will allow CBS to utilize this bulkhead dock to assist with the proposed Blue Lake Dam Expansion. The Sawmill Cove Industrial Park will be the ideal location to accept and stage materials for the expansion project. Currently there is no docking facility at the industrial park to accommodate the future need to deliver freight and rock for the Blue Lake Dam expansion. Additionally, a bulkhead will support the exiting tenants and promote future development of the park. **Phase 2 includes breasting/mooring dolphins and catwalks to allow bulk water tankers and larger vessels to utilize the dock for \$5,200,000.**

Sitka is the only urban port in Southeast Alaska without a deep water dock. The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other SE port yet has no ability to function as a deep water port. The Waterfront Development Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: MUNICIPAL HARBOR FACILITY GRANT PROGRAM, ANB HARBOR REPLACEMENT AND FISHERMANS WORK FLOAT EXPANSION

Total project cost: \$7,742,000 (100%)
FY2012 State funding request: \$3,871,000 Municipal Harbor Facility Grant (50%)
Additional Funding Required: \$3,871,000 CBS Harbor Fund (50%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163

The State is requested to fully fund the Harbor 50 percent Matching Grant Program legislated by SB 291. Since the Fund was created, it has never been adequately funded, and has been insufficient to meet the needs of the communities which nominated projects for funding. Sufficient funding to provide the 50 percent match for all projects now nominated, plus additional funding for anticipated FY2012 nominations, should be included in the State FY2012 budget. Southeast Conference Resolution 11-03 makes this same request.

The City and Borough of Sitka's ANB Harbor has been nominated for funding under the Municipal Harbor Facility Grant Program for the last three State fiscal years, but insufficient funds were available to make the required grant award. This Harbor is at the end of its useful life, and must be totally replaced. Based on construction during the summer of 2012, the cost of this project is now estimated to be \$7,742,000. As a former State harbor, ANB Harbor would be a Tier 1 project under the Municipal Harbor Facility Grant Fund.

The Fishermans Work Float across Sitka Channel from ANB Harbor was constructed by the City and Borough of Sitka as the work area for ANB Harbor commercial fishermen. The work float is not of sufficient size or configuration for the needs of ANB Harbor's commercial fishermen. Expansion of the work float would include doubling its size, constructing a drive-down ramp to the float, and upgrading the utilities available on the float. This project would be Tier 2 under the Municipal Harbor Facility Grant Program. The estimated cost of this project, for summer of 2012 construction, is \$1,700,000.

CBS has committed \$3,871,000 to this harbor upgrade project. The State of Alaska is encouraged to fully fund the FY2012 Harbor Matching Grant Program to provide matching funds for all participating municipalities to upgrade their harbor facilities. These matching grants will help municipalities recapitalize their harbor infrastructure and further the sustainability of Alaska's public harbor system.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: CROSS TRAIL MULTIMODAL PATHWAY

Total Project Cost:	\$1,009,618 (100%)
Funding already secured:	\$ 926,000 (91%)
FY2012 State Funding Request:	\$ 41,000 (04%)
Other Funding:	\$ 42,618 (05%)
Additional Funding Required:	\$ 0

City and Borough of Sitka Federal Tax ID Number: 92-0041163

CBS requests \$41,000 matching funds from the State of Alaska for a capital project to complete a 5,050 foot long by 10 foot wide trail to complete a Cross Trail Multimodal Pathway Reconstruction Project component. CBS has secured a Federal Grant through the State STIP program and later was notified that there was a match involved in the program.

The Cross Trail Multimodal Pathway project will reroute and reconstruct existing sections of the Sitka Cross Trail Multimodal Pathway to bring it to a non-motorized multimodal standard which matches other existing and planned sections of this pathway. Other funding sources for this project will be supported by a Rasmuson Grant (\$20,000) and from Sitka Trail Works (\$23,000). The Rasmuson Grant application will be submitted in December of 2010. Sitka Trail Works has committed to a \$23,000 donation with a capital campaign effort. This Legislative Request would complete the required match for this project which was funded in the 2010 – 2013 STIP and provide the additional funds to complete the remainder of the project.

The Sitka Cross Trail Multiuse Pathway is an identified community priority in the 2003 Sitka Trail Plan, 2002 Non-Motorized Transportation Plan, the Sitka Parks and Recreation Plan, and the 2007 Sitka Comprehensive Plan. Portions of this trail are on municipal lands and are utilized as a multimodal connection. Its construction has been a goal in Sitka's recreation plans since 1981. Currently, the highly popular trail is heavily used by the public for transportation and recreation.

The STIP project will reconstruct the existing Cross Trail from the Mental Health property to Yaw Drive to a non-motorized multimodal pathway standard, reroute the Gavan connector trail from Baranof Street trailhead to the Cross Trail and add new neighborhood connector trails. The total project distance is 5,050 feet long by 10 foot wide (on 12 ft wide shot rock base) compacted gravel trail. This is the standard profile recommended in the Sitka Non-Motorized transportation plan for a multimodal pathway. This standard trail design has been utilized in recent reconstruction of the Cross/Sitka Multimodal Pathway from Sitka High School to approximately Gavan Trail. The STIP project will upgrade the deteriorating Cross Trail from where the 2009 reconstruction project terminated, across Mental Health and BIHA property to Yaw Drive.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: KETTLESON MEMORIAL LIBRARY UPGRADE

Total Project Cost:	\$15,000,000 (100%)
Funding already secured:	\$ 80,000 (.5%)
FY2012 State Matching Grant funding request for Phase I:	\$ 750,000 (5%)
Additional funding required/outstanding for Phase I	\$ 670,000 (4%)
Additional funding required for Phase II, Construction:	\$ 13,580,000 (90%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163	

Kattleson Memorial Library was constructed in 1967 with 3,000 square feet. An addition of 4,500 square feet was added in 1983. Between 1983 and 2009, the collection tripled. The daily average visitor count has surged from 190 visits per day to an average 467 visits per day. The number of items circulated has more than doubled from 69,735 items to the current 137,390 checkouts. The outcome of a 2004 needs assessment concluded that the space needed by Kattleson to operate was more than double the current footprint, from 7,300 sq. feet to 16,500.

Though Sitka's population has remained relatively the same since 1980, Kattleson Library's patron use has dramatically increased due in part to heavy use by visitors, crew members from the cruise ship industry and seasonal workers, and students from Mt. Edgecumbe High School who make the library a destination on weekends. With the downturn in the economy, patrons are increasingly using the library to hunt for new work, conduct small business efforts and avail themselves of free access to informational, educational and entertainment needs. In response to the high demand for computer access, Kattleson jerry-rigged a network in the middle of the library. Retrofitting for computer access is rarely optimal. In this case, it means that computing activity is highly disruptive, use is open to public scrutiny, and instruction is not available.

The Library hosts many events, requiring rearranging furniture and eliminating the Library's only reading area. With the closure of Sheldon Jackson College, the Sitka Library Network regained the C. L. Andrews collection of 1,000 rare and first edition books. Due to the current lack of space in Kattleson, the collection sits in archival boxes in City storage, safe for the time being, but virtually inaccessible.

Phase I, Design, is estimated at \$1,500,000. The constraints of the existing site will be a challenge to permit adequate expansion. CBS will pursue funding through the Library Construction and Major Expansion Matching Grant Program sponsored by Senator Stedman. This grant may fund 50 percent of the cost, with matching 20 percent contributions from the local government entity and 30 percent from private donors. CBS requests the State fund the Matching Grant Program and permit Sitka to apply.

Sitkans and summer visitors rely very heavily on Kattleson Memorial Library and have repeatedly encouraged the City and Borough of Sitka to budget for daily service, including regular evening hours. This expansion is long overdue. Kattleson Library serves substantial State interests through its services to the University of Alaska, Mt. Edgecumbe High School, State agencies and other libraries statewide.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WHITCOMB HEIGHTS SUBDIVISION WATER AND SEWER TRUNK LINES

Total project cost: \$3,600,000 (100%)
FY2012 State funding request: \$3,240,000 Legislative Grant (90%)
Additional Funding Required: \$ 360,000 CBS General Fund (10%)

City and Borough of Sitka Federal Tax ID Number: 92-0041163

Kramer Avenue parallels the State Highway Halibut Point Road, through the southern portion of the City and Borough of Sitka owned “Benchlands” properties. Kramer is the arterial street of the Whitcomb Heights subdivision in the Benchlands. The proposed project would extend the water main “trunk line” currently being constructed in the southern portion of Kramer Avenue, and to the Whitcomb Heights water tank, to the north end of the subdivision, and construct a parallel sewer main in the same alignment.

Construction of these water and sewer main lines within the Kramer Avenue right-of-way will provide a backbone upon which the neighborhoods of the subdivision can be served. The Subdivision is the only property in the City and Borough of Sitka that is both accessible and of suitable terrain to support much needed public or private development of residential units, including sorely needed affordable housing. The Kramer Avenue water main will also provide a supply loop in parallel with the Halibut Point Road water main, ensuring that the added system water storage capacity provided by the Whitcomb Heights water tank can be distributed to all areas of the community water system.

Additional local match would be provided in the form of funding for construction of Whitcomb Heights subdivision neighborhood water and sewer mains, and individual service connections.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: GRANITE CREEK QUARRY EXPANSION

Total project cost:	\$ 600,000 (100%)
FY2012 State funding request:	\$ 480,000 Legislative Grant (80%)
Additional funding required:	\$ 120,000 CBS General Fund (20%)

City and Borough of Sitka Federal Tax ID Number: 92-0041163

Private and City and Borough of Sitka rock quarries in Sitka are near the end of their productive lives. There do not appear to be any good candidates for additional private quarries, leaving the City and Borough as the primary source of construction rock products in Sitka.

The City and Borough has identified additional quarry sites within the Granite Creek Industrial Site, north of the north fork of Granite Creek. These sites have been created by a formal subdivision process, which included platting of two separate access rights of way. This project would construct access to the additional quarry sites within the newly platted rights of way, from the existing operating portions of the Site. Construction would include an estimated 4,800 feet of single lane "logging" road with turnouts, and one single lane bridge over the north fork of Granite Creek.

Sitka's local match would be provided from the City and Borough of Sitka General Fund.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA MOLLER PARK BASEBALL FIELD IMPROVEMENTS

Total Project Cost:	\$3,793,900 (100%)
State Funding Already Secured:	\$ 560,000 (15%)
City & Donated Funding Secured:	\$ 730,000 (20%)
FY2012 State Funding Request:	\$2,453,900 (64%)
Other Funding Requests: Baseball Tomorrow Fund	\$ 50,000 (1%)
Additional Funding Required:	\$ 0 (State request completes project)
City and Borough of Sitka Federal Tax ID Number: 92-0041163	

State funding is being requested to complete the final phase of the \$3,793,900 Sitka Moller Park baseball field improvements project. Total project cost for synthetic ballfield turf is estimated at \$2,530,000 (anticipated \$165,000 in-kind labor). The State legislative funding request is for \$2,453,900 to complete the installation of a synthetic turf for Moller baseball field.

Improving the baseball facility at Sitka's Moller Park is a multi-year phased project that began in earnest in 2004 when a group of parent volunteers constructed a batting cage facility complete with synthetic turf, nets, pitching machines and heat. This facility was built with 100 percent local funds and donated labor -- a \$275,000 value. Currently a new \$350,000 concession/announcer/ scorekeeper/restroom building is complete. This facility was constructed with \$140,000 in donated in-kind labor and materials, \$100,000 City and Borough funds and \$110,000 FY07 State grant.

The next phase will utilize FY09 State grant funds and volunteer labor (estimated value of \$50,000) to install field lights, new covered bleachers/grandstand, and new relocated dugouts. Design and engineering of the lighting system is currently underway.

Improving the outfield playing conditions by adding synthetic turf will allow more active use of the field and reduce maintenance costs significantly. The current field surface has underlying muskeg resulting in poor drainage. The saturated turf limits players' ability to utilize the outfield during rainy weather. During wet weather the swampy outfield gets very soft resulting in unsafe, slippery conditions which cause ankle and leg injuries and also damage the grass surface. At times the outfield grass cannot be mowed because the tractor mowers sink into the muddy field. Four years ago the high school team hand carried and spread 30 cubic yards of sand onto the most dangerous areas in the outfield before games could continue. Currently, all Sitka High School, Jr. League, Sr. League and some men's softball league games are played on this one field. Hundreds of children participate in youth and high school programs annually, and with the outstanding successes of the Sitka High School and Little League's baseball programs, use of the field continues to increase.

Sitka's Little League and volunteer baseball group is very well organized and has a proven track record of leveraging funding to provide more 'bang for the buck' as demonstrated by the batting cage facility and the new building. This group is committed to this same partnership for all planned Moller Baseball Park upgrades. The project's budget to date includes \$780,000 (20 percent of total) in community sweat equity, donated materials, and City and Borough funds.

For FY2012, CBS requests \$2,453,000 for synthetic outfield turf to complete the final phase of the upgrade project to make the field playable nearly year-round. The previously State funded Moller Improvements projects will have great economies of scale with cost efficiencies in both design and construction if combined with the synthetic turf. Once these improvements are completed, no further State assistance is anticipated. Sitka will have a safer facility with lower maintenance costs that will provide for increased activities for Sitka's youth.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: EXPAND CBS BIOSOLIDS LANDFILL

Total project cost: \$ 500,000 (100%)
FY2012 State funding request: \$ 400,000 Legislative Grant (80%)
Additional funding required: \$ 100,000 CBS Solid Waste Fund (20%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163

The CBS biosolids landfill is located in the Granite Creek Industrial Site. Biosolids are what remains after Sitka's wastewater is treated and must be disposed of in a permitted location approved by the State Department of Environmental Conservation (ADEC) and U.S. Army Corps of Engineers (ACOE). The first half of the biosolids landfill has been constructed, and the landfill has been in use for approximately three and a half years.

The CBS has an ACOE permit for expansion of the biosolids landfill by construction of an additional containment berm, which expires in June 2012. Therefore, construction must be completed prior to June 30, 2012, or CBS will need to go through a new and challenging permitting process. Once the landfill containment berm is built, CBS will have as long as is required to place biosolids behind the berm, under CBS' ADEC permit to operate the landfill.

CBS has used an estimated 35 percent of the existing biosolids landfill area so far, so gaining the extra permitted capacity is critical as a medium-term goal for Sitka's solid waste management. Based on Sitka's three and a half years of experience with the biosolids landfill, the remaining life of the existing landfill is predicted at approximately six years. The as-yet undeveloped portion of the biosolids area would approximately double the capacity of this area. The \$500,000 estimate for construction of the additional biosolids area includes shot rock berm, filter fabric, and clearing and grubbing. The State's partnership in this project can permit it to be completed soon and benefit the many State interests in Sitka which utilize this facility.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA SWAN LAKE RECOVERY AND IMPROVEMENTS

Total Project Cost:	\$ 4,500,000 (100%)
City & other funding - work previously completed:	\$ 450,000 (10%)
Funding already secured: (CIAP Legislative Grant):	\$ 771,236 (17%)
FY2012 State Funding Request:	\$ 1,650,000 (37%)
Additional Funding Required:	\$ 1,628,764 (36%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

Swan Lake, 'Sitka's Central Park', is a eutrophic dying lake. For decades, CBS has been improving Swan Lake's water quality and recreational opportunities. Dredging Swan Lake is not "just a nice thing to do" but is necessary to retain Swan Lake as an integral part of Sitka's past and future. Swan Lake is a park used year-round. In the spring and summer, parents and children fish and boat on the lake; in summer, cruise ship visitors visit the lake to recreate, hike and learn about its history; in the winter, Swan Lake is the only location in town for ice skating.

Swan Lake is not only special to Sitka residents and visitors. It has a very special place in Alaska history. It was created in 1851 when the Russian occupants of New Archangel connected and deepened a series of ponds by dredging, rerouting a creek and building a log dam at the outlet. The newly formed lake was created so that ice could be harvested for shipment to California. This was a successful business venture for the Russian occupants which received special attention during the purchase of Alaska by the United States.

An active multi-year water body recovery project began in the 1990's. The guide for these efforts has been the Swan Lake Watershed Recovery Strategy and Total Maximum Daily Load Report, which was completed during 2000. In 1981 Swan Lake was named an Area Meriting Special Attention (AMSA) under the Coastal Management Program. This included water quality and watershed protection policies. In 1985, to respond to citizen concerns about the eutrophication of the lake, the CBS commissioned the Swan Lake Recreational Improvements Geotechnical Assessment and Construction Analysis. This study recorded depth and bottom substrate measurements throughout the lake. The lake averages less than seven feet in depth and the study recommended dredging the majority of the lake to increase overall depth.

Three small strategic dredging projects with broad public support have been completed in Swan Lake since 2001, funded by a combination of Coastal Impact Assistance Program (CIAP), DEC ACWA/EPA 319 grants and municipal matching funds (totaling approximately \$450,000). These projects were successful in improving water flow in and out of the lake, increasing access for recreational activities and improving water quality and winter fish habitat. Small dredging projects, however, are not cost effective. Mobilization costs are high and consumed up to 35% of the project budgets. Larger projects are much more cost effective because the mobilization costs are nearly fixed and not proportional to the volume of material dredged. The 2009 Legislature provided Visitor Excise Tax funding for this upgrade project, but the funds were vetoed. **CBS again requests \$1,650,000 in state funds to complete this major improvement.**

State FY2012 funds will provide 'more bang for the buck' when combined with the \$771,236 of designated Coastal Impact Assistance Program funds (CIAP) which CBS has secured. This funding is needed for the continuing rehabilitation of Swan Lake. Sitka requests \$1,650,000 State funds to partner with CBS to continue the major long-term recovery and preservation of Swan Lake. Once completed, Swan Lake will provide its historical, environmental and recreational richness to all well into the foreseeable future.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: TAKATZ LAKE HYDROELECTRIC FEASIBILITY ANALYSIS

Total Project Cost:	\$3,000,000
Funding already secured:	\$1,152,134 AEA Grant Round I/II
FY2012 State funding request:	\$2,000,000 AEA Round IV
Other funding requests:	\$ 0
Additional Funding Required/Outstanding:	\$ 0

City and Borough of Sitka Federal Tax ID Number: 92-0041163

The City and Borough of Sitka has submitted a grant application to the Alaska Renewable Energy Fund Round IV in the amount of **\$2,000,000 to conduct a Feasibility Analysis of the Takatz Lake Hydroelectric Project.** This is to request approval of that funding.

Since 2002, Sitka has invested over \$8,000,000 in environmental and engineering work to relicense and expand the existing Blue Lake Hydroelectric Project. In addition, over \$600,000 has been expended to investigate other potential hydroelectric resources, including Takatz Lake. These expenditures by Sitka totaling \$8,600,000 reflect the municipal commitment to the development of Sitka's hydroelectric resources.

In September 2008, the Federal Energy Regulatory Commission issued a preliminary permit to the City and Borough of Sitka to determine the feasibility of the Takatz Lake Hydroelectric Project. This Project along with the expansion of the existing Blue Lake Hydroelectric Project can be fully utilized to displace much of the 9 million gallons of fuel oil currently being consumed in Sitka each year.

This work to determine the feasibility of the Takatz Lake Hydroelectric Project is the continuation of over one hundred years of hydroelectric power supply planning for Sitka dating back to early 1900's. The more recent engineering investigations over the decades resulted in the construction of the Blue Lake Hydroelectric Project in 1960, followed by the construction of the Green Lake Hydroelectric Project in 1982, the addition of two small hydroelectric units at the existing Blue Lake hydroelectric project in 1992, and now the expansion of the existing Blue Lake Hydroelectric Project to its maximum capacity which is expected to be completed and in service by 2015. The result of this planning is Sitka's power supply has been primarily hydroelectric for fifty years.

The community of Sitka is entering an era of increasingly scarce and increasingly expensive oil which drives a sustained growth in the demand for hydroelectric energy. The development of Takatz Lake's hydroelectric potential to serve the City of Sitka could also serve other communities in Southeast Alaska as those communities become electrically interconnected. See the grant application dated November 7, 2009 to the Alaska Energy Authority for more detailed information.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA ROCKY GUTIERREZ AIRPORT TERMINAL CRITICAL UPGRADES

Total Project Cost:	\$2,100,000 (100%)
FY2012 State Funding Request:	\$1,407,000 (67%)
Funding already secured: Holding Room Bathroom	\$ 208,000 (10%) CBS
Other Funding Request: Passenger Facility Charges	\$ 485,000 (23%)

City and Borough of Sitka Federal Tax ID Number: 92-0041163

The State is requested to partner with CBS by providing the \$1,407,000 funding for a detailed engineering design and construction of improvements to make the existing airport terminal building functional until funding becomes available to build a new terminal building.

The Sitka Airport is owned and operated by the State of Alaska, Department of Transportation & Public Facilities (ADOTPF). The Sitka airport terminal building is owned and operated by the City of Sitka (CBS), which leases the ground it sits upon from the State of Alaska. The existing terminal building and terminal site are inadequate to meet the current needs of today's airport environment.

The Terminal Upgrade project will mitigate some of the most serious terminal deficiencies. The project includes construction of two single unisex bathrooms for the hold room, remodel of the Alaska Airlines bag well, and remodel of the TSA Baggage Screening area. To remedy the lack of hold room bathrooms, the CBS is funding an immediate project to add these facilities during the winter off-season. This project will allow the exiting terminal building to continue to provide essential airport services.

ADOTPF studied Sitka terminal needs and identified two preferred options in the 2005 Master Plan to resolve the terminal deficiencies: 1) Remodel and expand the current terminal building; 2) Build a new terminal directly adjacent to the existing terminal building. CBS has just completed the next step in the terminal redevelopment plan where these two options were further studied. Due to the inherent deficiencies in the existing building, it was concluded the best long term solution, which will be most cost effective and efficient and have the least impact on airport operations, is to construct a new terminal building. Cost of this future project is estimated at \$34,000,000.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: STATE PUBLIC SAFETY ACADEMY DRIVER TRAINING FACILITY UPGRADE

Total project cost:	\$ 5,000,000(approx.—100%)
Funding already secured:	\$ 1,000,000(State appropriation 20%)
FY2012 State Dept. of Public Safety request:	\$ 4,000,000 (80%)

The State's Public Safety Training Academy in Sitka has been a primary resource for the State of Alaska in law enforcement and public safety training since 1968. It has always been extremely important to Sitka, providing direct employment, major economic benefits, and substantial sharing of resources for law enforcement training with Sitka agencies as well as the University of Alaska Sitka Campus (UAS). The City and Borough of Sitka (CBS) has supported Academy upgrades including a female wing, shooting range upgrade, cafeteria, and other completed improvements.

The largest and by far most important upgrade that has not been accomplished is the construction of a safe, secure driver training facility. City and Borough of Sitka is grateful to the State of Alaska for funding the cafeteria and \$1,000,000 for this driver training facility. The Sitka Driver Training Facility is a very high priority of the Department of Public Safety. CBS requests the State budget for construction phase as soon as possible.

With the steep rise in construction costs, a rough estimate for development of the Public Safety Academy property and purchase of additional land, rock and paving costs, and road easements and construction, the total project is projected to cost around \$5,000,000.

A professional driver training facility is a major safety need and essential component of continued viability of the Sitka Public Safety Academy whose program includes 60 hours of training devoted to emergency vehicle operations. The current facility borrows the parking lot between UAS, Mt. Edgecumbe High School, and Sitka Channel used by many students. It has always been woefully inadequate to provide security and safety necessary for driver training and has proved unsafe for participants and the public. Vehicles have spun out and ended up in Sitka Channel. Police and other emergency first responders deserve the best driver training available to cope with the diverse weather and road conditions in Alaska. A public parking lot cannot provide this.

The new driver training facility will be located on the Academy's property separate from any public use. It will provide the SE Region and the State with multiple emergency vehicles operations and training for emergency response professionals in law enforcement, fire and emergency medical services.

The Sitka Assembly unanimously approved Resolution 2008-16 on May 27, 2008, "A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING THE PUBLIC SAFETY ACADEMY DRIVING RANGE AND FACILITIES UPGRADE". CBS continues to partner with the DPS to complete this upgrade.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: STATE-OWNED BARANOF WARM SPRINGS DOCK RECONSTRUCTION

FY2012 State Funding Request:

\$1,850,000 (100%) DOTPF

The Baranof Warm Springs State Dock was built over 30 years ago and is at the end of its useful life. The State has not regularly maintained it, and it is in need of complete replacement. The dock is used year-round by homeowners in the town site. It is also heavily used by commercial seine boats, charter boats, small tour ships, outfitter/guide boats, and many private vessels and aircraft transiting Chatham Strait who want a safe place to moor and go ashore. The users number in the thousands each year. The dock provides the only safe access to the uplands town site, hot springs, and Baranof Lake and is the only public dock for most of the Strait.

The Baranof Warm Springs Dock has a 50 foot galvanized steel ramp to a dock of treated board construction with unprotected foam billets for floatation. The float is 75 feet in length and 12 feet wide and has an attached floating floatplane dock. It also connects to the main dock 254 feet long and 12 feet wide. The dock is held in place by 9 pilings (5 wood, 4 steel). Two additional steel pilings are positioned at the end of the ramp, joined by a steel I-beam which is used to support the ramp should it be pulled up for maintenance. The ramp is of galvanized steel construction with steel grate for decking. The steel grate has been installed improperly. The non-skid grating runs lengthwise down the ramp instead of crosswise. As a result, the ramp is extremely slippery. The City has advised DOTPF several times about this dangerous condition. Several people have fallen on the ramp, sustaining broken ribs and other serious injuries.

The float plane dock sits low in the water and shows signs of floatation failure. The steel hinges attaching it to the dock have failed, and the float is attached only by ropes. The main dock shows signs of extreme wear, with rot in deck boards throughout the entire facility. There is damage from vessels having hit the dock and from rafting of a number of large boats together which places a huge amount of pressure on the dock. Windy and surge conditions and the current from the large adjacent falls worsen the impacts. Major damage to the structural integrity of the facility is possible.

DOTPF budgeted \$1,300,000 in FY'07 based on 2006 cost to reconstruct the dock and then transfer ownership and maintenance to the City of Sitka. The dock is in critical need of repair and must be reconstructed whether or not the CBS takes it over. This funding was vetoed but was subsequently approved. The Sitka Assembly approved Resolution 2007-21 to accept ownership and management of the dock if adequate funds are made available to replace it. The Assembly stated the City would only be able to replace that portion of the dock for which funding is available. A \$1,300,000 dock would serve the property owners but not the thousands of other users.

The earliest this project could be constructed is Summer, 2011. The currently estimated cost of that construction is \$1,850,000. **The City and Borough of Sitka requests DOTPF either replace the dock and then transfer the upgraded facility to CBS, or budget \$1,850,000, adjusted for the steep rise of Alaska construction costs, for CBS to remove the old dock and build a new one in the same footprint. Sitka will then permanently accept its ownership and maintenance.** The other option, to do nothing until the dock completely fails or causes further harm and liability is irresponsible, as is using a 2006 rather than 2011 replacement cost estimate not sufficient to replace the entire dock.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: CO-FUNDING FOR MAJOR MAINTENANCE FOR STATE/CITY OFFICE BUILDING

Total Project Cost:	\$569,000 (100%)
Funding already secured:	\$193,460 (Municipal – 34%)
FY2012 State funding request:	\$375,540 (State – 66%)
Additional Funding Required/Outstanding:	\$ 0
City and Borough of Sitka Federal Tax ID Number: 92-0041163	

In 1974 the State of Alaska and City and Borough of Sitka (CBS) entered an agreement to construct, operate and maintain a joint State Court and Office Building. In 1993, the agreement was modified to reflect the Municipality occupying and paying for 34 percent of building maintenance and utility costs, and the State paying 66 percent for its greater occupancy. CBS also provides maintenance and management for the facility.

Except for the City's Police Department, the tenants are State agencies, which are unhappy with the deteriorated condition of the building. Some of the most serious problems have been fixed recently including the roof replacement, new heating boilers and mechanical upgrade, replacement of the emergency generator, and replacement of the Underground fuel Storage Tank (UST) with an Above Ground Storage Tank. The City's Electric Department installed an interruptible electric boiler as a dual heat source with heating oil, to reduce fuel costs. CBS is very pleased to have these problems solved before catastrophic failure occurred. Now, the tenants deserve to have the other poor conditions improved.

Several projects have been budgeted but not yet funded, including lighting retrofit, \$235,000 (priority 1); restrooms remodel, \$294,000 (priority 2); and window replacement, \$40,000 (priority 3). These various State office tenants are providing professional services and deserve a clean, safe, professional office facility. The lighting retrofit will take approximately 14 years to payback in energy savings. **THE STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES IS REQUESTED TO FUND ITS SHARE OF THE ABOVE, LONG-OVERDUE BUILDING UPGRADES.**

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: REPLACE FAILING WATER SUPPLY LINE TO JAPONSKI ISLAND

Total Channel Crossing Water Mainline project cost:	\$2,000,000 (100%)
CBS Water Fund FY 2012:	\$ 70,000 (4%)
FY2012 State funding request:	\$ 630,000 FY 2012 (31%)
Other funding requests	\$1,300,000 FY2012 ADEC Municipal Matching Grant (65%) DEC Loan/ Stimulus Program

City and Borough of Sitka Federal Tax ID Number: 92-0041163

CBS requests the State contribute \$630,000 to partner with the \$70,000 Municipal Water Department seed funds to accomplish Phase 1 of this important project. City and Borough of Sitka needs to replace the leaking 12-inch concrete-lined steel water pipe suspended under the O'Connell Bridge. This is a phased project with Phase 1 including; identifying the replacement location (submerged or on the bridge), installing tie-ins and isolation valves to facilitate removing the existing leaking line from service and connecting a future line, and detailed design and permitting. Completing Phase 1 will greatly improve CBS's ability to be awarded DEC municipal matching grant funds for Phase 2, the actual construction of the line. This waterline serves several State institutions located on Japonski Island, so the State has a major interest in upgrading this failing water system.

This is one of the final projects remaining from the 2003 Japonski Island Infrastructure Master Plan "Island Water Supply Improvements". The existing 12-inch line was constructed by the Bureau of Indian Affairs (BIA); a leak was discovered last year. Replacing this line will also provide a looped water system for the island improving supply volume and pressure. No agencies claim ownership of this waterline which serves municipal, State and Federal institutions. **Once upgraded, CBS will assume ownership and maintenance of the new waterline.**

Sitka supplies potable and fire protection water to State, Federal and municipal facilities and residents on Japonski Island across the 900 foot wide Sitka Channel. Japonski Island is the site of the Sitka Rocky Gutierrez Airport, Southeast Alaska Regional Health Consortium and Hospital, Mt. Edgecumbe High School (State Department of Education boarding school), University of Alaska Sitka Campus, U.S. Coast Guard (USCG) Air Base, USCG Buoy Tender Base, USCG and other residential housing, daycare facilities, municipal wastewater treatment plant and Sealing Cove Harbor.

CBS has sought funding in the current fiscal year for this project through the DEC low interest loan/stimulus program. The project did not score high enough to be funded. Municipal matching grants are even more competitive. CBS believes if Phase 1 were completed, Phase 2, the construction of this project, will be competitive with other utility projects statewide.

CBS will continue efforts to secure the additional Federal and State funding towards completion of the remainder of the Japonski Island utility upgrades which include: the Japonski Island utility corridor relocation, \$1,500,000; Water Tank Demolition, \$500,000; and U.S. Coast Guard Housing Water Improvements, \$750,000. In Spring 2010, CBS was awarded \$1,300,000 DEC low interest loan (including \$192,000 in stimulus funds) for wastewater lift station improvements on Japonski Island.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: SUPPORT FOR STATE SERVICES AT SITKA JAIL FACILITIES

Last year, approximately 84 percent of the inmates held in the Sitka Jail Facility were being held on State charges. By law, the State is responsible for caring for persons charged under State law. The City and Borough of Sitka is willing to provide a professional, cost-effective service to house and care for the State's prisoners in Sitka, **but the State must reimburse the Municipality for these services.** Each year, CBS pays more to manage the Community Jail Contract than the State will reimburse. Costs for personnel, food services, and laundry services have all risen sharply. For FY2010, Sitka's contract was budgeted at \$536,374, but the State only reimbursed about \$419,450, the same amount as in FY2009.

The outside study conducted by Maximus in 2008 reflected a total cost of \$727,787 to operate the Sitka Community Jail. Sitka Police Department officers are an intricate part of the movement of adult prisoners back and forth between Lemon Creek Correctional Center and the Sitka Jail Facility. The officers also assist the Division of Juvenile Justice with the movement of juvenile offenders between Juneau and Sitka. The Sitka Police Department is not reimbursed the manpower costs of these transports. **The State is requested to fully fund the Community Jail Contract.**

Non-Criminal Detoxification (Title 47) has great liability and is staff intensive because of the frequent checks required. In FY2010, the Sitka Jail took 147 people into protective custody under Title 47 but received no reimbursement from the State. The State does receive revenues from State excise tax on alcohol. **CBS requests some of these funds be passed on to CBS, which provides frequent services to those incapacitated by alcohol, to help defray the direct costs associated with their care, through the Community Jail Contract.**

Juveniles: Under the Juvenile Detention Protective Act (JDPA), adult jails may not house juveniles. The Sitka Police Department has worked well with the Division of Family and Youth Services and the Court to provide secure housing for juveniles but has borne the cost and liability of this housing without reimbursement. The lack of an appropriate lock-down facility in Sitka for "at risk" juveniles creates a serious problem for the Department as well as the community. **The City and Borough of Sitka requests the State Division of Family and Youth Services provide funding for alternative secure housing for "at risk" juveniles, to include appropriate "lock down" quarters, as part of the Community Jail Contract.**

The City/State Office building is old and in need of replacement. In addition to the Police Department, it also houses a number of State offices. The Police Department has long since outgrown its space. Many of the jail supplies are kept at offsite rented storage facilities. The Jail Facility is never going to be able to hold inmates longer than the current 10-day maximum without a new facility. Also the Department is currently involved in the Electronic Monitoring Program. The State of Alaska is requested to partner with CBS to improve the Sitka Community Jail and other services by sharing planning and design costs for a new City/State/Tribal Justice Center. The State must also pay its share of Sitka jail, detoxification, and juvenile services costs now constituting an unfunded mandate burden for State services borne by the Sitka Police Department.

FY2012 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: STATE-OWNED NELSON LOGGING ROAD UPGRADE

Total project cost:	\$2,232,000 (100%)
Funding already secured:	\$ 0
FY2012 State and/or Forest Hwy Program funding request:	\$2,232,000 DOTPF (100%)
Additional funding required/outstanding:	\$ 0
City and Borough of Sitka Federal Tax ID Number: 92-0041163	

CBS has applied for Nelson Logging Road Forest Highway Route Nomination and Project Support in the amount of \$2,232,000 in cooperation with the U.S. Forest Service. The State of Alaska and DOTPF is encouraged to support this application or provide direct State funding to upgrade Nelson Logging Road and transfer it to City and Borough of Sitka for permanent ownership and maintenance.

Nelson Logging Road is owned by the State of Alaska Department of Natural Resources but currently maintained by the City and Borough of Sitka. The road is 1.2 miles long and runs from Halibut Point Road alongside the Starrigavan estuary and creek to the City and Borough's Tony Hrebar Shooting Range, State Public Safety Academy Shooting Range, USDA Forest Service Off-Road Vehicle Recreation Area and logging areas, and upper Starrigavan Valley in the Tongass National Forest. CBS has repeatedly asked the State to upgrade this road.

This project includes safety improvements to the Halibut Point Road/Nelson Logging Road intersection, upgrading the roadway to 28 feet for two-way traffic, and upgrading both inadequate bridges. The roadway is also to be moved toward the south to raise the roadway above the winter and spring flooding at the Strarrigavan Creek estuary and eliminate sloughing off of the roadway into Strarrigavan Estuary. The project also includes three parking areas, at the Tony Hrebar shooting range, at the head of the USDA Forest Service Off-Road Vehicle Recreation Area, and at the State Park Forest and Muskeg Trailhead.

Upgrading Nelson Logging Road should be a State priority due to the mandatory use of the road year-round by the Public Safety Academy. This road is increasing in year-round use, but no funds have been committed for a substantial safety upgrade. The Alaska State Troopers must have access to their shooting range year round for their Public Safety Training classes. Thousands of other users also drive or walk Nelson Logging Road for selective logging, access to trails, and access to the public shooting range and the Tongass National Forest.

The deteriorated condition of the road is causing both safety (The Sitka Police Department has a record of four traffic accidents in the last five years) and maintenance issues. There is inadequate sight distance at the intersection with Halibut Point Road, and the road is sloughing off into the estuary. It is especially dangerous in winter when ice makes it nearly impassable. It is so narrow in places that vehicles run into stumps along the edges of the road. Driving an ambulance to provide emergency services on Nelson Logging Road is almost impossible under icy winter conditions.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: CO-FUNDING FOR CITY/STATE/TRIBAL JUSTICE CENTER PLANNING STUDY

Total project cost:	\$150,000 (100%)
Funding already secured:	\$ 75,000 (CBS Municipal—50%)
FY2010 State funding request:	\$ 75,000 (State—50%)
Additional funding required/outstanding:	\$ 0

City and Borough of Sitka Federal Tax ID Number: 92-0041163

State and Municipal justice facilities in Sitka are antiquated and inadequate to serve current needs. Most are housed in the 35 year-old State/City Building. The City and Borough of Sitka and Sitka Tribe of Alaska are collaborating with other key stakeholders, including State agencies, to plan a “one stop shopping center” housing a broad range of justice-related services. The new facility could potentially house the offices of Sitka Police Department and Community Jail and Sitka Tribe of Alaska Social Services, plus several State facilities: Alaska Assistant District Attorney, Alaska Children’s Services, Alaska Department of Corrections/Division of Probation and Parole, Alaska Division of Juvenile Justice, and Alaska District Court, none of which have adequate or secure facilities. This Planning Study will result in a concept plan, including cost estimates, feasibility and concept design. The new multi-use State/City facility could include a new larger and longer-term Community Jail to ease the overall stress on the Department of Corrections Lemon Creek Facility in Juneau, and potentially initiating and implementing an electronic monitoring program for the region.

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: PROVIDE EQUITABLE ALASKA MARINE HIGHWAY SERVICE TO SITKA

The Summer 2008 Alaska Marine Highway schedule was a major improvement for Sitka. Passengers had much better connections to and from Sitka and the rest of the System. Increases in traffic were substantial for Sitka – 32 percent increase for passengers and 22 percent for vehicles. In 2007, the City and Borough of Sitka promoted increased fast ferry service (five days per week Juneau-Sitka-Juneau service) as well as three southbound and one northbound mainlines with a “Let’s Go, Sitka” campaign. The great increase in use of ferries in and out of Sitka in Summer 2007 had substantial positive economic impacts on AMHS and the entire Southeast Region.

Unfortunately, in 2009, Sitka did not receive fast vehicle ferry service until July, almost halfway through the summer season. In 2010 and 2011, Sitka is not scheduled to receive five days per week fast vehicle ferry service until July. Sitka’s Summer Season begins in May and is heavily used by travelers in June. **The Summer schedule should be fully operational for all communities by June 1 and available for publicity and bookings months in advance, including Sitka. Sitka requests supplemental service for May and June if the Fairweather is not yet fully serving Sitka.**

The loss of all direct service by the LeConte between Sitka and Kake, Angoon, Tenakee, and Hoonah in 2006 continues to cause serious hardship. These direct round-trip connections have existed since the 1960’s. **At a minimum, once per week direct round trip connections between Sitka and Kake, Angoon, and Hoonah need to be restored.** Sitka’s largest employer (Southeast Alaska Regional Health Consortium) can no longer use the ferries to transport most of its clients throughout Southeast Alaska to Sitka for in-patient hospital care and specialty clinics causing many adverse impacts. Many elderly, ill, and fixed-income clients are not able to fly and can’t get to Sitka for care. **THIS IS UNACCEPTABLE.** The Angoon dock modifications to accommodate the fast vehicle ferry (FVF) could permit direct round-trip connections with Sitka as long as regular FVF ferry service to Sitka continues, but this is still not a reality. The LeConte could resume service to Sitka to connect the villages by adding a third mate position. The six-day passenger only service proposal may be another cost-effective solution for expanding Sitka/village service.

Sitka appreciates some FVF trips to Sitka through December, but when it is not running from January to May, the winter schedule is very poor. DOTPF should partner with Sitka to address these issues. **SITKA’S WINTER SCHEDULE NEEDS TO BE INCREASED TO THE SAME BASE LEVEL AS OTHER MAINLINE PORTS.** Sitka passenger and freight traffic would increase **enormously with a year-round consistent, connective schedule.** Of great concern is the serious problem with the Fairweather’s engines which could remove it from service. If this happens, what is AMHS back-up plan to provide northbound services to Sitka?

The Southeast Transportation Plan needs to be updated to reflect alternative solutions to the above issues. DOTPF’s Sitka Access study was never completed. DOTPF’s Northern Panhandle study which ignored Sitka and rerouted the Le Conte, deleting direct village service to Sitka should be revised to include direct Sitka-village connections. **CBS continues to request that DOTPF and AMHS complete the Sitka Access Study to evaluate the feasibility and costs of developing a road connection to Chatham Strait, potentially in cooperation with the proposed development of the Takatz Hydroelectric Project and other alternatives to provide consistent connective Marine Highway service to Sitka.**

FY2012 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: UPGRADE STATE OWNED EAGLE WAY AND OLD HARBOR MOUNTAIN ROAD

Total project cost	\$1,400,000 (100%)
Funding already secured:	\$ 0
FY2012 State funding request:	\$1,400,000 DOTPF (100%)
Additional funding required/outstanding:	\$ 0

Eagle Way and Old Harbor Mountain Road are both State owned roads. Eagle Way is managed by the Department of Transportation and Public Facilities. Old Harbor Mountain Road is managed by Department of Natural Resources. Both are essentially unmaintained. Both have gravel surfaces in poor condition, and domestic water and sewer facilities that range from very poor condition to nonexistent. Eagle Way was formerly a portion of the Sawmill Creek Road State highway right of way. Old Harbor Mountain Road was the State owned access road to the USFS road to the recreation area Harbor Mountain, prior to construction of the Harbor Mountain Bypass Road in approximately 2000. Both roads are now dead end roads serving multiple residences.

In past years the City and Borough of Sitka Public Works Department has done some limited surface maintenance on these two roads, but only on specific occasions and in the absence of appropriate State maintenance. Sitka based DOTPF maintenance personnel agree that these are State facilities, but are unable to add either maintenance or upgrade of these roads to their regular operating budget. The Sitka residents who live on these roads have not been properly served and continue to request that they receive adequate roads and water and sewer facilities.

The State Department of Transportation and Public Facilities needs to upgrade or replace the water and sewer mains and services within the rights of way and upgrade Eagle Way and Old Harbor Mountain Road with at least new gravel surfaces and storm drain systems. DOTPF and DNR can then transfer the roads to the City and Borough of Sitka for ownership and all future maintenance.