



CITY AND BOROUGH OF SITKA

*Provide public services for Sitka that support a livable community for all
People | Innovation | Integrity | Sustainability | Service*

FY2025 Legislative Priorities

Support Funding Sitka's Working Waterfront

Funding for a Marine Haul Out: Sitka ranks as the 14th fishing port in the US by weight and 10th by value, with landing of 69.1 million pounds of seafood worth \$77.5 million in 2022. Sitka's aging and lack of critical infrastructure is a threat to the community and economy. The community voted in October 2022 to allocate \$8.2 million of the city's Permanent Fund to begin development of a haul out. Additionally, Sitka was awarded a \$1 million Denali Commission grant toward the purchase of a vessel lift. Initial cost estimates for phase 1 are \$15 million leaving Sitka with a \$5.8 million shortfall to have a basic operating haul out. Phase 2 consists of an upland shipyard development estimated to cost an additional \$14 million. Federal and State assistance would reduce the city's cost to build the haul out which would alleviate the burden on the community.

Funding for Eliason Harbor Electrical Rehabilitation: As a part of CBS's existing infrastructure that needs immediate attention is our largest harbor, Eliason Harbor with regards to the electrical system. Originally designed by AKDOT/PF, it was constructed in the late 1990's. The electrical system requires substantial rehabilitation at an estimated cost of \$6 million to replace main service equipment, main distribution panelboard and load centers on the floats, and main cables between these components and the new pedestals. In the past, the main feeder cable has failed multiple times that has required harbor, electric, fire, and police resources.

Continued Funding for Utility Infrastructure

Funding for the Green Lake Rehabilitation Project: CBS is one of the few municipalities that is supplied with 100% renewable energy. The Green Lake hydrogeneration plant, which provides 40% of Sitka's electric power, is 40 years old and in dire need of major rehabilitation. Phase 1 of the Green Lake Rehabilitation Project has been completed with CBS capital funds. Phases 2 and 3 are focused on overhauling the two 9 MW turbines based on the findings of Phase 1 with an estimated cost of \$8.5 million. The work performed in Phases 2 and 3 will extend the life expectancy of the Green Lake hydrogeneration plant by 40-50 years. Funding for Phases 2 and 3 has yet to be secured, which puts Sitka's energy independence and resiliency at significant risk.

Support for Economic Resilience

Funding to expand housing and childcare access: 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 development of municipal lands for housing. CBS also requests consideration of transferring state-owned lands in Indian River Valley, an area with high development potential, to the municipality. Currently, there is only one childcare spot for every 3.5 children under the age of 5.5; to meet our expanding workforce needs, Sitka would need to have one space available for every two children. CBS requests support and resources to work on childcare solutions that are critical for a healthy workforce in Sitka.



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Support for Public Safety

Police Department and jail: Financial assistance is needed for a new multi-purpose building to house the Police Department and jail. The Sitka Police Department (SPD) and jail are currently housed within approximately 6,400 square feet of the City/State Building. The ~20,000 square foot building was constructed between 1974 and 1976 in partnership with the State. CBS owns a portion of the land the building is located on, and jointly owns the building with the State. The 45-year-old facility does not meet current needs and functions of the SPD. Estimated costs for a new police department and jail are \$20 million to construct on one of two possible sites.

AK DOT/PF action on traffic and safety improvements on state routes in support of tourism growth: 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 considering this unprecedented growth. Needed action from AK DOT/PF include pedestrian crossing improvements, critical intersection improvements, and multimodal transportation planning.

Continued Support for Transportation

Alaska Marine Highway Service: CBS requests AMHS provide adequate and consistent service to our residents and visitors. AMHS acts as Sitka's highway, providing core service critical to our economy. The drastic reduction of State ferry service to Sitka has caused massive economic and personal dislocations across the Southeast Alaska region.

Agency to Agency Support for the Sitka Seaplane Base: Sitka's only seaplane facility has been operating at its current site for over 65 years and after some rehabilitation work completed in 2016, the facility still only had a life expectancy of 5 to 10 more years. Sitka has completed an extensive siting study and environmental documentation in support of a newly constructed facility sited on State land, but the project has stalled. CBS asks for support between Federal agencies.



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FY2025 Unfunded Mandates

Fully fund the Wastewater Effluent Disinfection Treatment System

CBS requests the State of Alaska to fund the design and construction costs for the new wastewater effluent disinfection system. The fecal coliform limits in the draft discharge permit have been significantly reduced due to changes that were made to the Alaska Water Quality standards since the issuance of the current permit. The lower limits along with the addition of enterococci require CBS to disinfect the wastewater effluent prior to discharge. Sitka is unable to meet Alaska Water Quality Standards with our current treatment facility. CBS requests \$10 million in funding to design and construct the infrastructure needed to meet the requirements to alleviate the undue burden of increased utility rates to our citizens.

Continued support for the State's Community Assistance Program

CBS requests the State of Alaska fully fund the Community Assistance Program to develop a long-term funding source on which municipalities can rely and to offset the costs of unfunded mandates such as State required property tax exemptions, which continue to increase at or above the rate of inflation. Prolonged budget level uncertainties are causing severe difficulties for Sitka and other local governments.

Continued State reimbursement of school bond debt at 70% for existing bonds and consideration of new bonding opportunities

Sitka's schools were renovated using State bond funds with the expectation that the State would continue to live up to its obligation as a financial partner. Sitka's school buildings will again need substantial repairs in the future and a pool of funding will be necessary to maintain our school infrastructure. Sitka's revenues are insufficient to cover a major renovation.

Support for the Municipal Harbor Matching Grant Program

CBS requests the State of Alaska to fund, and inflation proof the Municipal Harbor Facility Grant Program in the FY 2024 State Capital Budget and future budgets to ensure enhanced safety and economic prosperity for coastal communities. Municipalities have committed significant match for projects of local importance.

Stable and predictable funding of school systems

Sitka supports its school system to the maximum allowed by State law. The CBS Assembly allocates all property tax revenue plus some of the sales tax to fund the school district. As school costs increase each year, and State funding remains stagnant, the burden increasingly falls on the CBS, especially in this current period of historically high inflation.