



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: Dave Miller, Interim Municipal Administrator

Reviewed: Brian Hanson, Municipal Attorney *BEH*
Michael Harmon P.E., Public Works Director *MA*
Melissa Haley, Acting CFAO *MH*

Date: August 20, 2019

Subject: **Airport Improvement Program (AIP) Grant for the Sitka Seaplane Base:**
Funding for the Environmental Assessment & Aviation Planning Services
(FAA Project No: 3-02-0488-001-2019)

Requested Action:

Authorize the Municipal Administrator to execute all necessary documents to accept, execute, and administer an \$842,629 Airport Improvement Program (AIP) grant offer from the Federal Aviation Administration (FAA) to complete the Environmental Assessment and Aviation Planning Services for the new Sitka Seaplane Base and commit to the required grant match of \$56,176.

Summary

- The FAA has made an AIP grant offer for an Environmental Assessment and Aviation Planning Services grant for the proposed new Sitka Seaplane Base.
- We anticipate receiving three AIP grants for each phase of this project as follows:
 1. Environmental Assessment & Aviation Planning
 2. Design and Land Acquisition
 3. Construction
- The grant offer must be accepted, signed, and certified by August 30th, 2019 or the offer expires.
- The AIP grant offer totals \$898,805.00 with a CBS match of \$56,176.
- The FY20 Budget planned for a total of \$16,000,000 in contingent grants for all phases of this project.
- No grant match funds were appropriated in the FY 20 Budget. We anticipate a total match of approximately \$1-million for all phases of this project.
- Assembly approval is requested for the grant acceptance and City match.

Fiscal Note

In the FY2020 budget the assembly has approved appropriations for contingent grants for this project up to \$16,000,000. Upon assembly approval to execute this grant award, \$842,629 will become approved. This grant requires a match in the amount of \$56,176. This will be a supplemental capital appropriation in the Harbor Fund. We propose that the funding of the match for this grant come from the General Fund. Due to conservative budgeting for FY2019, we anticipate more of a surplus than what was originally budgeted for in the General Fund.

This grant is a federal grant that requires full compliance with 2 CFR part 200 and is subject to a Single Audit.

Background

CBS staff has prioritized the development of the new Sitka Seaplane Base Project and pursued AIP Grant funding from the FAA. Please refer to the attached Assembly Action Plan and associated resolution identifying this project as a high priority for completion.

The grant offer we have received for Phase-1 will fund the aviation planning and Environmental Assessment (EA) required to be completed before the project moves forward to complete the design and land acquisition (Phase 2). The work in Phase-1 will focus on the environmental permitting specific to the preferred State owned site at the north end of Japonski Island (1109 Seward Avenue) and the adjacent DNR tide and submerged lands. The CBS has applied to DNR for the conveyance of 23 acres of "Tide and Submerged Lands" for the dock and its operating area.

The EA will assess the suitability of the proposed location and the impacts of the site and any actions required to mitigate the predicted impacts. A "Finding of No Significant Impacts" (FONSI) from FAA at the completion of the EA is required to move forward and receive any additional AIP grants.

The aviation preliminary planning will include reviewing and updating the conclusions in the previous studies such as determining demand and correct size, planning for future expansion, facility layout, survey and topography verification, land acquisition planning for both the uplands, tide and submerged lands, and will include public meetings, agency meetings, and workshops with stakeholders.

Summary of work completed to qualify for this Phase-1 AIP grant:

- Published a Request for Airport Consultant Qualifications
- Set up a selection team and selected the highest ranked consultant team.
- Negotiated the Scope of Work and Fees.
- Completed the grant application and review with FAA
- Submitted signed grant application on 8/12/2019.
- The Grant Offer was received 8/16/2019.