



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

Thru: John Leach, Municipal Administrator
Melissa Haley, Controller 

From: Stan Eliason, Harbormaster

Date: July 22, 2020

Subject: ADOT&PF Municipal Harbor Facility Tier II Grant Application:
Eliason Harbor Electrical Replacement

Background.

Eliason Harbor, once referred to as New Thomsen Harbor, was designed by the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) and constructed in two phases. Phase I construction began in 1996 and phase II construction was completed in 1999.

Eliason Harbor was evaluated as a part of the Harbor System Master Plan in late 2011. While the overall harbor facility was deemed in good condition with a remaining safe and useful life of approximately 20 years, the consultants noted that the electrical system required substantial rehabilitation within the next 5 years. Significant issues within the electrical system including feeder cable abrasion/failure and rusting panels and load centers to the point of structural failure. In addition, new electrical code requirements mandate ground fault protection be provided when any significant work is done to the system.

Analysis.

The Alaska Legislature established the State of Alaska Municipal Harbor Facility 50/50 Grant Program in 2006 to provide financial assistance up to \$5,000,000 per project for municipally owned harbor facilities. The grant program is funded on an annual basis at the discretion of the Governor and Legislature. Applications for the grant program are competitively scored on weighted criteria.

The 50/50 Grant Program is comprised of two Tiers: Tier I applications are for

repair/replacement of formerly State-owned facilities and Tier II applications are for expansion, new construction, or repair/replacement of facilities whether formerly State-owned or not. Since Eliason Harbor was never State-owned, the electrical project would fall under a Tier II grant application. Note: Tier I applications take priority over Tier II.

Harbor, Electric and Public Works Staff have worked to develop a scope of work that includes the replacement of the components of the harbor electrical system which are in the worse condition; main service equipment, main distribution panelboard and load centers on the floats, and the main cables between these components. Also included are new pedestals and light poles. The cables that feed the pedestals and lights are being reused. The total estimated cost of this scope is approximately \$4,300,000 to include construction, design, permitting, management and contingencies. Per the Harbor Master Plan, the expected service life of the electrical components of Eliason Harbor is 20 years, which means without replacement we can expect components to begin to fail.

The State grant would cover 50% of the construction costs, not to exceed \$1,760,000

Securing Tier II grant funding for this project would allow the City and Borough to complete the required work with the State of Alaska cost sharing, thereby reducing the burden on the local rate payer. This project will need to be done, regardless of whether we receive grant funding or not. If we are not a recipient of grant funding. I believe the CBS should move forward with the electrical replacement in FY22.

Fiscal Note.

The Eliason Harbor Electrical Replacement project is a scheduled improvement contained within the Sitka Harbor Master Plan (2012). The City's portion of the project funding (\$2,473,484), if approved, would require an additional appropriation of \$828,712 (\$1,644,772 is already appropriated) of working capital. The City must cover design costs; construction would be split 50/50 with the State. As is illustrated in the long-range fiscal models, implementation of multi-year moorage rate increase is necessary to maintain all Harbor Fund infrastructure.

Recommendation.

Approve Resolution 2020- 25 and authorize the Administrator to submit ADOT&PF Municipal Harbor Facility Tier II Grant Application for Eliason Harbor Electrical Replacement and execute the grants if received.