


City and Borough of Sitka

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Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Melissa Henshaw, Public and Government Relations Director

Date: June 11, 2021

Subject: Authorization to Apply for a U.S. Department of Transportation Grant to support reconstruction of the port wall and crane at the Marine Service Center (MSC)

Project Background

\$1 billion is to be awarded by the U.S. Department of Transportation (USDOT) for National Infrastructure Investments now known as Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants. Formerly TIGER and BUILD, the now titled RAISE Grants are for capital investment in surface transportation that emphasize safety, environmental sustainability, quality of life, economic competitiveness, and state of good repair along with partnership and innovation. This opportunity's priorities are creating good-paying jobs, improving safety, applying transformative technology, addressing climate change, and advancing racial equity.

The steel sheet pile retaining wall was originally constructed in 1976. Over the years several different corrosion protection systems have been installed to reduce corrosion of the sheet piling and steel tie-back rods. Additionally, there is a crane at the top of the wall that needs to be replaced to continue to support the fishing fleet and businesses that use this to load/unload product.

In 2011 an engineering condition assessment was performed on the retaining wall. The study concluded that a major renovation of the structure would be required in the near future for approximately \$9 million including all design, construction and permitting.

Grant Background

Link to the FY 2021 RAISE Grant program: <https://www.transportation.gov/RAISEgrants/raise-nofo>

RAISE 2021 Grant key factors:

- RAISE Grant announced was April 13, 2021, and applications are due by July 12, 2021.
- Federal share is 80 percent and non-Federal share amount is 20 percent. Although not recommended, rural communities can have a smaller non-Federal share.

- The 2021 RAISE Grant program has \$1 billion in available funds – Not more than 50 percent to rural and not more than 50 percent to urban projects.
- RAISE Grants may not be less than \$1 million and no more than \$25 million per project. Not more than \$100 million for any one state.
- Grants will be announced in November 2021.
- Funds must be expended no later than September 30, 2029.
- Up to three RAISE grants applications can be submitted.
- Previously incurred expenses cannot be included in the application.
- Benefit Cost analysis is required.

Fiscal Note

Estimated Project Cost:

MSC Port Wall and Crane	\$7,344,720 amount requested
	<u>\$1,836,180 20% match</u>
	\$9,180,900 total

If funded, the infrastructure improvements will be accounted for within the Harbor Department Enterprise Fund as a capital project. To keep the grant match commitment flexible to be adjusted in the future, the grant application does not specify specifically what funding sources may be used to support the 20% match amount.

Outlined below are potential sources for the \$1,836,180 match which would come to the Assembly to authorize execution of the grant if/when we are selected for a grant. At this time, we would also seek Assembly guidance to finalize the source of working capital to be used to match the grant.

The 20% match commitment of \$1,836,180 for the MSC Port Wall could be funded in large part by the MSC Enterprise Fund working capital, though as revenue generated from the Port Wall is paid to the Harbor Fund, there is also justification to use Harbor Fund working capital to fund part or all of the MSC Port Wall.

Recommendation

Approve resolution 2021-15 authorizing the Municipal Administrator to apply for a RAISE 2021 Grant with the U.S. Department of Transportation (USDOT) for \$7,344,720 with a 20% match commitment to support reconstruction of the port wall and crane at the Marine Service Center (MSC).