

City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

A Coast Guard City

August 30, 2021

VIA EMAIL ONLY

Captain John Falvey, Jr., General Manager
State of Alaska
Department of Transportation and Public Facilities
Alaska Marine Highway System
dot.amhs.comments@alaska.gov

Re: City and Borough of Sitka comments for the proposed AMHS 2022 summer schedule

Dear Captain Falvey:

Although the comment period was compressed and short-noticed, The City and Borough of Sitka (CBS) appreciates the opportunity to provide comments on the Alaska Marine Highway System's (AMHS) proposed 2022 Summer Operating Plan/2022 Summer Ferry Schedule.

As proposed, there is one northbound and one southbound vessel every other week. This schedule leaves Sitka with very little summer service. In the past, Sitka has seen an increase in ferry service in the busier summer months.

The results are highly impactful causing significant economic hardship to our community. Visitors, people seeking health care, and many others have an unacceptable level of ferry service and access for the summer months.

Please see the attached CBS FY2022 Legislative priorities which state *support for a right-sized and sustainable Alaska Marine Highway system. AMHS is a critical component of Sitka's transportation system and its link to the rest of the state is critical to Sitka's economy. The drastic reduction of State ferry service to Sitka has caused massive economic and personal dislocations across the Southeast region.*

Sitka has and will continue to request a baseline service level of at least two (2) northbound and two (2) southbound vessels per week. It is imperative that this request and need be recognized and addressed by the State.

Thank you for your consideration and response.

Sincerely,

John M. Leach
Municipal Administrator

Enclosure: City and Borough of Sitka FY 2022 Legislative Priorities



City and Borough of Sitka

FY 2022

Legislative Priorities



1. Funding to support Sitka's Working Waterfront, a project that consists of a new marine haul out and renovation of the City cold storage sea wall.

Both projects are vital to Sitka commerce and our commercial fishing fleet. Sitka's only vessel haul out is privately owned and closure is imminent. Sitka is seeking development of a haul out at its Industrial Park. The estimated cost is \$8 million.

The bulkhead wall that supports our community cold storage is failing and must be renovated. The estimated cost is \$8.3 million.

2. Funding for Green Lake hydro generation plant renovation estimated at \$13 million.

Green Lake hydro generation plant is nearly 40 years old and is in dire need of major rehabilitation. The Green Lake plant is the backbone of Sitka's electric service, providing half of Sitka's electrical demand.

3. Continued State reimbursement of school bond debt at 70% as originally agreed to between Alaska and its local governments.

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. Without agreed upon reimbursement, Sitka's sales tax, which funds the 30% share of school bond debt is insufficient to cover debt service.

4. Support for a right-sized and sustainable Alaska Marine Highway system.

The Alaska Marine Highway system is a critical component of Sitka's transportation system and its link to the rest of the state is critical to Sitka's economy. The drastic reduction of State ferry service to Sitka has caused massive economic and personal dislocations across the SE Alaska region.

5. Funding for the Sitka Rocky Gutierrez Airport Terminal Improvements Project.

Sitka is currently on the FAA & ADOT Airport Improvement Program priority list to receive \$7 million and is requesting from TSA \$3.3 million for baggage screening. However, even with those possible funding streams, as well as a \$4 million revenue bond, there is still a shortfall of \$5.4 million. The estimated total project cost is \$20 million.

6. Continued support for the transfer of State tidelands and uplands to the City of Sitka necessary for the construction of the Sitka Seaplane Base (SPB), and match-funding assistance from the State for the FAA's Airport Improvement Program Grant matching funds.

Sitka's application for conveyance of submerged and tidelands for the construction of the new SPB received preliminary approval from DNR. Upon completion of the Environmental Assessment, anticipated in March 2021, the City will proceed with the application process for conveyance of the submerged and tidelands. The City has been working with the DEED, the U.S. Coast Guard, and FAA for the purchase from the State of the upland parcel necessary for the construction of the SPB. The estimated project cost to design, permit, and construct the new Sitka Seaplane Base is \$19.5 million. Sitka anticipates receiving Federal funding through FAA Airport Improvement Program Grants, which require 6.25% matching funds or roughly \$1.2 million.

7. Support for removal of FERC's use restrictions on the Green Lake Hydro parcel .

In the 1970's, the federal government conveyed approximately 5,500 acres of land near Sitka (Green Lake parcel) to the State of Alaska under the Statehood Act. The patent contained language including a federal power site reservation on areas within the parcel below 450' in elevation. The Green Lake Hydro-electric Project was subsequently constructed, utilizing water flow from Green Lake inside the parcel. The State then conveyed the Green Lake parcel to the City and Borough of Sitka (CBS). While the federal withdrawal for the Green Lake project encompasses 1,281 acres, the facility itself, including reservoir, occupies only about 200 acres. The CBS would like to have the option for development of the Green Lake parcel lands outside the area occupied by the hydro project. In review of their records, BLM noted that Power Site Classification 459 was revoked in 1991 by Public Land Order No. 6859. Because the hydro project is located within the Tongass National Forest, any requests to change the boundaries of the project need to be made to the Forest Service in accordance with 18 CFR 25.1. The CBS respectfully requests that the Forest Service and the Federal Energy Regulatory Commission vacate Power Site Classification No. 459 and the Section 24 withdrawal, respectively.

8. Federal support for shore and utility infrastructure upgrades on Japonski Island necessary for the pending arrival of a Coast Guard Fast Response Cutter and the expansion of Southeast Alaska Regional Health Consortium (SEARHC) to a regional healthcare hub.

Both SEARHC and USCG expansions could bring a combined 500+ additional citizens into Sitka. Buildings will be constructed on the SEARHC campus and shore infrastructure improvements will be required at the USCG facility. These expansions will place a drastically increased demand on our CBS utilities infrastructure, which will require significant upgrades. The expansion will also burden our already strained housing and childcare capacity. In Sitka, there is currently 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.

9. Financial assistance for a new multi-purpose building to house the Police Department and jail.

The 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. Probable costs for a new police department and jail range from \$18-\$19 million to construct on one of three possible sites.

10. Continued support for the State's Community Assistance Program to sufficiently offset unfunded mandates.

Sitka's jail contract with the State does not cover the cost of jail operations. The CBS requests the State fund the contract at its previous level of \$695K, as by law the State is responsible for caring for persons charged under State law; 89% of our inmates fall into this category. Other examples of unfunded mandates are forcing the CBS to manage the airport parking lot, derelict vehicle removal from State right-of-ways, prosecution expenses of State misdemeanors, State mandated disabled veteran property tax exemptions, and etc...

11. Stable and predictable funding of school systems.

Sitka supports its school system to the maximum allowed by State law. The Sitka Assembly allocates all the town's property tax revenue plus some of its sales tax to fund the school district. As school costs increase each year, yet state funding remains stagnant, the burden increasingly falls on the CBS.

12. Federal assistance for infrastructure repair deferred due to the financial strain of COVID-19.

In response to the pandemic and the corresponding drastic reduction in sales tax revenue, the CBS had to eliminate all new funding of capital projects. Allowing municipalities to use future federal stimulus to replace lost revenues would allow for investment in delayed repairs to critical infrastructure.



CITY AND BOROUGH OF SITKA ASSEMBLY MEMBERS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES
STEVEN EISENBEISZ <i>Mayor</i> 208 Lincoln Street	738-9075 assemblyeisenbeisz@cityofsitka.org	10/14 10/17 10/20	10/17 10/20 10/22 <i>Mayor</i>
THOR CHRISTIANSON <i>Deputy Mayor</i> 500 Lincoln Street A9	738-2491 assemblychristianson@cityofsitka.org	10/19	10/22
VALORIE NELSON <i>Vice Deputy Mayor</i> 107 Littlebyrd Way	747-4589 assemblynelson@cityofsitka.org	10/18	10/21
KEVIN KNOX PO Box 6415	738-4664 assemblyknox@cityofsitka.org	10/16 10/19	10/19 10/22
KEVIN MOSHER 100 Lincoln Street	752-0467 assemblymosher@cityofsitka.org	10/18	10/21
CRYSTAL DUNCAN PO Box 174	738-1910 assemblyduncan@cityofsitka.org	10/20	10/23
REBECCA HIMSCHOOT PO Box 6075	623-8235 assemblyhimschoot@cityofsitka.org	10/20	10/23
John Leach Municipal Administrator 100 Lincoln Street	747-1812 w 747-7403 f administrator@cityofsitka.org		
Sara Peterson Municipal Clerk 100 Lincoln Street	747-1811 w 747-7403 f sara.peterson@cityofsitka.org		

Group email address: assembly@cityofsitka.org

Note: Written communications with public officials generally are considered a public record and subject to disclosure (viewing and/or copying of the communication) pursuant to a public records request.

6 Elected Assembly Members 3-year terms
1 Elected Mayor (full voting member) 2-year term (beginning in 2000, even-year elections)

REGULAR MEETINGS: 2nd and 4th Tuesday

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2021-03

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUBMITTING CITY AND BOROUGH OF SITKA
FY 2022 STATE LEGISLATIVE PRIORITIES
TO STATE OF ALASKA AND 2021 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 attached City and Borough of Sitka FY 2022 Legislative Requests will enable the municipality and State of Alaska to continue to cooperate to make our communities and State more sustainable; and

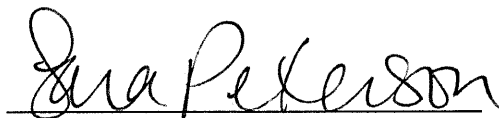
WHEREAS, City and Borough of Sitka continues to support cooperation between cities and State of Alaska to achieve our common goals.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the attached FY 2022 City and Borough of Sitka State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 9th day of February, 2021.


Steven Eisenbeisz, Mayor

ATTEST


Sara Peterson, MMC
Municipal Clerk

2/9/21 first and final reading

Sponsor: Administrator