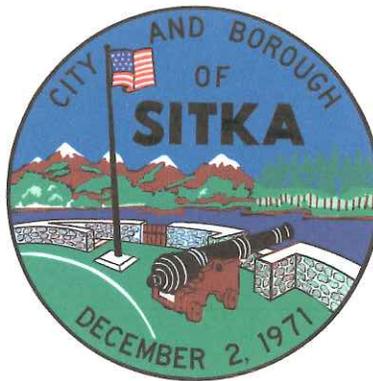


**CITY & BOROUGH OF SITKA
LEGISLATIVE PRIORITIES
FISCAL YEAR 2015**

100 Lincoln Street, Sitka, Alaska 99835
Phone: 907-747-1808

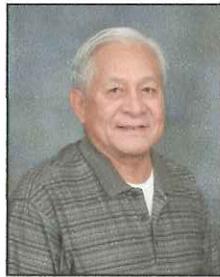


Providing for Today...Preparing for Tomorrow

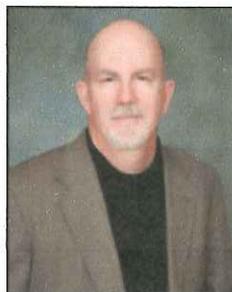
January 2014

2013 CITY AND BOROUGH OF SITKA ASSEMBLY

Providing for Today...Preparing for Tomorrow



Top row L to R: Deputy Mayor Pete Esquiro, Mayor Mim McConnell, Vice-Deputy Mayor Thor Christianson
Bottom Row L to R: Matthew Hunter, Phyllis Hackett, Mike Reif, Michelle Putz



Jay P. Sweeney III
Interim Municipal Administrator



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

FY 2015 CITY AND BOROUGH OF SITKA STATE LEGISLATIVE PRIORITIES

TABLE OF CONTENTS

TABLE OF CONTENTS	1
CITY AND BOROUGH OF SITKA STATE LEGISLATIVE PRIORITIES	
- CBS Resolution 2013-14 Supporting FY 2015 State Legislative Priorities.....	2
- FY 2015 Sitka School District State Legislative Priorities (not yet received)	
CITY AND BOROUGH OF SITKA LEGISLATIVE CAPITAL PROJECTS REQUESTS	
- Sitka Blue Lake Hydroelectric Expansion Project.....	3
- Marine Service Center Bulkhead Emergency Repairs.....	4
- Sawmill Cove Industrial Park Waterfront Development.....	5
- Commercial Passenger Vessel Visitor Facilities Improvements.....	6
- Wastewater Treatment Plant Effluent Heat Pump System.....	7
- Sitka Swan Lake Recovery and Improvements.....	8
- Municipal Harbor Matching Grant Program: Sitka Transient Float Replacement (Tier I) and Eliason Harbor Floatation Upgrades (Tier II).....	9
- ADEC Municipal Matching Grant Requests:	
➤ Upgrade Four Waste Water Lift Stations.....	10
➤ Hollywood Way/New Archangel Water/Sewer.....	10
➤ Monastery and Baranof Water/Sewer.....	10
➤ DeGross Street Water/Sewer Improvements.....	10
➤ Jeff Davis Street Water/Sewer Improvements.....	11
➤ Cathodic Protection for Six Major Waste Water Lift Stations.....	11
- New Secondary Potable Water Supply.....	12
- Sitka Energy Efficiency Improvements for Centennial Hall, Kettleton Library and Other Facilities.....	13
- Sitka Harbor System Capital Improvement Projects.....	14
- Road to Resources – Granite Creek to Starrigavan.....	15
- Tony Hrebar Shooting Range Improvements.....	16
- Sitka Multi-Purpose Track and Field Improvements.....	17
- Whitcomb Heights Subdivision Utility Improvements.....	18
- Sitka Community Playground.....	19
CBS REQUESTS FOR STATE FUNDING FOR STATE FACILITIES	
- Purchase Mobile Temporary Drinking Water Membrane Filtration Equipment.....	20
- Replace Failing Water Supply Line to Japonski Island.....	21
- Sitka Airport Infrastructure Upgrades.....	22
- Sitka/Mt. Edgecumbe Olympic Sized Pool.....	23
- Co-funding for City/State/Tribal Justice Center Design Study.....	24
- State Public Safety Academy Driver Training Facility.....	25
- Equitable Sitka Alaska Marine Highway Service to Sitka.....	26

Sponsor: Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2013-14

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUBMITTING CITY AND BOROUGH OF SITKA 2015 STATE LEGISLATIVE
PRIORITIES TO STATE OF ALASKA AND 2014 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

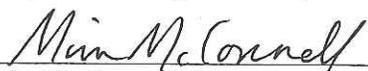
WHEREAS, municipalities have suffered unfunded mandates and budget impacts from State management of the PERS/TRS system, inadequate maintenance of State harbors, State roads and utilities, and other State responsibilities which should be compensated.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the following FY 2015 State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible:

- **State Revenue Sharing/Local Tax Relief** – The City and Borough of Sitka supports the State Revenue Sharing on a sustainable basis to equitably compensate Alaska communities for providing local services.
- **Education** – State funding should be increased to cover escalating transportation expenses, the rising costs of fuel and energy, and reasonable new costs to improve the quality of education.
- **Local Control and Maximum Local Self-Government Guaranteed by the Alaska Constitution** – The Legislature should defeat any legislation that creates new unfunded mandates or takes away existing powers of local governments. The State should fund existing unfunded State mandates.
- **Deferred Maintenance of Harbors** – The State should fully fund the deferred maintenance of State harbors transferred to local governments. In addition, the State should fully fund the 50 percent matching grants legislated by the Municipal Harbor Facility Grant Fund to assist with harbor upgrades.
- **DEC Municipal Matching Grants** – The State is requested to fully fund the Department of Environmental Conservation Municipal Matching Grants Program. This 50/50 percent matching grants program permits greatly needed utility upgrades through partnerships between the State of Alaska and local communities that benefit the entire State.

NOW FURTHER BE IT RESOLVED that the Assembly submits the enclosed FY 2015 City and Borough of Sitka Legislative Capital Project Requests and Requests for State Funding for State Facilities in priority order to the 2014 Session of the Alaska State Legislature and State of Alaska.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 10th day of September, 2013.


Mim McConnell, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA BLUE LAKE HYDROELECTRIC EXPANSION PROJECT

Total Project Cost:	\$158,000,000	(100%)¹
Funding Already Secured:	\$49,500,000 State FY09/10/11	(31%)
	\$4,000,000 State (AEA) FY14	(2.5%)
	\$21,000,000 Municipal Bond FY11	(13.3%)
	\$35,530,000 Municipal Bond FY13	(22.5%)
FY2015 State Funding Request:	\$18,750,000	(11.9%)
Additional Funding Required/Outstanding:	\$29,720,000 Municipal Bond FY15/16	(18.8%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka requests the State's partnership to complete construction of a \$145M expansion of the Blue Lake Hydroelectric Project. \$18.75M further assistance is requested from the State of Alaska, to fund the State's interest in the Blue Lake Hydroelectric Project Expansion and fully partner with Sitka for this project. Sitka will match each dollar of State assistance with the goal of ultimately financing the project 50 percent with State funds and 50 percent Municipal funds. The State's interest in this project will be well rewarded for decades to come as a solution to our community's energy needs.

The scope of the Blue Lake Hydroelectric Project is to raise the height of the existing dam by 83 feet to elevation 425 feet, and construct a new intake structure, penstock, and powerhouse. The new powerhouse will replace the existing two 3MW generators with three 5.3MW generators, with an increase in capacity from 7.5MW to 17MW, and total energy of 32,000 MWh or 29 percent of system capacity. Construction began in December 2012 and the project is progressing on schedule and is approximately 40% complete. Most of the high risk elements of the project have been completed, including all underground work (completed 29 days ahead of schedule), with the next major milestone in August 2014. This is the planned outage to decommission the existing powerhouse and commission the new powerhouse.

Sitka has exhausted its hydroelectric resources. Economic growth and community viability are directly related to availability of reasonable cost energy. With the continued State financial support, the Blue Lake Expansion Project will achieve that. The State's full partnership will help CBS finance its debt without overwhelming rate payers and harming Sitka's economy. New hydroelectric capacity will allow the City to address other critical community needs such as a facility to handle commercial fish waste which is currently dumped into Sitka Sound.

In addition to new generation, the City has worked to address energy issues through energy efficiency projects, such as our Energy Star/Heat Pump Rebate program and our actions to address onerous federal regulatory pressures. The Rebate program resulted in over 190 ratepayers upgrading to new efficient appliances and the installation of over 40 residential heat pump systems. Our efforts on the regulatory front have resulted in direct savings of over \$2.5M for our ratepayers.

The City is working very hard to address its energy needs through new generation, energy efficiency programs, progressive electric rate structures, and regulatory relief. CBS urgently seeks the State's financial support as a full partner in the Blue Lake Expansion Project. This support will ensure successful completion of a critical energy project and position Sitka on a path to achieve energy and economic independence. Since this request was not funded for the current fiscal year and project construction is underway, the State's additional funding needs to apply to all construction costs of the Blue Lake Project, including those already incurred.

¹ Costs for a \$15M Solar Titan 130 diesel turbine was included in the overall project costs with Municipal Bonds funding \$7.875M and a FY2014 State Grant funding \$7.125M.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: MARINE SERVICE CENTER BULKHEAD EMERGENCY REPAIRS

Total Project Cost:	\$8,800,000	(100%)
FY2015 State Funding Request:	\$4,400,000	(50%)
Additional Funding Required:	\$4,400,000	CBS (50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka (CBS) requests \$4,400,000 (50% of estimated project costs) for the State of Alaska to partner with CBS to complete emergency repairs to the Marine Service Center Bulkhead. CBS will provide matching funds for this critical infrastructure upgrade.

The existing bulkhead could fail at any time. A 2011 condition assessment of the facility noted considerable corrosion and steel material loss, particularly on the steel tie rods which support the bulkhead. It is critical that this facility be reconstructed before any of the tie rod supports fail, potentially undermining the cold storage building and rendering the site unsafe for its current use.

The Sitka Marine Service Center Bulkhead is a steel sheet pile structure, which was originally installed in 1976. Located along Katlian Street, the facility is bounded to the east by the Seafood Producers Cooperative (SPC) Dock and fish processing facility and to the west by the Petro Marine fuel dock. The bulkhead is 36 feet high by 356 feet long and is a traditional vertical wall design comprised of driven sheet piles. The sheet piles are restrained by two layers of tie rods which extend shoreward to a sheet pile anchor wall located 70-feet behind the face of the bulkhead. The bulkhead is the only facility in Sitka with a hoist capable of loading/unloading large fishing vessels and also presently experiences use as a transient berthing facility for fishing vessels. Overflow moorage use from vessels visiting the adjacent SPC dock is common along the eastern portions of the bulkhead. The facility also serves as a dock for small cruise vessels visiting Sitka a few times each year during the summer months.

A large cold storage building (140 feet long by 150 feet wide) is located 30 feet behind the face of the bulkhead and directly above the anchor wall/tie rod supports. CBS owns the cold storage building. Two local seafood processors lease space in this building to store frozen fish product. **It is estimated that 5,500 tons of fish product move through the facility each year at an estimated value of \$32 million. This facility is a critical piece of infrastructure to Southeast Alaska's fishing industry.**

Understanding the need to maintain critical harbor infrastructure, CBS recently completed a Harbor System Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. The Marine Service Center Bulkhead is a high priority project in the CIP Plan. The Assembly recently passed the first year of a proposed 5-year moorage rate increases in order to assist with this and other critical infrastructure needs. However, even with very aggressive rate increases it is difficult to build up sufficient working capital to fund this project before it collapses.

Securing State cost share funding for this project will ensure that this critical piece of harbor infrastructure remains in service to help support a healthy and vibrant commercial fishing industry in Southeast Alaska. It should be noted that this facility is ineligible for funding under the Harbor Municipal Matching Grant Program as that funding specifically excludes bulkheads and sheet pile walls.

FY2015 CBS CAPITAL IMPROVEMENT PROJECTS STATE REQUEST

Project Title: SAWMILL COVE INDUSTRIAL PARK WATERFRONT DEVELOPMENT

Total Waterfront Development Project Cost:	\$ 7,100,000
FY2013 State Priority 1 Funding Request:	\$ 7,100,000
Previous Upland Development Funded:	\$ 9,850,000 (Federal)
	\$ 7,500,000 (State)
	\$ 2,500,000 (CBS)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests the State continue to partner with the CBS to develop the waterfront at the Sawmill Cove Industrial Park (SCIP) by providing \$7,100,000. The State recently included \$7.5 million dollars for construction of a bulkhead dock at the SCIP in the November 2012 General Obligation Transportation Project Bond. This central waterfront bulkhead project funding will allow for the construction of a bulkhead dock, fender system, uplands improvements, and other infrastructure improvements to allow barge freight to come over the dock. The CBS is requesting further assistance to construct additional waterfront infrastructure needed to accommodate bulk water tankers and other larger ocean going vessels and continue to complete the multi-purpose docking facility.

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over \$11,000,000 of Federal, State and CBS funds have been used to complete upland utilities, system upgrades, and paving. The State contributed \$1 million toward a raw water line to allow for bulk water export. The Industrial Park is operational with multiple tenants. Total private investment into the Industrial Park is over \$20,000,000. Development at the Industrial Park has created 60 full time jobs and seasonal employment for over 320 people.

The CBS has plans to develop a marine services industry at the Industrial Park and are currently under contract with Northern Economics to perform feasibility studies to determine the viability. Additionally, the CBS is currently involved in a public-private partnership to complete shoreline stabilization, which will provide much needed shoreline protection, help provide the base for future development, and provide a cost savings to the CBS.

The Waterfront Development total project cost is \$7,100,000. The Sawmill Cove Industrial Park has not reached its full potential due to the lack of infrastructure to access the ocean and water based commerce. **Priority 1 includes additional uplands development, breasting/mooring dolphins, and catwalks.** This priority is the second phase to the central waterfront development allowing marine access to the Industrial Park and is critical to future development.

Past public investments into the Sawmill Cove Industrial Park have resulted in private investment, job creation, and a sustainable tax base for the CBS. The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other Southeast port yet has no ability to function as a deep water port. The Waterfront Development Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility once again.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: COMMERCIAL PASSENGER VESSEL VISITOR IMPROVEMENTS

Estimated Total Project Cost:	\$ 14,640,000 (100%)
Total State Funding Received:	\$ 10,230,000 (70%)
FY 2015 State Funding Request:	\$ 4,410,000 (30%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$4,410,000 funding from the State of Alaska to complete capital projects to enhance commercial passenger vessel services, enhance passenger safety, and support cruise ship visitor activities. In the past, Sitka has received up to 280,000 cruise ship visitors annually and needs to upgrade its municipal facilities. CBS appreciates the \$8,200,000 from the State Commercial Passenger Vessel Tax Account to rehabilitate the interior and exterior of Centennial Hall received in FY 2010, 2011, 2012, and 2013. This Hall is Sitka's primary public facility for cruise ship visitors and functions both as a gateway and hub to downtown as visitors disembark from lightering boats and access buses. Centennial Hall is also the designated emergency shelter for cruise ship passengers.

FY 2015 Project: Centennial Hall Visitor Facilities Improvements

This \$4,410,000 funding is requested to construct additional building support facilities for cruise ship passengers within Centennial Hall. The project development for the upgrades to Centennial Hall project has continued to move forward with preliminary design of the project floor plan. However the needs list developed at the beginning of the design effort have identified unmet needs for support space for the cruise ship passengers. The needs identified have a budget range of \$14.6 to \$15.2 million. The available funding for the project is \$10,230,000 which has led the design effort to phase the project into two phases. The first phase will address all of the needs within the existing building and add some additional area for cruise ship passenger lobby, visitor desk and the first phase of the Museum.

One of the major needs not totally covered by the existing funding for the Centennial Hall upgrade is the Sitka Historical Museum. The Museum applied for the Foraker Group Pre-Development Program which was funded by Rasmuson Foundation and completed in 2011. The final Foraker Report recommended a 5,800 SF museum for the model to be a sustainable size.

The Museum has enjoyed a 47-year partnership with the City and the present space the Museum occupies in the building is 2,150 SF with extremely limited exhibit area. The Museum's collection is stored at three separate locations, none of which have appropriate environmental controls. The Museum is a heavily visited attraction by the cruise ship visitors as it provides a history and cultural experience to the visitors as they tour Sitka. The Sitka Historical Society museum is the only museum in Sitka to focus specifically on Sitka's unique history, especially as it tells the stories of the early interactions between the Russians and local Tlingit Natives and the transfer of Alaska to the U.S.

Completion of phase 2 of the project will:

- Provide the full 5,800 square feet of needed Museum space and storage to be the showcase destination to view Sitka's rich history,
- Support community history and art programs and be a safe repository for the community's archives and collections,
- Facilitate the maximizing of revenue for sustainability. As part of Centennial Hall, this new Museum will provide Sitka with an attractive, durable and long lived community asset.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WASTEWATER TREATMENT PLANT EFFLUENT HEAT PUMP SYSTEM

Total Project Cost:	\$ 991,038 (100%)
AEA Grant Funding Already Secured:	\$ 20,377 (2%)
Sitka FY 13 & 14 Funding	\$ 113,000 (11%)
FY 2015 State Funding Request:	\$ 857,661 (87%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$857,661 from the State of Alaska to complete a Capital Project to upgrade the heating and ventilating system in the City owned and maintained Waste Water Treatment Plant (WWTP).

In a study completed in July of 2012 by Alaska Energy Engineering, it was determined that an Effluent Heat Pump System would be environmentally and economically beneficial for City and Borough of Sitka to install. Alaska Energy Engineering's study projected an operational energy savings of \$53,000 per year, a total of \$1.59 million over a 30-year period. The City and Borough of Sitka realizes the overwhelming cost savings of a project of this magnitude but does not have the capital resources to afford the upfront costs.

The WWTP is currently utilizing fuel oil for its heating needs. With rising fuel costs and the uncertainty of how high the fuel oil costs will rise, looking at renewable alternative energy sources becomes important in a municipal government. The plant effluent can be easily tapped as an energy source using existing pipelines and pumps. The heating and ventilating systems at the WWTP have reached the end of their service lives, and replacement is planned. The 2012 feasibility analysis evaluated whether the building should be converted to renewable energy heat pumps as part of the replacement project. The proposed replacement of the heating and ventilating systems provides an excellent opportunity to convert the building to heat pump technologies.

With the Blue Lake Dam Hydroelectric Project gearing up to be constructed, it becomes evident that changing to electric heating alternatives makes sense, both economically and environmentally. From an economic standpoint, electricity from a hydroelectric plant would cost less than fuel oil, the cost of which continues to increase.

The economic comparison of the systems shows that the effluent heat pump has a much lower life cycle cost than the baseline system. The effluent heat pump system produces significant energy savings which more than offsets its higher construction and maintenance costs. For investment in a heat pump system to be preferred over the relatively lower construction cost of the traditional baseline systems—likely siphoning dollars from other priorities—the system should overwhelmingly have a lower life cycle cost. This is the case with the effluent heat pump system. The proposed upgrade of the heating and ventilating systems also reduces the cost of converting to a low-temperature heating system.

The City and Borough of Sitka will be submitting an application for an Alaska Energy Authority (AEA) grant in the next round of applications for this project.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA SWAN LAKE RECOVERY AND IMPROVEMENTS

Total Project Cost:	\$ 5,065,236(100%)
CBS Funding - Work Previously Completed:	\$ 554,000 (11%)
Funding Already Secured (CIAP Legislative Grant):	\$ 771,236 (15%)
FY 2015 State Funding Request:	\$ 3,740,000 (74%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$3,740,000 State funds to partner with CBS to continue the major long-term recovery and preservation of Swan Lake. Once completed, Swan Lake will provide its historical, environmental and recreational richness for locals and visitors alike well into the future.

Swan Lake, “Sitka’s Central Park”, is a eutrophic dying lake. For decades, CBS has been improving Swan Lake’s water quality and recreational opportunities. Dredging Swan Lake is not “just a nice thing to do” but is necessary to retain Swan Lake; an integral part of Sitka’s past and future. Swan Lake is a park used year-round. In the spring and summer, parents and children fish and boat on the lake; in summer, cruise ship visitors visit the lake to recreate, hike and learn about its history; in the winter, Swan Lake is the only location in town for ice skating. The public/ADA accessible fishing dock with benches was installed in 2013; they are very popular for residents and visitors alike.

Swan Lake has a very special place in Alaska history. It was created in 1851 when the Russian occupants of New Archangel connected and deepened a series of ponds by dredging, rerouting a creek and building a log dam at the outlet. The newly formed lake was created so that ice could be harvested for shipment to California. This was a successful business venture for the Russian occupants which received special compensation during the purchase of Alaska by the United States, solidifying its place in Alaska history.

An active multi-year water body recovery project began in the 1990’s. The guide for these efforts has been the Swan Lake Watershed Recovery Strategy and Total Maximum Daily Load Report, which was completed in 2000. In 1981, Swan Lake was named an Area Meriting Special Attention (AMSA) under the Sitka Coastal Management Program. This included water quality and watershed protection policies. In 1985, to respond to citizen concerns about the eutrophication of the lake, the CBS commissioned the Swan Lake Recreational Improvements Geotechnical Assessment and Construction Analysis, which recorded depth and bottom substrate measurements throughout the lake. The lake averages less than seven feet in depth, and the study recommended dredging the majority of the lake to increase overall depth.

Three small strategic dredging projects with broad public support have been completed in Swan Lake since 2001. These were funded by a combination of Coastal Impact Assistance Program (CIAP), DEC ACWA/EPA 319 grants and municipal matching funds totaling approximately \$450,000. These projects were successful in improving water flow in and out of the lake, increasing access for recreational activities and improving water quality and winter fish habitat. Small dredging projects, however, are not cost effective. Mobilization costs are high and consumed up to 35% of the project budgets. Larger projects are much more cost effective because the mobilization costs are nearly fixed and not proportional to the volume of material dredged. The 2009 Legislature provided Visitor Excise Tax funding for this upgrade project, but the funds were vetoed.

CBS requests \$3,740,000 in State funds to complete this major improvement. State FY 2015 funds will provide ‘more bang for the buck’ when combined with the \$771,236 of designated Coastal Impact Assistance Program funds (CIAP) which CBS has secured. This dredging project bid has been awarded; work is planned for summer 2014 and 2015. The high mobilization costs will be paid by the current project so any State funds received in FY 2015 would equate directly to additional removal of nuisance aquatic plants and lake sediment. This State funding will permit substantial completion of the high priority areas for rehabilitation of Swan Lake.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: MUNICIPAL HARBOR MATCHING GRANT PROGRAM;
SITKA TRANSIENT FLOAT REPLACEMENT (TIER I) AND
ELIASON HARBOR FLOATATION UPGRADES (TIER II)

Total Project Cost:	\$6,040,000	(100%)
FY 2015 State Funding Request:	\$3,020,000 Municipal Harbor Grant	(50%)
Additional Funding Required:	\$3,020,000 CBS	(50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka (CBS) requests that the State cost share in the reconstruction of the Sitka Transient Float (Tier I) and the Eliason Harbor Floatation Upgrades (Tier II) under the Harbor 50/50 Matching Grant Program legislated by SB 291. Despite best efforts to keep these facilities maintained and functional, both facilities require immediate upgrades to ensure that the float systems can remain in service and a part of a vibrant harbor system.

Sitka Transient Float Replacement (Tier I - \$5,400,000): The Sitka Transient Float (formerly known as Thomsen Harbor Floating Breakwater) sees heavy use as Sitka's primary transient moorage facility. It was originally **designed and constructed by the ADOT&PF in 1973**. After construction of the rubble mound breakwater in 1994, the float was reoriented and repurposed in 1996 during construction of Eliason Harbor. This facility was deeded to the City and Borough of Sitka along with Crescent Harbor, Sealing Cove Harbor, and Thomsen Harbor in 2004. A recent dive inspection indicated **significant corrosion and failure of structural components** which has only heightened the concern for this aging facility. CBS completed emergency repairs to the float system in 2011 and 2012; however the facility has exceeded its useful life and must be replaced in its entirety.

Eliason Harbor Floatation Upgrades (Tier II - \$640,000): Eliason Harbor, once referred to as New Thomsen Harbor, was **designed by ADOT&PF** and constructed in two phases with the final phase of construction completed in 1999. While the floats have only been in service for approximately 14 to 15 years, loss of freeboard has become a major issue at the facility. **The floatation billets have become saturated and structural timbers and fasteners are now submerged.** This will hasten deterioration of the facility if not addressed immediately. The billets will be replaced with floatation tubs with this project, thereby regaining lost freeboard and extending the service life of the floats.

Understanding the need to maintain critical harbor infrastructure, the City of Sitka recently completed a Harbor System Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. The Master Plan also recommends a moorage rate structure to provide the necessary capital funding to implement the CIP Plan. The Sitka Port and Harbors Commission unanimously supported the rate increases recommended in the Master Plan. The Sitka Assembly also unanimously approved adopting the recommended rate increases for FY2013 effective October 1, 2012 and will take up the next rate increase in late 2013.

CBS has committed \$3,020,000 to these critical harbor projects. The State of Alaska is encouraged to fully fund the FY2015 Harbor Matching Grant Program at \$8.3M to provide matching funds for the Sitka Transient Float Replacement and Eliason Harbor Floatation Upgrades and other Statewide projects. These matching grants will help the City and Borough of Sitka recapitalize important harbor infrastructure and further the sustainability of Alaska's public harbor system.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ADEC MUNICIPAL MATCHING GRANT (MMG) REQUESTS

<u>Project Title:</u>	<u>MMGrant Request</u> (70%)	<u>CBS Match</u> (30%)
Upgrade Four WW Lift Stations	\$1,344,000	\$ 576,000
Hollywood Way/New Archangel Water/Sewer	\$ 552,300	\$ 263,300
Monastery & Baranof Water/Sewer	\$ 763,000	\$ 327,000
DeGroff Street Water/Sewer Improvements	\$1,314,250	\$ 563,250
Jeff Davis Street Water/Sewer Improvements	\$ 644,000	\$ 276,000
Cathodic Protection for Six Major WW Lift Stations	\$ 264,600	\$ 113,400

The City and Borough of Sitka (CBS) extensively utilizes the ADEC MMG program to replace its failing infrastructure with the matching funds coming from CBS Water and Wastewater Enterprise Funds. CBS has submitted ADEC grant applications for the following seven water and sewer infrastructure projects:

Replace Four Sewage Lift Stations: Monastery Street, Lake Street, Channel and Landfill: This project will replace the oldest lift stations in our system (40+ years) with state of the art submersible lift stations of similar design and components to the six lift stations that were replaced in 2012. Two of these lift stations are so old replacement parts cannot be purchased. Landfill lift station pumps leachate from the closed Kimsham landfill to the wastewater treatment plant. Leachate is particularly corrosive so as well as replacing the lift station and controls the force main will also be replaced. This force main has had five leaks over the past ~15 years with two in 2013.

Replace Hollywood Way Water & Sewer/New Archangel Sewer: This project will replace short sections of problematic sewers that require routine cleaning to avoid backups. Both have caused sewer to backup into residences in the past. The project includes replacing the section of substandard 4" water line in Hollywood Way with 8" HDPE the same length as the sewer main to save on future street paving costs.

Replace Water & Sewer on Monastery and Baranof Streets between SMC Road & DeGroff Street: This project connects with new systems installed over the last few years in this very old section of town where new water, sewer and storm lines have replaced old problematic/undersized mains. Water mains are being upsized to provide improved ability to move water through town. This project will connect the 16" main artery in SMC Road with the 10" main in DeGroff Street with larger mains providing eight times the capacity of current connections; resulting in a much more reliable water system for the community. The sewer lines in these blocks are old with bad joints and leaky connections. There are currently no storm drains in portions of this area; this project will improve drainage by providing storm drains.

DeGroff Street Water & Sewer Improvements: This project will replace and aged/failing water, sewer and storm systems on DeGroff Street between SMC Road and Lake Street. The 40+ year old asbestos cement sewer main is in poor condition with many bellies and leaky services requiring routine maintenance to keep it flowing. Required ADEC separation distances between water and sewer will be achieved. The old small diameter water main will be replaced with a new 12" HDPE main which will greatly improve the ability to provide water to the north side of town if the old 16" cast iron main in SMC Road were to fail or be out of service for repairs. Storm drainage in this old residential neighborhood will be replaced and improved with this project.

Replace Jeff Davis Street Water & Minor Sewer Upgrade: Sitka currently has funds set aside to repave Jeff Davis Street. This project would capitalize on the funded paving project by replacing the ~ 47 year old 8" water main with a new 16" HDPE main prior to repaving the road. Currently if the SMC Road 16" main is not in service we cannot supply enough water through the smaller residential lines to keep downtown and Japonski Island supplied with adequate water. This project is the second of three phases to connect the water transmission main from Blue Lake to downtown; by passing the old 16" cast iron main on SMC Road. This project will also upgrade a short section of parallel sewer that connects four houses to the sewer main via a 60+ year old wood stave line. This wood stave line has collapsed twice in the past 10 years causing sewage to backup into residences.

Cathodic Protection for Six Major Lift Stations: This project will install impressed current cathodic protection systems on six of the largest most critical sewage lift stations to prevent corrosion of the 28+ year old steel pump structures that are buried in tidally influenced salt water fill. The original anode corrosion protection systems have reached the end of their useful life and the steel structures are beginning to corrode. This is a preventative action that will protect these valuable assets for many years. Total replacement cost for these six large lift stations is estimated to be \$8-10 million.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: NEW SECONDARY POTABLE WATER SUPPLY

Total Project Cost:	\$ 8,657,000 (100%)
FY 2015 State Funding Request:	\$ 5,000,000 (58%)
CBS Expenditures to Date:	\$ 644,300 (7%)
CBS Additional Funding:	\$ 3,012,700 (35%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$5,000,000 in FY2015 State funds to help develop a new long-term approved secondary potable water source. CBS must develop a DEC-approved alternate source for drinking water for the future and preferably before the Blue Lake Dam expansion requires the Blue Lake water supply to be off line in excess of 60 days in the fall of 2014. That shutdown will be covered by leasing temporary membrane filtration units for 3 months and installing them at the Indian River Water Treatment Plant at a cost of around \$3,000,000. **However, a new long-term secondary potable water supply is required to avoid crippling the local economy every time the Blue Lake supply must be turned off for maintenance or due to high source water turbidity issues.**

Recent changes in the way the Alaska Department of Environmental Conservation (DEC) Drinking Water Program classifies Sitka's alternate/emergency water source and treatment system at Indian River will require that Sitka issue a community-wide boil water notice if City and Borough of Sitka provides water from the existing Indian River Water Treatment Plant. This occurs any time the Blue Lake supply is off line. Historically, the Blue Lake Penstock is isolated and drained for inspection for a 1 – 3 week period every 5 to 10 years. During these periods, Indian River Water Treatment Plant has provided water to the community. Indian River Water Treatment Plant was the major potable water source prior to Blue Lake coming on line in 1986 and has been used three times during the past 25 years when the Blue Lake system was out of service. Additionally, new federal regulations (LT2) will require increased treatment to provide inactivation of the protozoa *Cryptosporidium* by October 2014. This treatment is not available at Indian River Water Treatment Plant.

The ramifications of a community-wide boil water notice are wide reaching and unacceptable. Aside from inconveniencing residential customers, those with compromised immune systems or on dialysis are put at significant health risk when inadequately disinfected water is provided to their homes. The impact to commercial entities is significant. Restaurants, if they did not close altogether, would not be able to wash dishes with tap water and would need to provide boiled/treated water for employee hand washing, etc. Fish processors would not be able to rinse fish or provide ice to fisherman with water that has not met DEC drinking water standards, effectively shutting down their operations. Hospitals, doctor and dentist offices would find it exceedingly difficult to operate. The list of undesirable consequences is seemingly endless.

Multiple options for providing a cost-effective alternate potable water source for Sitka are currently being studied. They include: drilling wells and installing the pumping and disinfection capacity to provide the needed 3000-4000 gallons per minute, a separate raw water supply line from Blue Lake to the Blue Lake Water Treatment Plant, and temporary filtration units that could be located at Indian River and/or Sawmill Creek or other surface water sources within the existing infrastructure system of Sitka. **Regardless of which alternative(s) is selected, the DEC mandate to provide an alternate potable water source requires that the City and Borough of Sitka act now to develop this critical infrastructure need to provide residents, institutions, and businesses in Sitka with safe, adequate potable water supplies from both primary and secondary/emergency sources. CBS has also applied for a DEC matching grant to partially fund this project due to the urgent need to adequately fund development of this new water source.**

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA ENERGY EFFICIENCY IMPROVEMENTS FOR CENTENNIAL HALL, KETTLESON LIBRARY AND OTHER FACILITIES

Total Project Cost:	\$ 4,625,788 (100%)
AEA Grant Funding Already Secured:	\$ 34,626 (1%)
Energy-Related Improvements Under Design:	\$ 1,664,057 (36%)
FY 2015 State Funding Request:	\$ 2,927,105 (63%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests \$2,927,105 funding from the State of Alaska to (1) complete a capital project for the installation of heat pump systems at Harrigan Centennial Hall and Kettleston Memorial Library, part of a larger project to increase the energy efficiency at those buildings; and (2) for the completion of a heating master plan for other municipal infrastructure.

FY 2015 Project: Centennial Hall Building and Kettleston Library Upgrades (\$2,827,105)

The City and Borough of Sitka (CBS) seeks to increase the energy efficiency at Centennial Hall and Kettleston Library. Already under design is energy efficiency improvements at both buildings, including insulation of roofing and exterior walls, work estimated at \$1,664,057 that will be completed by CBS. This request is for the replacement of the buildings' existing heating systems with heat pumps. The economic comparison of the systems shows that the heat pump options require a significant investment that factors greatly into overall life cycle cost. A 2012 feasibility study estimated that the combined annual life cycle cost savings for the two buildings would be \$32,000 when compared to leaving the existing heating systems in place. If this request was granted, the capital costs would be removed from the life-cycle equation and would result in a \$120,000 annual cost savings. CBS supports the overwhelming cost savings of a project of this magnitude but does not have the capital funding to afford the upfront costs.

The Blue Lake Dam Hydroelectric Project will make it feasible to convert to electric heating alternatives, helping both economically and environmentally. From an economic standpoint, electricity from a hydroelectric plant would cost less than fuel oil. This heat source reduces greenhouse gas emissions when compared to fuel oil heated buildings. Heat pumps make efficient use of available hydroelectric resources, which meshes well with community sustainability goals to make efficient use of renewable energy.

FY 2015 Project: City Wide Alternate Heat Source Master Plan (\$100,000)

As the Blue Lake Hydroelectric Project moves forward, the City and Borough will be looking at ways to utilize the electricity from the increased hydroelectric capacity. Currently, the City is responsible for 19 city buildings of which 17 buildings utilize fuel oil as their heating source. City Hall and the Senior Center use inefficient electric baseboard (radiant) heating. Providing a comprehensive study of the City's infrastructure with the concept of utilizing the new hydroelectric plant would be environmentally and economically beneficial to CBS.

The CBS will also be submitting an application for an Alaska Energy Authority (AEA) grant in the next round of applications for this project.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA HARBOR SYSTEM CAPITAL IMPROVEMENT PROJECTS

Total Project Cost:	\$ 9,750,000	(100%)
FY 2015 State Funding Request:	\$ 4,875,000	(50%)
Additional Funding Required:	\$ 4,875,000	CBS (50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka requests \$4,875,000 from the State of Alaska to partner in upgrading City owned and maintained harbor infrastructure. The City and Borough of Sitka recently completed a Harbor Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. The CIP Plan identifies \$118,000,000 of harbor system infrastructure needs over the next 50 years (in 2012 dollars). Recognizing the magnitude of the necessary improvements, the City and Borough of Sitka instituted a 39 percent increase in moorage rates effective October 1, 2012 with future increases anticipated. However, even with these significant rate increases, the City and Borough of Sitka cannot fund the projects within the first 5 years of the CIP plan with the projected CBS reserve working capital in the Harbor Enterprise Fund.

The majority of Sitka's harbor infrastructure was originally designed and constructed by the Alaska Department of Transportation and Public Facilities (ADOT&PF). This infrastructure was subsequently deeded to the CBS when ADOT&PF was divesting itself of harbor assets. Since that time, limited funding has been available to maintain or repair them. **It should be noted that a significant percentage of the critical infrastructure needs identified within the CIP Plan are not eligible for funding under the Municipal Harbor Facility Grant Program.** Given the extent of the overall needs for harbor improvements, CBS FY2015 request is focused on the following top priority projects:

1. Crescent Harbor – (\$6,620,000): Crescent Harbor was designed and constructed by the State of Alaska in several phases beginning in 1965. The general condition of the harbor is poor. Timber elements are submerged and are beginning to show advanced stages of rot. Spalling and hairline cracks in the surface of concrete deck are evident throughout the harbor. About half of the finger floats are severely twisted and are listing from side to side. Large sections of concrete finger floats have spilled off. Timber piling are worn due to mechanical abrasion against the steel pile hoops. The 1965 era portions of Crescent Harbor have exceeded their remaining safe and useable life and must be replaced.

2. Eliason Harbor Electrical Replacement (\$2,450,000): Eliason Harbor, once referred to as New Thomsen Harbor, was designed and constructed by the State of Alaska in two phases, with the final phase completed in 1999. The Eliason Harbor Electrical systems are approximately 15 years old and suffer mechanical abuse due to storms and waves through the harbor, particularly on the north end. As a result, the power and lighting systems require substantial rehabilitation.

3. Thomsen Harbor Upland Access and Parking (\$680,000): Thomsen Harbor was originally designed and constructed by the State of Alaska in 1976. The uplands access and parking associated with Thomsen Harbor were constructed on an old dump site consisting of logs, stumps, old vehicles, etc. The condition of the upland access and parking is poor and must be upgraded as soon as funds are available. Uplands access and parking are ineligible for funding under the Municipal Harbor Facility Grant Program.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ROAD TO RESOURCES – GRANITE CREEK TO STARRIGAVAN

Total Project Cost:	\$ 6,000,000	(100%)
FY 2015 State Funding Request:	\$ 4,800,000	(80%)
Additional Funding Required:	\$ 1,200,000	CBS (20%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

City and Borough of Sitka requests State assistance of \$4,800,000 to provide a “road to resources” to access additional rock for State, City, and private Sitka projects within Granite Creek valley. The project also includes access to Starrigavan Valley as an alternate potable water source.

Both City and Borough of Sitka (CBS) and privately owned rock quarries in Sitka are near the end of their productive lives. There do not appear to be any good candidates for additional private quarries, leaving the City and Borough as the primary source of construction rock products in Sitka.

The existing CBS quarries within the Granite Creek area are being used for the Airport and Breakwater projects which has nearly exhausted the available rock for future projects including the State's. The Harbor Breakwater upgrade is being constructed by the Corp of Engineers in 2013-14 also. With Sawmill Creek Road and Halibut Point Road currently under construction, the gravel required for sub-grade and pavement may be in short supply from Sitka sources. If the quarries are not developed, the gravel for these projects may need to come from outside of Sitka.

The CBS owns a large tract (Lot 1 Remainder of USS 3670) of approximately 1,200 acres. Some of the parcel is currently used by the active quarries; however the majority of the tract is undeveloped. The tract includes both wetlands and uplands. Some of the wetlands are high value, and others are wetlands forested on the sides of the mountains which have high quality rock underneath the surface layers. The forested wetlands on the mountainsides would require mitigation which would be provided by the high value wetlands within the tract. However the mitigation will require a wetlands determination, functional analysis, and survey of the lands to be put into the mitigation bank.

The City and Borough has identified additional quarry sites within the Granite Creek Industrial Site. Sites have been created by a formal subdivision process, which included platting of two separate access rights of way. This project would include design and construction of an access road to the additional quarry sites within the newly platted rights of way, from the existing operating portions of the Granite Creek Industrial Site. In addition the access road will provide access to the full length of the Granite Creek valley to access other potential quarry and overburden sites. Access road design and construction would include a 24 foot wide traveled way with two foot wide shoulders. This project will also include permitting, wetlands determination and mitigation, and runoff monitoring and reporting. Sitka's local match would be provided from the City and Borough of Sitka General Fund. To date Sitka has provided a budget of \$100,000 to develop the quarries.

The access to the Starrigavan Valley would also provide a utility corridor to permit future development. This could include access to already tested and proven ground water to provide an alternate source for drinking water for Sitka. This road could also facilitate providing water and communications to the Forest Service campground and the State Public Safety Academy and municipal shooting ranges.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: TONY HREBAR SHOOTING RANGE IMPROVEMENTS

Total Project Cost:	\$139,000 (100%)
State Funding Already Secured:	\$ 50,000 (36%)
Funding Already Secured: (State, CBS, NRA)	\$ 29,000 (21%)
FY 2015 State Funding Request:	\$ 60,000 (43%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests \$60,000 from the State of Alaska to continue to partner with CBS to rehabilitate and upgrade the Tony Hrebar Shooting Range. Identified projects will improve access, safe use, and overall condition of the range. A combination of State, City and NRA funds has been used to upgrade the shooting range. Projects completed include the installation of a vaulted toilet, range distance markers, range re-surfacing, and repainting shooting shelters. Additional funds will be used to complete improvements to drainage and re-build range berms.

Funds will be spent to re-surface and improve range drainage. Inadequate drainage has caused washouts of surfacing material and rutting. The uneven surfaces are dangerous. Installing a properly sized drainage system will help preserve gravel surfacing but also keep the range surface even and hazard free thereby reducing tripping hazards.

Raising the height of berms will significantly improve range safety. Range berms have sloughed and settled and are no longer the standard height. The backstop berms are critical to prevent bullets from travelling downrange, beyond the shooter's target. The interior berms restrict bullets from traveling to adjacent ranges.

Other projects that improve safe use of the shooting range include the following: The shooting tables have deteriorated and need replacement. These tables are extensively used and allow for safe gun handling practices. Construction of gun racks to hold rifles that aren't being immediately used will reduce the potential for accidents and encourage the public to utilize safe practices. Construction of spent brass collection bins will reduce maintenance, improve the facility's appearance and encourage recycling. Users identified the need to a non-potable water faucet to use if accidents occur for eye-washing. Installation of a security camera at the range is another item which has been requested by users to help reduce vandalism and misuse of the shooting range. A two-way communications system is also urgently needed.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA MULTI-PURPOSE TRACK AND FIELD IMPROVEMENTS

Total Project Cost:	\$ 6,500,000 (100%)
American Legion Funding Secured:	\$ 100,000 (1%)
FY 2015 State Funding Request:	\$ 6,400,000 (99%)
Other Funding Requests:	\$ 0
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests \$6,400,000 to develop an all-weather turf Multi-Purpose Track and Field Complex for year-round use. This project will provide a complete accessible facility for Sitka's youth and a safer facility with lower maintenance costs. The project will have great economies of scale with cost efficiencies in both design and construction.

The original construction of Sitka's Track and Field located at Lower Moller Park was reported to have started in August 1974 by O'Leary Construction. A cleared area and gravel access road existed on the site prior to field construction in 1974. The field was built in a swampy area and continues to settle. Track width varies between 26' and 30' and is wide enough to accommodate six (6) track lanes. During periods of heavy rain small pot holes will develop requiring continual maintenance. There is no straightway or chute extensions for the sprinting events. The south end of the field is used as a discus and shot put pad area. The existing field surface is approximately 160' x 360' in size. It is composed of a silt surfacing cap that during rain events becomes quite soft resulting in unsafe, slippery conditions which cause ankle and leg injuries. A grass surface exists around the field perimeter and on each end of the field. In 2001 grass was removed from the main playing field for safety and drainage reasons.

The existing track and field location lacks many of the amenities required for hosting track meets; particularly regional or state level meets. There are no public restrooms or concession facilities located directly at the field level. Concession stand and restrooms are located on the Upper Moller field. Storage of track, field and football equipment is limited, inadequately sized, and has no power. Spectator seating is limited to one metal bleacher section on each side of the field, parking is limited and there is no accessible access route to the field.

FY 13 State funding of \$100,000 will be administered by the Alliance for Alaska American Legion and will be utilized for a feasibility study of installing Sitka Multi-purpose Track and Field Improvements. One possible location for the Multi-Purpose Track and Field would be to utilize newly named Krueger Field at the Kimsham Sports Complex. The Kimsham Sports Complex has three softball fields and a multi-purpose field. The multi-purpose field is in need of replacement. It is a grass field that is not establishing very well as it was installed on a rock type sub-grade and it will not sustain grass and is an uneven surface. The City and Borough of Sitka is going to have to replace the grass with some sort of all weather turf to make it sustainable in the Southeast climate. It has access to restrooms, concession facility, and parking located in the Sports Complex.

The new track/football/soccer multi-purpose fields with all-weather year-round surfaces would permit Sitka's schools to host track (running and jumping) and field (shot-put, discus, high jump and long jump) events, and permit Sitka's youth, as well as adults, to use regulation track, football, and soccer facilities safely throughout the entire year.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WHITCOMB HEIGHTS SUBDIVISION UTILITY IMPROVEMENTS

Total Project Cost:	\$ 4,700,000	(100%)
FY 2015 State Funding Request:	\$ 4,230,000	(90%)
Additional Funding Required:	\$ 470,000	CBS (10%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

City and Borough of Sitka requests \$4,230,000 to assist in the extension of the water main “trunk line” on Kramer Avenue and construct a parallel sewer main to enable development of the Whitcomb Heights Subdivision “Benchlands” for residential use.

The Benchlands is City-owned land that is planned for Sitka’s future residential growth. The land was purchased from University of Alaska in 2007 for \$3,300,000. The City received a \$5,000,000 grant and a \$3,170,000 DEC loan for the construction of utilities and a water tank to service the project area. Most recently additional utility work was completed and nine residential building lots were put on the market of which three have been sold. In addition to the building lots, additional development tracts were provided water and sewer service to provide for future development. The City also advertised a Request for Proposal from developers to develop three tracts within the Benchlands for mixed density housing. The proposal was well received by the Assembly and a sales agreement is being drafted which will allow the lots to hit the market as early as summer 2014.

Kramer Avenue parallels the State-owned Highway Halibut Point Road, through the southern portion of the City and Borough of Sitka owned “Benchlands” properties. Kramer Avenue is the arterial street of the Whitcomb Heights Subdivision in the Benchlands. The proposed project would extend the water main “trunk line” in the southern portion of Kramer Avenue to the north as well as construct a parallel sewer main along the same alignment. Miscellaneous associated road and drainage improvements would also be constructed.

Construction of these water and sewer main lines within the Kramer Avenue right-of-way will provide a backbone upon which the neighborhoods of the subdivision can be served. The Benchlands is the only property in the City and Borough of Sitka that is both accessible and of suitable terrain to support much needed public or private development of residential units, including sorely needed affordable housing. The Kramer Avenue water main will also provide a supply loop in parallel with the Halibut Point Road water main, ensuring that the added system water storage capacity provided by the Whitcomb Heights water tank can be distributed to all areas of the community water system.

Additional local match would be provided in the form of funding for construction of Whitcomb Heights Subdivision neighborhood water and sewer mains, and individual service connections.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA COMMUNITY PLAYGROUND

Total Project Cost:	\$ 400,000 (100%)
Funding Already Secured: (Municipal/Private/In-Kind)	\$ 4,000 (1%)
Other Funding (Pending):	\$ 45,000 (11%)
FY2015 State Funding Request:	\$ 351,000 (88%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests \$351,000 from the State of Alaska to replace CBS playgrounds with a single, ADA compliant playground that excites and engages Sitka's children in active and imaginative play. Sitka has City-owned playgrounds at two park sites. All playgrounds have identified constraints and limitations and are not ADA compliant. A recent Certified Playground Inspector's audit revealed that the City and Borough of Sitka playgrounds do not comply with current playground standards for equipment spacing and surfacing.

In June 2011, a group of Sitka volunteers and parents came together with a goal of upgrading and consolidating the City and Borough's existing playgrounds by creating a single Community playground. The Sitka 2011 Health Summit attendees, recognizing the value of the playground, chose this project as one of its three top goals during their annual planning event in October. In the fall of 2011, a playground design, a \$2,400 in-kind donation, was completed with over 200 youngsters providing input to the designer.

The construction of the Community playground will help the City and Borough of Sitka achieve the community goal of providing safe, accessible, year-round, healthy activities for Sitka's youth. The project goals are to improve daily physical activity and to promote lifelong healthy lifestyles. Access to the playground will allow Sitka's nine licensed daycares, various home daycare facilities and Sitka's private and public schools to expand physical fitness program capacity and improve activity levels of Sitka's children. The play opportunities in a "21st Century" playground will improve children's strength, endurance and balance as well as physical, social and cognitive skills.

The playground will be located on City and Borough park lands. One site being considered is to replace the centrally-located Crescent Harbor Park playground. By replacing and consolidating City playgrounds with a single, safe facility that is compliant with current playground requirements and built with sustainable materials, the City will significantly reduce required maintenance and eliminate potential liability. This project will also be funded with cash and in-kind donations, and grants.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: PURCHASE MOBILE TEMPORARY DRINKING WATER MEMBRANE FILTRATION EQUIPMENT

Total Equipment Cost:	\$5,898,500
CBS Funds Expended to Date:	\$ 53,500
CBS FY 2014 Funds Anticipated:	\$ 200,000
FY 2015 State Funding Request:	\$5,645,000
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests that the State of Alaska partner with CBS to purchase temporary drinking water membrane filtration equipment for future emergency use throughout Alaska. Purchase cost is estimated to be \$5,645,000. This equipment would be a tremendous resource for State emergency response to loss of community drinking water due to flooding or other natural disasters or failures to existing drinking water treatment plants.

ADEC Regulations will force CBS to have ADEC approved temporary filtration equipment in the summer/fall of 2014 when the Blue Lake primary municipal potable water source is out of service for tunnel work associated with the Blue Lake Hydroelectric Expansion Project and the Sitka community is provided water from Indian River – the primary source prior to 1986 when Blue Lake came on line.

CBS has been working with consultant CH2MHill and the ADEC Drinking Water Program to engineer and select mobile equipment that will produce water meeting the current drinking water regulations. CBS is ready to advertise a request for proposals to rent/lease four membrane trailers and five trailer tanks to achieve the required chlorine contact time. Each individual trailer is capable of producing approximately 1 million gallons of filtered water per day. CBS's four month equipment rental costs, which include purchase of pumps and piping that are not feasible to rent, are estimated at \$1,555,000 compared to purchase cost of \$5,645,000. The total cost estimate for Sitka's four month use, including water quality testing and operational costs, is \$3,000,000 or \$750,000 per month.

If the State of Alaska were to purchase this equipment, taking advantage of several hundred thousand dollars of engineering work, testing and actual operation that CBS will have invested, it would save Sitka's rate payers around \$1.5 million and the State would own four independent membrane filtration mobile units and associated required tankage, piping and pumps that would each produce about 1 million gallons of potable water per day. These versatile, state-of-the-art units will produce water meeting DEC's drinking water requirements. To date CBS has invested over \$53,000 and anticipates spending another \$200,000 before the units are operational in Sitka. There are many possibilities to utilize mobile/emergency drinking water equipment in rural Alaska communities or other filtration avoidance systems: Kodiak, Cordova, Ketchikan, Juneau for example.

This equipment will be very flexible with the ability to split into four separate units or any combination and produce up to 4 million gallons per day, enough to fully supply Sitka or Ketchikan. The system could then be kept ready to enable emergency potable water response throughout Alaska – from small rural communities requiring only 100,000 gallons per day (GPD) to as large as Ketchikan, requiring 4 million GPD. The individual membrane units and tanks will be trailer mounted so they could be trucked to road system communities or loaded and flown to remote areas with C130 aircraft. They could also be loaded on barges and moved up the river systems in Western Alaska to help produce potable water during the summer months for 'fill and draw' systems whose water treatment plants are not fully functional.

This system would be a valuable resource to add to the State Emergency Services water treatment equipment supply for immediate response to any community which loses its potable water system due to flooding, earthquake or other emergency. After the fall of 2014, CBS will have trained operators who could provide assistance to Emergency Services or other state agencies that might use the systems. CBS could store the equipment in Sitka, or it could be shipped and stored elsewhere.

FY2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: REPLACE FAILING WATER SUPPLY LINE TO JAPONSKI ISLAND

Total Channel Crossing Water Mainline Project Cost:	\$ 2,271,000 (100%)
CBS Water Fund FY 2014:	\$ 75,000 (3%)
FY 2015 State Funding Request:	\$ 693,000 (31%)
Other Funding Requests: DEC Grant/Loan:	\$ 1,503,000 (66%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests the State contribute \$693,000 to partner with the \$75,000 Municipal Water Department seed funds to accomplish Phase 1 of this important project. The leaking 12-inch concrete-lined steel water pipe suspended under the O'Connell Bridge needs replacement. This is a phased project Phase 1 includes: identifying the replacement location (submerged or on the bridge), installing connections to facilitate removing the existing leaking line from service and connecting a future line, bid-ready design plans and permitting. Completing Phase 1 will greatly improve CBS's ability to be awarded DEC municipal matching grant (MMG) funds for Phase 2, the actual construction of the line. This waterline serves several State institutions located on Japonski Island, so the State has a major interest in upgrading this failing water system.

This is one of the final projects remaining from the 2003 Japonski Island Infrastructure Master Plan "Island Water Supply Improvements". The existing 12-inch line was constructed by the Bureau of Indian Affairs (BIA). No agencies claim ownership of this waterline which serves residences and municipal, State and Federal institutions. A leak was discovered in 2010 and a section of insulation and lagging fell off the line above the lightering facility, temporarily closing this cruise ship passenger facility, last summer. Replacing this line will greatly improve fire flow capacity, pressure and reliability for the island's water system. **CBS is committed to ownership and maintenance of the new waterline.**

Sitka supplies potable and fire protection water to State, Federal and municipal facilities and residents on Japonski Island across the 900 foot wide Sitka Channel. Japonski Island is the site of the Sitka Rocky Gutierrez Airport, Southeast Alaska Regional Health Consortium and Hospital, Mt. Edgecumbe High School (State Department of Education boarding school), University of Alaska Sitka Campus, U.S. Coast Guard (USCG) Air Base, USCG Buoy Tender Base, USCG and other residential housing, daycare facilities, municipal wastewater treatment plant and Sealing Cove Boat Harbor.

CBS has sought funding in previous years for this project through the DEC low interest loan/stimulus programs. The project has not scored high enough to be funded. Municipal matching grants (MMG) are much more competitive; so this funding source probability is very low. CBS believes if Phase 1 were completed, Phase 2, the physical construction of this project, will be competitive with other MMG utility projects statewide.

CBS will continue efforts to secure the additional Federal and State funding towards completion of the remainder of the Japonski Island utility upgrades which include: the Japonski Island utility corridor relocation, \$2,208,000; Water Tank Demolition, \$500,000; and U.S. Coast Guard Housing Water Improvements, \$750,000. In 2010, CBS wastewater enterprise fund replaced six wastewater lift stations serving the various state and federal institutions on Japonski Island at a cost of \$1,567,000.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: SITKA AIRPORT INFRASTRUCTURE UPGRADES

Total Project Cost:	\$2,208,000 (100%)
FY 2015 State Funding Request:	\$2,208,000 (100%)

The City and Borough of Sitka requests the State of Alaska provide \$2,208,000 to Department of Transportation and Public Facilities to relocate Department of Transportation and City and Borough Sitka utilities located on Japonski Island along the old access road to the Airport and within the Airport property. This upgrade will enable the Sitka Airport to be safe and more fully utilized and is long overdue.

The Japonski Island Infrastructure projects remain one of Sitka's highest priorities, ever since completion of the Japonski Island Infrastructure Master Plan in 2003. The Plan has detailed preliminary budgets for a total of ten projects. The purpose of the Plan is to upgrade the deteriorating road and utility infrastructure on Japonski Island, some of which date from World War II when the island was a military Naval base. These projects are bringing the roads and utilities up to specifications to provide safe transportation and utility services to all Japonski Island institutions including Sitka Airport, Southeast Alaska Regional Health Consortium (SEARHC), Mt. Edgecumbe Hospital, University of Alaska Southeast Sitka Campus, Mt. Edgecumbe State Boarding High School, U.S. Coast Guard Air Station and U.S. Coast Guard Buoy Tender Base, and Shee Atika Native Corporation. Once upgraded, CBS is taking over ownership and maintenance of these roads and utilities.

The Channel Waterline Project, which is half of the Plan's Project 3 "Island Water Supply Improvements" was completed in 2008. The DOT/PF Airport Road Realignment, a portion of Project 7 "DOT Airport Expansion and Utility Improvements", provides space on the Airport for additional lease lots. This airport road realignment was put into service in 2008 and was fully completed in 2009.

However the most important project included in the Japonski Island Infrastructure Master Plan of 2003 that is uncompleted is DOT **Airport Expansion and Utility improvements Project 7**. This project included relocating water and sewer to the new access road alignment. DOT funded the road improvements. However, DOT did not move the Water and Sewer lines which now are under Airport Lease Lots.

These improvements include approximately 4500 feet of water main, 3000 feet of gravity sewer and 800 feet of sewer force main. The relocation of a sewer lift station is also required. The cost estimates were published at \$946,848 in 2003 dollars. The current project cost in 2013 dollars is **\$2,208,000**.

In addition to the Sitka Airport Infrastructure Upgrades, the City and Borough of Sitka is continuing its efforts to secure the additional Federal and State funding to permit Water Tank Demolition, \$500,000; U.S. Coast Guard Housing Water Improvements, \$770,000; and O'Connell Bridge waterline replacement (Waterline Loop System to Japonski Island), \$2,315,000, the final remaining projects from the Japonski Island Master Plan, to be completed.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: SITKA/MT. EDGE CUMBE OLYMPIC-SIZED POOL

City and Borough of Sitka supports fully funding the pool facility which could serve a very large institutional and individual user base in Sitka and throughout the State of Alaska. This project will result in a swimming pool which will be owned and operated by the State of Alaska and primarily serve the statewide boarding school in Sitka, Mt. Edgecumbe High School. In addition, the pool could provide many benefits to Sitka and the State beyond the direct benefits to Mt. Edgecumbe students.

The preferred option for the Mt. Edgecumbe Pool Project is a 50 meter Olympic-sized pool. This would be a 46,818 square foot pool measuring 25 meters wide by 50 meters length composed of eight or more lanes, and 25 feet of pool length at 3.5 feet depth or less for education of non-swimmers. This sized pool would dramatically increase the utility of the pool for many other user groups not only in Sitka but throughout the State.

The institutions which could share operational costs of the pool include the U.S. Coast Guard units (Sitka Air Station, Aids-to-Navigation buoy tender, and others); Statewide Public Safety Training Academy (which trains State Troopers and other law enforcement personnel for duty stations throughout Alaska); U.S. Forest Service personnel; Southeast Alaska Regional Health Consortium and Sitka Community Hospital (which could use the pool for therapy), and City and Borough of Sitka and Sitka School District for community-sponsored swimming and meets. The Coast Guard personnel and families, SEARHC/Mt. Edgecumbe Hospital, and University of Alaska are all based on Japonski Island within walking distance of the pool site.

Sitka has an extremely active swimming community. Instead of Sitka swim teams having to travel elsewhere for meets using Olympic competition pools, some of those meets could take place in Sitka. There would be major economic benefits to these large meets and training programs being held in Sitka similar to the many new and expanded local and statewide activities now occurring at the new Moller Baseball Field. Since the installation of the synthetic surface and lights, an increasing number of out-of-town teams from all over Alaska are coming to Sitka and providing much larger economic and cultural benefits to both Sitka and its guests than had been anticipated. These same greatly expanded impacts to Sitka could be felt with Sitka having an Olympic size pool.

The second scenario for the pool would be a high school competition pool of 28,258 square feet, 60 feet wide by 25 meters length with eight lanes, an instructional tank, and 25 feet of pool length at 3.5 feet depth or less for education of non-swimmers. This reduced-size facility could accommodate Mt. Edgecumbe student use but would be inadequate for most of the institutional uses listed above and not be able to accommodate multi-community swim meets. This reduced size would greatly limit sharing operations costs with other users and reduce other benefits to the institutions and various swim teams to a minimum. A legislative appropriation of \$20 million has been allocated for this project, but additional funds may be required to construct the preferred option.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: CO-FUNDING FOR CITY/STATE/TRIBAL JUSTICE CENTER DESIGN STUDY

Total Project Cost:	\$150,000	(100%)
Funding Already Secured:	\$ 75,000 CBS Municipal	(50%)
FY2015 State Funding Request:	\$ 75,000 State	(50%)
Additional Funding Required/Outstanding:	\$ 0	
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

State and Municipal justice facilities in Sitka are antiquated and inadequate to serve current needs. Most are housed in the 38 year-old State/City Building. The City and Borough of Sitka and Sitka Tribe of Alaska are collaborating with other key stakeholders, including State agencies, to plan a “one stop shopping center” housing a broad range of justice-related services.

The new facility could potentially house the offices of Sitka Police Department and Community Jail and Sitka Tribe of Alaska Social Services, plus several State facilities: Alaska Assistant District Attorney, Alaska Children’s Services, Alaska Department of Corrections/Division of Probation and Parole, Alaska Division of Juvenile Justice, and Alaska District Court, none of which have adequate or secure facilities.

The Design Study will result in a concept plan, including cost estimates, feasibility and design study. The new multi-use State/City facility could include a new larger and longer-term Community Jail to ease the overall stress on the Department of Corrections Lemon Creek Facility in Juneau. It may also be possible to initiate and implement an electronic monitoring program for the region.

The City has dedicated \$75,000 to partially fund this study and is asking the State to match this amount. A match from the state would fully fund the Design Study for this collaborative multi-use facility project.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: STATE PUBLIC SAFETY ACADEMY DRIVER TRAINING FACILITY

Total Project Cost:	\$ 7,000,000 (100%)
State Funding Already Secured:	\$ 1,000,000 (14%)
FY 2015 State Dept. of Public Safety Request:	\$ 6,000,000 (86%)

The City and Borough of Sitka continues to support the State of Alaska fully funding the State of Alaska Department of Public Safety's project to construct the Sitka Public Safety Academy Driver Training Facility Upgrade to permit design and construction of this urgent safety and educational upgrade in 2013 and 2014.

The State's Public Safety Training Academy in Sitka, which trains State Troopers, Village Safety Officers (VPSO's), Fish and Wildlife Protection Officers, and local Police force recruits for statewide positions, has been a primary resource for the State of Alaska in law enforcement and public safety training since 1968. It has always been extremely important to Sitka, providing direct employment, major economic benefits, and substantial sharing of resources for law enforcement training with Sitka agencies as well as the University of Alaska Sitka Campus (UAS). The City and Borough of Sitka (CBS) has supported Academy upgrades including a female cadet living quarters, shooting range upgrade, cafeteria, and other completed improvements and is grateful for these important improvements.

The largest and by far most important upgrade that has not been accomplished is the construction of a safe, secure driver training facility. City and Borough of Sitka appreciates the State of Alaska funding \$1,000,000 for this driver training facility and the Alaska Department of Transportation and Public Facilities for working on this project. The Sitka Driver Training Facility is a very high priority of the Department of Public Safety. CBS requests the State budget construction as soon as possible for completion by 2015. With the steep rise in construction costs, the estimate for development of the Public Safety Academy property and additional land, rock and paving development costs, as well as road easements and construction, the total project is projected to cost around \$7,000,000.

A professional driver training facility is a major safety need and essential component of continued viability of the Sitka Public Safety Academy whose program includes 60 hours of training devoted to emergency vehicle operations. The current facility borrows the parking lot between UAS, Mt. Edgecumbe High Boarding School, and Sitka Channel used by many students. It has always been woefully inadequate to provide security and safety necessary for driver training and has proved unsafe for participants and the public. Vehicles have spun out and ended up in Sitka Channel. Police and other emergency first responders deserve the best driver training available to cope with the diverse weather and road conditions in Alaska. A public parking lot cannot provide this.

The new driver training facility will be located on the Academy's property separate from any public use. It will provide the Southeast Region and the State with multiple emergency vehicles operations and training for emergency response professionals in law enforcement, fire and emergency medical services throughout the State.

The Sitka Assembly unanimously approved Resolution 2008-16 on May 27, 2008, "A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING THE PUBLIC SAFETY ACADEMY DRIVING RANGE AND FACILITIES UPGRADE". CBS continues to be willing to partner with the DPS to complete this upgrade.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: EQUITABLE SITKA ALASKA MARINE HIGHWAY SERVICE

Sitka's summer ferry service has generally improved with the Fast Vehicle Ferry (FVF) Fairweather's six-day-per-week Juneau to Sitka to Juneau service. However, this "Summer Schedule" does not begin until July, and Sitka's summer season begins in May. Throughout June, there is great Sitka use of the Marine Highway System, and the Sitka Summer Music Festival and Sitka Fine Arts Camp and other events bring hundreds of travelers to and from Sitka, many of whom prefer to ride on the Alaska Marine Highway (AMHS). As an example, the Sitka Coast Guard averages 60 families arriving at or leaving the Sitka duty station in May and June, and almost 100 percent of these personnel and families arrive and depart on the Alaska Marine Highway.

There is no justification to lay up the Fairweather three days per week in June when summer demand is at a peak. The Summer, 2014 schedule further reduces core service to Southeast Alaska by leaving the Taku off-line until July. The Taku provides essential summer service and should be in use by May. The AMHS should cut costs by other means than cancelling core service critical to SE Alaska's connectivity and regional and local economies. Cutting core service to Sitka during May and June will leave only one southbound ferry per week to Sitka and result in major lost revenues during two of the busiest months of the year and cause real economic harm to Sitka, Petersburg and others losing their primary ferry service. Other non-essential service such as the Kennicott runs could be reduced to two weeks on/two weeks off to save money if the budget is tight. The six-day-per-week Fairweather service in July and August is excellent for independent travelers from Juneau to come to/from Sitka.

Sitka's Winter Schedule continues to be very poor when the FVF is not running. During the last two weeks of September 2014, Sitka will get only one north and one south ship per week. For the last several years, for at least seven months during the Fall/Winter/Spring, Sitka receives only one northbound mainline per week – the Taku from Prince Rupert. Sitka needs a second mainline northbound (preferably the Columbia from Bellingham). This schedule needs to be increased to the same core service level as other mainline ports. Sitka passenger and freight traffic would increase enormously with a year-round, consistent, connective schedule. Sitka needs both north and south mainline connections to Petersburg, Ketchikan, Prince Rupert, and Bellingham for year-round passengers and freight including container vans.

City and Borough of Sitka continues to request that DOTPF and AMHS complete the Sitka Access Study to evaluate the feasibility, benefits and costs of developing a road connection to Chatham Strait, potentially in cooperation with the proposed Takatz Hydroelectric Project. Without this assessment to identify the best road corridor to the eastern side of Baranof Island, where a new terminal would be built, how the new system would operate including the distance and time to commute to and from the terminal, and the conceptual costs and benefits of such a project and impacts to ferry service to Sitka, it is impossible to evaluate whether the Baranof Road or other road connection to the mainline route makes practical sense and is worth the additional cost and time required to access the AMHS. Whatever is developed must provide consistent, connective Marine Highway service between Sitka and the rest of the Marine Highway System so critical to Sitka's and the region's economic future.