CITY AND BOROUGH OF SITKA

Legislative Priorities

FISCAL YEAR 2016

Blue Lake and Blue Lake dam under construction as seen by the top of the largest crane in Alaska.

Photo by Desiree Brandis

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JANUARY 2015

City and Borough of Sitka
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Coast Guard City, USA

FY 2016 CITY AND BOROUGH OF SITKA STATE LEGISLATIVE PRIORITIES

TABLE OF CONTENTS

TABLE OF CONTENTS 1

CBS Resolution 2014-15 Submitting FY 2016 State Legislative Priorities 2

CITY AND BOROUGH OF SITKA'S HIGHEST MUNICIPAL PRIORITIES
- **Sitka Blue Lake Hydroelectric Project Partnership with State of Alaska** 3
- **Reconstruction of Sitka's Failing Paved Roads** 4
- **Municipal Harbor Facility Grant Program Crescent Harbor Float Replacement** 5
- **New Secondary Potable Water Supply** 6

CITY AND BOROUGH OF SITKA LEGISLATIVE CAPITAL PROJECTS REQUESTS
- Harbor System Capital Improvements Project 7
- Commercial Passenger Visitor Facilities Improvements 8
- Co-Funding for City/State/Tribal Justice Center Design Study 9
- Marine Service Center Bulkhead Critical Repairs 10
- Roads to Resources – Granite Creek to Starrigavan 11
- Gary Paxton Industrial Park Shoreline Stabilization and Waterfront Development 12
- Completion of Sitka Moller Park Baseball Field Improvements 13
- ADEC Municipal Matching Grant (MMG) Requests: 14
  - DeGroff Street Water and Sewer Replacement
  - Marine Street Water and Sewer Replacement
  - Waste Water Treatment Plant HVAC Replacement
  - Channel, Crescent and Landfill Lift Stations
- Sitka Multi-Purpose Ball Field Improvements 15
- Sitka Energy Efficiency Improvements for Wastewater Treatment Plant 16
- Sitka Swan Lake Recovery and Improvements 17
- Information Technology Improvements: 18
  - Fiber Optic Network
  - Remote Audioconferencing/Videoconferencing
- Whitcomb Heights Subdivision Utility Improvements 19
- Sitka Community Playground 20
- Tony Hrebar Shooting Range Improvements 21
- Sitka Multi-Purpose Track and Field Improvements 22

CBS SUPPORT FOR HIGH PRIORITY STATE INITIATIVES
- Construction of Sitka/Mt. Edgecumbe Aquatic Center 23
- Replace Failing Water Supply Line to Japonski Island 24
- Sitka Airport Infrastructure Upgrades 25
- State Public Safety Academy Driver Training Facility 26
- Provide Equitable Year-Round Alaska Marine Highway Service to Sitka 27

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2014-15

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA SUBMITTING CITY AND BOROUGH OF SITKA FY 2016 STATE LEGISLATIVE PRIORITIES TO STATE OF ALASKA AND 2015 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 2016 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 FURTHER BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the attached FY 2016 City and Borough of Sitka 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 September, 2014.

Mim McConnell

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

FY 2016 CBS HIGHEST MUNICIPAL PRIORITY

Project Title: **SITKA BLUE LAKE HYDROELECTRIC PROJECT PARTNERSHIP WITH STATE OF ALASKA**

Total Project Cost:	**$ 183,000,000 (100%)**
FY 2016 State Debt Reimbursement Request:	**$ 20,000,000 (10%)**
CBS Bonded Indebtedness:	**$ 129,000,000 (70%)**
State Funding Already Secured:	**$ 54,000,000 (30%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

City and Borough of Sitka seeks legislative action for a one-time fixed cost reimbursement (assuming a direct appropriation is not possible) approximately equal to what the City and Borough of Sitka received in Alaska Energy Authority Power Project Fund loan authority: $20,000,000 to reimburse costs for the Blue Lake Hydroelectric Project. Upon completion of the Blue Lake Project in February 2015, CBS will have incurred approximately $129,000,000 in bonded indebtedness, and the state contributed approximately $54,000,000. CBS has diligently pursued all possible sources of funding including Federal & State requests, AEA loans, and consideration of private capital, with an overall goal of 50/50 percent participation between CBS and the state. To date, the state's contribution has been approximately 30 percent, and Sitka's 70 percent.

The State of Alaska has funded various large electric generation projects at 100 percent. Sitka has never asked for more than a 50/50 partnership, and worked diligently to secure an $18.6 million loan from the State's Power Project Fund, but the terms were unworkable. Therefore, CBS must bond for the remainder of the project. The additional $20,000,000 will increase the state's participation to 40 percent of project costs.

Debt service will be approximately $7,500,000 over the next decade and will be an exorbitant burden on our ratepayers and community at large. Precedence has been established for the state to provide relief to municipal utilities in the form of reimbursements for the principal and interest on outstanding debt for power projects. With an equitable reimbursement, the CBS can mitigate the 37 percent (+ 5-15 percent) rate increases incurred to date, and reduce the crushing debt burden for the CBS.

In addition to 100 percent funding for some power projects, the State Legislature has approved ongoing reimbursement to various power projects. Projects below are examples of Legislative approvals for reimbursement that were originally submitted as grant requests:
Kodiak Electric Association, Inc. (Nyman Combined $6,000,000 Cycle Cogeneration Plant)
Cordova Electric Cooperative (Power Creek Hydropower $12,000,000 Station)
Golden Valley Electric Association (Rock Creek line $700,000 extension)
Copper Valley Electric Association, Inc., Valdez $10,000,000 (cogeneration projects)
The Four Dam Pool Power Agency (Southeast Intertie, $20,000,000 Swan Lake to Tyee Lake)
Metlakatla Power and Light (utility plant and capital additions) $3,000,000

The Blue Lake Hydroelectric Project is raising the height of the existing dam by 83 feet to elevation 425 feet, and constructing a new intake structure, penstock, and powerhouse, with an increase in capacity from 7.5MW to 17MW and total energy of 32,000MWh or 30 percent of system capacity.

Sitka has exhausted its hydroelectric resources. Economic growth and community viability are directly related to availability of reasonable cost energy. The state's partnership in the Blue Lake Project will help CBS finance its debt without overwhelming rate payers and harming Sitka's economy, which is critically important to Sitka's future.

FY 2016 CBS HIGHEST MUNICIPAL PRIORITIES

Project Title: RECONSTRUCTION OF SITKA'S FAILING PAVED ROADS

Total Project Cost:	**$ 11,000,000 (100%)**
FY 2016 State Funding Request:	**$ 11,000,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

CBS requests $11,000,000 to reconstruct Sitka priority roads. Many of the Sitka's paved roads are failing. A sustainable road program would require up to $2.7 million annually. Recognizing the critical nature of the issue and with no current local funding stream in place, the Sitka Assembly is considering a vehicle registration fee or other mechanisms to provide an estimated $700,000 per year. Even with that level of funding, the local taxpayers need state participation in order to address the need and ensure that paved roads do not return to gravel out of necessity. The following high priority roads are included in this request:

DeGroff Street ($1,890,000 – Full Reconstruction)
Lincoln Street – Harbor Drive to Metlakatla Street ($2,600,000 – Full Reconstruction)
Brady Street – Halibut Point Road to Gavan Street ($410,000 – Full Reconstruction)
Cathedral Way ($150,000 – Full Reconstruction)
Lake Street – Sawmill Creek Road to Peterson Street ($3,600,000 – Full Reconstruction)
American Street ($250,000 – Full Reconstruction)
Barracks Street – Seward Street to Race Street ($140,000 – Full Reconstruction)
Kashevaroff Street – Edgecumbe Drive to Kimsham Street ($210,000 – Repave)
Marine Street – Seward Street to New Archangel Street ($1,900,000 – Full Reconstruction)

FY 2016 CBS HIGHEST MUNICIPAL PRIORITIES

Project Title: MUNICIPAL HARBOR FACILITY GRANT PROGRAM
CRESCENT HARBOR FLOAT REPLACEMENT – PHASE I

Total Project Cost:	**$ 11,000,000**	**(100%)**
FY 2016 State Funding Request:	**$ 5,000,000 Municipal Harbor Grant**	**(46%)**
Additional Funding Required (CBS Harbor Fund):	**$ 6,000,000 CBS**	**(54%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**	

The City and Borough of Sitka (CBS) requests that the state fund %5,000,000 for Phase I of the Crescent Harbor Float Replacement Project under the Municipal Harbor Facility Matching Grant Program legislated by SB 291. Crescent Harbor was designed and constructed by ADOT&PF in several phases, between 1965 and 1970 and was deeded to the city in two parts in 2001 and 2004. The facility has undergone numerous repair projects in the past 49 years, but has exceeded its useful life and must be replaced. The Crescent Harbor Float Replacement project has been broken into two phases to spread the costs with the timber floats to be replaced first followed by replacement of the concrete floats in a future phase.

Understanding the need to maintain critical harbor infrastructure, CBS completed a Harbor System Master Plan in 2012. This document 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 accomplish the CIP Plan. The Assembly has already approved a series of significant moorage rate increases with future increases anticipated.

Assuming construction beginning in Fall 2016, the cost of this first phase of reconstruction is estimated to be $11,000,000. As a former state harbor facility, Crescent Harbor is an eligible Tier I project under the Municipal Harbor Facility Grant Program.

FY 2016 CBS HIGHEST MUNICIPAL PRIORITIES

Project Title: NEW SECONDARY POTABLE WATER SUPPLY

Total Project Cost:	**$ 6,304,000 (100%)**
FY 2016 State Funding Request:	**$ 6,304,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The State of Alaska requires communities serving drinking water to more than 1,000 individuals to develop an emergency response plan that describes "the system's immediate response to emergencies, its plan to return to regular service as soon as possible after an emergency, and how drinking water from an alternate water supply will be made available to a system's customers during an emergency." While the City and Borough of Sitka (CBS) is blessed with a high-quality source of drinking water from Blue Lake, any unplanned disruption to the availability of that water source could be devastating.

CBS's historical water supply – Indian River – is not a viable candidate as a secondary water source. This surface water source would require construction and operation of an expensive filtration plant to provide water that satisfies state and federal drinking water standards.

CBS has investigated options such as developing a groundwater well field in the Indian River Valley or providing a second water supply line from Blue Lake in conjunction with the new water storage tank, for use when the existing penstock is undergoing maintenance or repairs. However, the most viable option appears to be utilizing the abundant groundwater resources on the north end of town.

In 2012, CBS conducted a groundwater investigation in the Starrigavan Valley to determine the viability of a secondary water source in this area. The results were conclusive: the aquifer is capable of supplying sufficient groundwater to satisfy the demands of the water system. Furthermore, the quality of the water is such that minimal treatment – chlorination only – would be required.

In order to rely on this groundwater source as a secondary supply of drinking water, CBS would need to develop a well field to provide the peak demand of 6 million gallons per day, and a means to pump the water to the existing city water infrastructure. The 12 inch diameter water main available at the end of Halibut Point Road is too small to convey the water required to satisfy peak demand. This legislative request seeks funding to develop the well field and provide a 30 inch transmission main along the proposed Road to Resources connecting Starrigavan Valley to Granite Creek Valley and beyond to the Harbor Mountain water tank. The request would also allow CBS to construct the minimal water treatment equipment it would need to satisfy drinking water regulations during emergencies and during planned maintenance operations at the Blue Lake hydroelectric dam. This funding request, as estimated, assumes that the proposed Road to Resources has been constructed.

The City and Borough of Sitka requests $6,304,000 to develop a secondary potable water source to meet the city's needs when water from the primary source – Blue Lake – is not available.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT PREQUEST

Project Title: HARBOR SYSTEM CAPITAL IMPROVEMENT PROJECTS

Total Project Cost:	**$ 5,200,000 (100%)**
FY 2016 State Funding Request:	**$ 5,200,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The City and Borough of Sitka (CBS) requests $5,200,000 from the State of Alaska to partner in upgrading city owned and maintained harbor infrastructure. Understanding the need to maintain critical harbor infrastructure, the CBS 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, CBS has committed to a series of significant rate increases 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 within 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. A recently completed Harbor System Master Plan identifies $118,000,000 of harbor system infrastructure needs over the next 50 years (in 2012 dollars), a significant percentage of which are not eligible for funding under the Municipal Harbor Facility Grant Program. Given the extent of the overall needs for harbor improvements, this FY 2016 request is focused on the following top priority projects:

Eliason Harbor Electrical Replacement ($2,430,000)
Sealing Cove Maintenance Repairs ($750,000)
Thomsen Harbor Upland Access and Parking ($680,000)
Sealing Cove Harbor & Boat Launch Upland Access and Parking ($1,070,000)
Crescent Harbor Upland Access and Parking – Lincoln Street Lots ($270,000)

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: COMMERCIAL PASSENGER VISITOR FACILITIES IMPROVEMENTS

Total Project Cost:	**$ 1,900,000 (100%)**
FY 2016 State Funding Request:	**$ 1,900,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The City and Borough of Sitka requests $1,900,000 funding from the State of Alaska to complete a capital project to enhance commercial passenger vessel services, enhance passenger safety, and support cruise ship visitor activities. Sitka has experienced a precipitous drop in cruise ship visitors from a high of 286,000 in 2006 to less than 100,000 in 2014. Efforts are underway to regain the visitor counts through dialogue with the cruise lines and investment in infrastructure which supports the visitor industry.

The 2012 Sitka Health Summit listed Downtown Revitalization as a top priority for the community. Lincoln Street is the primary economic center for the cruise industry in Sitka. This project would replace the existing aging and failing asphalt, curb & gutter and sidewalk along the central business district of Lincoln Street from Harbor Way to Lake Street with new hardscape. Improvements will also include replacement of existing non-conforming wheelchair ramps with new Americans with Disabilities Act (ADA) wheelchair ramps and new enhanced pavement crosswalks. These improvements will support visitor activities within Sitka's downtown by improving the visitor experience and enhancing pedestrian safety and demonstrate to the cruise industry that Sitka is open for business.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

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

Total Project Cost:	**$ 150,000 100%)**
FY2016 State Funding Request:	**$ 75,000 State (50%)**
Funding Already Secured:	**$ 75,000 CBS (50%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

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 current state and municipal justice facilities in Sitka are antiquated and inadequate to serve current needs. Most are housed in the 38 year old City/State Building.

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 city/state 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 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: MARINE SERVICE CENTER BULKHEAD CRITICAL REPAIRS

Total Project Cost:	**$ 8,440,000 (100%)**
FY 2016 State Funding Request:	**$ 7,940,000 (94%)**
Additional Funding Required (CBS Harbor Fund):	**$ 500,000 (6%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The City and Borough of Sitka (CBS) requests $7,940,000 to complete critical repairs to the Marine Service Center Bulkhead. CBS will provide project funds from reserve working capital within the Harbor Enterprise Fund for this critical infrastructure need.

The 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 is supported by the structure. 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.

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 (which is supported by the bulkhead) and thus rendering the site unsafe for its current use. 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.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ROAD TO RESOURCES – GRANITE CREEK TO STARRIGAVAN

Total Project Cost:	**$ 7,400,000 (100%)**
FY 2016 State Funding Request:	**$ 7,400,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

Due in part to recent large construction projects – including the State Department of Transportation's (DOT) airport, Sawmill Creek Road and Halibut Point Road projects – 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 many opportunities for additional private quarries, leaving CBS as the primary source of construction rock products in Sitka. If additional quarries are not developed, rock materials for future development projects may need to come from outside of Sitka, greatly driving up construction costs. CBS is proposing to build a "Road to Resources" to help us develop additional quarries.

Laboratory testing indicates that rock from No Name Mountain, which would be made accessible by the proposed road, is of superior quality. A comparison of material testing results on a 2012 sample taken from No Name Mountain to the 2004 Alaska DOT Standard Specifications for Highway Construction indicates that this rock, when crushed, may satisfy the conditions of the Superior Performing Asphalt Pavements ("Superpave") requirements. It is our understanding that no quarry in Southeast Alaska was able to provide Superpave-quality materials for the Halibut Point Road project, forcing the DOT to pay for aggregate imported from Washington State.

In addition, access to the Starrigavan Valley is required to develop a water well field which could provide an alternate source for drinking water for the community. Currently, CBS drinking water is provided from Blue Lake. Required maintenance at the penstock periodically causes this water source to be unavailable. The only other currently feasible source of drinking water is Indian River. This historical water source would require expensive filtration to meet current federal drinking water standards.

The requested funding would provide a road from the developed Granite Creek Rock Quarries area north to Nelson Logging Road, with a spur road north of No Name Mountain connecting to Halibut Point Road. This request would not only provide access to much-needed rock sources, but also provide a route for a future potable water supply line from Starrigavan Valley.

City and Borough of Sitka requests state assistance of $7,400,000 to provide a Road to Resources to access additional rock for state, city, and private Sitka projects between Granite Creek and No Name Mountain. The project also would also provide an access route for a potable water transmission line from Starrigavan Valley to the community.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: GARY PAXTON INDUSTRIAL PARK SHORELINE STABILIZATION AND WATERFRONT DEVELOPMENT

Total Project Cost:	**$ 3,000,000 (100%)**
FY 2016 State Funding Request:	**$ 3,000,000 (100%)**
Previous Upland Development Funded:	**$ 9,850,000 (Federal)**
	$ 8,800,000 (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 partner with the CBS to help stabilize the existing waterfront infrastructure of the Gary Paxton Industrial Park which is failing due to erosion from wave action. The industrial park's uplands, utility infrastructure, and recently installed pavement are at risk and need protection. The CBS has plans to develop a marine services industry at the industrial park. Shoreline stabilization will help protect existing assets and provide the base infrastructure needed to develop the industry.

In 1993, the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. CBS took over the former Alaska Pulp Corporation mill site in 1999. Over $13,000,000 of federal, state and CBS funds were used to complete upland utilities, system upgrades, paving, and raw bulk water pipeline. Additionally, the state recently included $7,500,000 for construction of a multipurpose dock at the industrial site in the November 2012 General Obligation Transportation Project Bond. The CBS has hired a marine engineering firm to move the multipurpose dock project forward. The industrial park is operational with multiple tenants. Total private investment into the industrial park is over $22,000,000. Development at the industrial park has created 65 long-term full-time jobs and seasonal employment for over 320 people.

The Shoreline Stabilization and Waterfront Development total project cost is $3,000,000. Roughly 700 linear feet of the central, waterfront uplands adjacent to the proposed area for the multipurpose dock are being eroded. **Shoreline stabilization includes removal of failing infrastructure, adding rock fill, and any needed uplands improvements for $3,000,000.** The waterfront currently has failing infrastructure left over from the mill days which needs to be removed. The CBS has approximately 50,000 cubic yards of rock available to be used for the shoreline stabilization project.

The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep water port use of the industrial park. The existing docks and waterfront facilities are failing and unsafe for use and must be removed and new pilings, bulkheads, dredging and shoreline protection, and other improvements must be completed to allow the park access to the ocean and water transportation avenues.

Past public investments into the Gary Paxton Industrial Park have resulted in private investment, job creation, and a sustainable tax base for the CBS. The Shoreline Stabilization Project at the Gary Paxton Industrial Park is crucial to protect the industrial park's assets and for future waterfront development.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: COMPLETION OF SITKA MOLLER PARK BASEBALL FIELD IMPROVEMENTS

Total Project Cost:	**$4,040,000 (100%)**
FY2016 State Funding Request:	**$ 500,000 (12%)**
State Funding Already Secured:	**$ 560,000 (14%)**
City & Donated Funding Secured:	**$ 730,000 (18%)**
American Legion Funding Secured:	**$2,250,000 (56%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

For FY 2016, CBS requests $ 500,000 for the completion of the baseball park improvements. This will include hardscape improvements, bleachers/grandstands to complete the final phase of the upgrade project to provide the required seating for Alaska State High School Baseball, and Little League Tournaments. Sitka will have a safer facility with lower maintenance costs that will provide for increased activities for all Sitkans.

Improving the baseball facility at Sitka's Moller Park is a multi-year phased project that began in earnest in 2004 when a group of parent volunteers constructed a batting cage facility complete with synthetic turf, nets, pitching machines and heat. This facility was built with 100 percent local funds and donated labor - a $275,000 value. Currently a new $350,000 concession/announcer/scorekeeper/restroom building is complete. This facility was constructed with $140,000 in donated in-kind labor and materials, $100,000 City and Borough funds and $110,000 FY 2007 state grant.

The FY 2012 state funding for $2,250,000 came through the Alliance in support of American Legion in Alaska to be utilized for the installation of a synthetic turf field. The next phase will utilize the remaining funds and this FY 2016 state grant funds along with volunteer labor (estimated value of $50,000) to install bleachers/grandstands in the new covers which are being constructed the summer of 2014 and improve hardscape including ADA-compliant access and seating.

Installing baseball field bleachers/grandstands will allow for more seating to accommodate Alaska State Tournaments whether it be baseball, or little league. Currently, all Sitka High School, Jr. League, Sr. League, men's baseball league, and some men's softball league games are played on this one field. Hundreds of children participate in youth and high school programs annually, and with the outstanding successes of the Sitka High School and Little League's baseball programs, use of the field continues to increase.

Sitka's Little League and volunteer baseball group is very well organized and has a proven track record of leveraging funding to provide more 'bang for the buck' as demonstrated by the batting cage facility and the new building. This group is committed to this same partnership for all planned Moller Baseball Park upgrades and maintenance. The project's budget to date includes $730,000 (18 percent of total) in community sweat equity, donated materials, and City and Borough funds.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ADEC MUNICIPAL MATCHING GRANT (MMG) REQUESTS

	MMGrant Request (70%)	CBS Match (30%)
DeGroff Street Water and Sewer Replacement	**$2,180,500**	**$934,500**
Marine Street Water and Sewer Replacement	**$1,095,500**	**$469,500**
WWTP HVAC Replacement	**$1,984,000**	**$851,000**
Channel, Crescent and Landfill Lift Stations	**$1,624,000**	**$706,000**

City and Borough of Sitka Federal Tax ID Number: 92-0041163

The City and Borough of Sitka (CBS) extensively utilizes the Alaska Department of Environmental Conservation (ADEC) Municipal Matching Grant (MMG) program to replace its failing infrastructure, often times with the matching funds provided by the CBS Water and Wastewater Enterprise Funds. CBS has submitted ADEC grant questionnaires for the projects listed above. **The State of Alaska is encouraged to continue to aggressively fund the FY 2016 Alaska Municipal Matching Grant program to help CBS complete these essential infrastructure replacement projects.**

DeGroff Street Water and Sewer Replacement: The DeGroff Street sewer system, constructed in soft, muskeg soils more than 40 years ago, is failing. It requires frequent maintenance and repairs, and a clogged main has resulted in raw sewage surfacing on both public and private property. The water system, constructed in 1968, is undersized and has suffered two breaks in the previous 12 years.

Marine Street Water and Sewer Replacement: The Marine Street water main, constructed in 1968, has broken twice in the past three years. It was evident during the repairs that the pipe is very fragile and easily damaged. Portions of the sewer system, which were improved in 1985, have failed including one manhole that has settled several inches

Wastewater Treatment Plant (WWTP) HVAC Replacement: The WWTP HVAC system is not functioning in an efficient or safe manner. Pressure differentials in the plant can force corrosive and unhealthy hydrogen sulfide gases into the non-process (office) areas of the building, thereby ruining electrical equipment and potentially subjecting employees to toxic gas exposure. Heat in the facility is provided by oil-fired boilers; CBS desires to install heat-pumps to utilize treated wastewater as the heat source for the plant. This will require extensive modifications of the HVAC system, but is estimated to save more than 14,000 gallons of heating oil annually.

Channel, Crescent and Landfill Lift Stations Replacement: These lift stations each require extensive maintenance due to obsolete equipment, limited availability of spare parts, and/or corrosion. The use of modern, standardized submersible pumps will allow the Wastewater Division to consolidate its inventory of spare parts and more effectively respond to lift station failures system-wide.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA MULTI-PURPOSE BALL FIELD IMPROVEMENTS

Total Project Cost:	**$ 1,500,000**
FY 2016 State Funding Request:	**$ 1,500,000**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

City and Borough of Sitka requests $1,500,000 in funds from the State of Alaska to develop one of the CBS sand lot baseball/softball fields with a new synthetic turf field, improved drainage and safety for field users.

The City and Borough of Sitka (CBS) seeks to improve one of the city's old sand lot ball fields with a new synthetic turf field, just like the new Moller Baseball Field. Replacement of an old baseball/softball Field would be utilized for girls' softball, Little League play, and could be used for middle school activities. This project is a high priority request of the Sitka School District.

Every season, City maintenance crews are out on these fields trying to address the many drainages issues that crop up; attempting to make a safe playing surface. The grandstand area is in poor condition also.

This project would encompass a new synthetic turf field built upon a stabilized base with sufficient drainage, new grandstands, and new fencing. One possible location is Blatchley Middle School. A positive for developing Blatchley Middle School is that it could be used as a multi-purpose field for baseball and softball. The field is located adjacent to Blatchley Middle School, and this would provide for school activities on a field for year-round play potential.

The Moller Baseball Field has set high standards and has proved to be a driver for economic diversification. Moller Field has brought numerous tournaments to Sitka in the last two seasons that would not have been possible without the drainage improvements and synthetic turf playing surface. CBS expects similar economic profit from a new turf at one of these multipurpose fields. These fields are always busy with baseball and softball players; and there are runners, soccer players, football players, and a large contingent of ultimate Frisbee matches. Mt. Edgecumbe High School utilized the field extensively during the past school year as well.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA ENERGY EFFICIENCY IMPROVEMENTS FOR THE WASTEWATER TREATMENT PLANT

Total Project Cost:	**$ 2,867,000 (100%)**
FY 2016 State Funding Request:	**$ 773,000 (27%)**
CBS Funding Committed and/or Expended	**$ 244,000 (9%)**
Additional Funding Required	**$ 1,850,000 (64%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

City and Borough of Sitka (CBS) requests $773,000 from the Renewable Energy Fund in conjunction with Alaska Department of Environmental Conservation (ADEC) Municipal Matching Grants (MMG) program to support a project to replace oil-fired boilers at the Wastewater Treatment Plant (WWTP) with heat pumps and to make other energy-efficiency improvements.

CBS has identified operational inefficiencies at the WWTP related to outdated technology and aging infrastructure, and has identified the appropriate State of Alaska funding sources to help us achieve operational savings. CBS's request for aggressive funding of the Municipal Matching Grant program is detailed in a separate summary. This request focuses on the Renewable Energy Fund program.

The program is intended to provide assistance to utilities, independent power producers, local governments and tribal governments for work including design and construction of renewable energy projects, including heat pumps. Heat pumps at the WWTP will extract latent heat from treated wastewater effluent to provide building heat. The technology utilizes electricity from a hydroelectric source to operate the heat pump, rather than burning fossil fuels.

Understanding the impact of inefficient WWTP operations on our ratepayers, CBS recently completed two planning projects to develop this project. The first investigated the feasibility of using heat pumps to extract the latent heat in treated wastewater effluent. This study verified that utilizing wastewater to provide building heat would provide a life-cycle cost savings of $980,000. The second study identified the HVAC improvements that would be required as part of a heat-pump project, as well as obsolete and non-code-compliant equipment that should be changed out as part of an energy-efficiency project.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA SWAN LAKE RECOVERY AND IMPROVEMENTS

Total Project Cost:	**$ 5,252,236 (100%)**
FY 2016 State Funding Request:	**$ 3,927,000 (75%)**
CBS Funding – Work Previously Completed	**$ 554,000 (10%)**
CIAP Funding – Work Previously Completed	**$ 771,236 (15%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The City and Borough of Sitka (CBS) requests $3,927,000 in state funds to partner to continue the major long-term recovery and preservation of Swan Lake. Dredging is necessary to retain the lake.

Swan Lake 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's history.

Swan Lake is utilized year-round by locals and visitors alike. In the spring and summer, families 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. A public/ADA accessible fishing dock was installed in 2012 to further enhance recreational opportunities.

Swan Lake, "Sitka's Central Park", is a eutrophic dying lake. 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.

For decades, CBS has been improving Swan Lake's water quality and recreational opportunities. 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. Three small strategic dredging projects with broad public support have been completed in Swan Lake since 2001. In 2014, a larger-scale dredging of a portion of the "top priority" areas was completed. These projects were funded by a combination of Coastal Impact Assistance Program (CIAP), DEC ACWA/EPA 319 grants and municipal matching funds totaling approximately $1.1 million.

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 $3,927,000 in state funds to complete this major improvement. This project will help ensure that Swan Lake will continue to provide environmental benefits and recreational opportunities well into the future.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

INFORMATION TECHNOLOGY IMPROVEMENTS

Project One: FIBER OPTIC NETWORK

FY 2016 State Funding Request: $50,000 (100%)

The City and Borough of Sitka requests $50,000 to begin a project to interconnect Municipal facilities with a dedicated fiber optic network. This fiber optic network would ensure high speed communication data transfer capability at all times, especially during emergencies. It is anticipated that such a project will be accomplished in phases. The initial phase would be to link Centennial Hall and Kettleson Memorial Library with City Hall.

Project Two: REMOTE AUDIOCONFERENCING/VIDEOCONFERENCING

FY 2016 State Funding Request: $ 50,000 (100%)
City and Borough of Sitka Federal Tax ID Number: 92-0041163

The City and Borough of Sitka requests $50,000 to upgrade Centennial Hall to enhance remote audioconferencing and videoconferencing capabilities. Such enhanced capabilities will enable the public to participate more fully in governmental meetings and other events held at Centennial Hall.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WHITCOMB HEIGHTS SUBDIVISION UTILITY IMPROVEMENTS

Total Project Cost:	**$ 6,720,000 (100%)**
FY 2015 State Funding Request:	**$ 6,720,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

The Whitcomb Heights Subdivision, or 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. To date, the c ity has spent in excess of $8 million in grant and local funding to design and construct utilities and a water tank to service the project area.

Kramer Avenue is the "backbone" of the Benchlands. This arterial street parallels the State-owned Highway Halibut Point Road. The proposed project would extend the water main "trunk line" terminating in the southern portion of Kramer Avenue to the north as well as construct a parallel sewer main along the same alignment. Residential mains and miscellaneous associated road and drainage improvements would also be constructed.

Construction of water and sewer main lines within the Kramer Avenue right-of-way will provide the utility infrastructure needed to develop this property. 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.

City and Borough of Sitka requests $6,715,000 to assist in the extension of the water and sewer mains to enable development of the Whitcomb Heights Subdivision "Benchlands" for residential use:

Kramer Avenue Trunk Water & Sewer Mains ($3,500,000)
Residential Water & Sewer Mains ($3,220,000)

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA COMMUNITY PLAYGROUND

Total Project Cost:	**$ 400,000**
FY 2016 State Funding Request:	**$ 396,000**
Funding Already Secured: (Municipal/Private/In-Kind)	**$ 4,000**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

CBS requests $396,000 to replace City and Borough of Sitka Crescent Harbor playground with an ADA compliant playground that excites and engages Sitka's children in active and imaginative play. Sitka has a city-owned playground at Crescent Harbor. The Crescent Harbor playground has identified constraints and limitations and does not meet the current ADA standards. A recent Certified Playground Inspector's audit revealed that the City and Borough of Sitka Crescent Harbor playground does not comply with current playground standards for equipment spacing and surfacing.

In May 2014, a group of Sitka volunteers and parents came together with a goal of upgrading the Crescent Harbor playground due to the residents and tourist needs. 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.

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 the Crescent Harbor playground with a safe facility that meets current playground requirements and built with sustainable materials, the city will significantly reduce required maintenance.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: TONY HREBAR SHOOTING RANGE IMPROVEMENTS

Total Project Cost:	**$ 129,000 (100%)**
FY 2016 State Funding Request:	**$ 50,000 (39%)**
State Funding Already Secured:	**$ 50,000 (39%)**
Funding Already Secured: (CBS, NRA)	**$ 29,000 (22%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

CBS requests $50,000 to continue to rehabilitate and upgrade the Tony Hrebar Shooting Range. Identified projects will improve access, safe use and the 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 improve drainage, 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 traveling 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 re-cycling. Users identified the need for a non-potable water faucet to use if accidents occur or 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.

FY 2016 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA MULTI-PURPOSE TRACK AND FIELD IMPROVEMENTS

Total Project Cost:	**$ 6,500,000 (100%)**
FY 2016 State Funding Request:	**$ 6,400,000 (99%)**
American Legion Funding Secured:	**$ 100,000 (1%)**
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 feet 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 feet by 360 feet 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 2013 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.

FY 2016 CBS SUPPORT FOR HIGH PRIORITY STATE INITIATIVES

Project Title: CONSTRUCTION OF SITKA/MT. EDGECUMBE AQUATIC CENTER

City and Borough of Sitka supports fully funding and constructing the Sitka/Mt. Edgecumbe Aquatic Center 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 aquatic center could provide many benefits to Sitka and the State beyond the direct benefits to Mt. Edgecumbe students.

The preferred option for the Mt. Edgecumbe Aquatic Center 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 (SEARHC) 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-sized 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 would 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 $26,900,000 has been allocated for this project, but additional funds may be required to construct the preferred option.

FY 2016 CBS SUPPORT FOR HIGH PRIORITY STATE INITIATIVES

Project Title: REPLACE FAILING WATER SUPPLY LINE TO JAPONSKI ISLAND

Total Channel Crossing Water Mainline Project Cost:	**$ 2,431,000 (100%)**
FY 2016 State Funding Request:	**$ 777,840 (32%)**
CBS Water Fund FY 2016:	**$ 75,000 (3%)**
Other Funding Requests: DEC Grant/Loan:	**$ 1,578,160 (65%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

City and Borough of Sitka (CBS) requests the state contribute $777,840 to partner with CBS to accomplish Phase 1 of this important project. The existing 12-inch concrete-lined steel water pipe suspended under the O'Connell Bridge is failing and requires replacement. Phase 1 includes: identifying the replacement location (submerged or on the bridge), installing connections to facilitate the future construction phase, preparation of bid-ready design plans and permitting. Completing Phase 1 will greatly improve CBS's ability to be awarded future ADEC Municipal Matching Grant (MMG) funding for the Phase 2 construction.

This waterline supplies potable and fire protection water to state, federal and municipal facilities and residents on Japonski Island. Japonski Island is the site of the Sitka Rocky Gutierrez Airport, Southeast Alaska Regional Health Consortium 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. Needless to say, the state has a major interest in upgrading this failing water system.

The existing waterline was constructed by the Bureau of Indian Affairs (BIA). No agency claims ownership of this waterline at present. A leak was discovered in 2010 and numerous sections of insulation and lagging have since fallen off the line situated above the O'Connell Lightering Facility, at one point resulting in the need to temporarily close this cruise ship passenger facility in 2013. Replacing this line will greatly improve fire flow capacity, pressure and reliability for the island's water system. Furthermore, CBS will commit to ownership and maintenance responsibility for a new waterline.

This is one of the final projects remaining from the 2003 Japonski Island Infrastructure Master Plan "Island Water Supply Improvements". 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. 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, $1,500,000; Water Tank Demolition, $500,000. In 2012, CBS replaced six wastewater lift stations at a cost of $1,560,000. These lift stations serve the various state and federal institutions on Japonski Island.

FY 2016 CBS SUPPORT FOR HIGH PRIORITY STATE INITIATIVES

Project Title: SITKA AIRPORT INFRASTRUCTURE UPGRADES

Total Project Cost:	**$ 2,320,000 (100%)**
FY 2016 State Funding Request:	**$ 2,320,000 (100%)**
City and Borough of Sitka Federal Tax ID Number:	**92-0041163**

City and Borough of Sitka (CBS) requests the State of Alaska provide $2,320,000 to Department of Transportation and Public Facilities (DOT&PF) to relocate DOT&PF and CBS utilities located on Japonski Island along the old access road to the airport and within the airport property. This upgrade will afford DOT&PF the opportunity to bring in revenue through leases and at the same time encourage economic development in Sitka.

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 back to World War II when the island was a United States Naval base. These projects are bringing the roads and utilities up to current standards to provide safe and reliable transportation and utility services to all Japonski Island institutions including Sitka Rocky Gutierrez Airport, Southeast Alaska Regional Health Consortium (SEARHC/Mt. Edgecumbe Hospital), University of 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 willing to take 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 the Project 7 "DOT Airport Extension 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 master plan remains the uncompleted portion of this Project 7. The water and sewer lines were not relocated and are therefore now located under potential airport lease lots.

The needed improvements include approximately 4,500 feet of water main, 3,000 feet of sewer main, and 800 feet of sewer force main. The relocation of a sewer lift station is also required. The project cost is estimated at $2,320,000.

In addition to the Sitka Airport Infrastructure Upgrades, CBS is continuing efforts to secure the additional federal and state funding to permit the remaining uncompleted projects identified in the master plan: Water Tank Demolition, $525,000 and O'Connell Bridge waterline replacement (Waterline Loop System to Japonski Island), $2,431,000.

FY 2016 CBS SUPPORT FOR HIGH PRIORITY STATE INITIATIVES

Project Title: STATE PUBLIC SAFETY ACADEMY DRIVER TRAINING FACILITY

Total Project Cost:	**$ 10,000,000 (100%)**
State Funding Already Secured:	**$ 3,000,000 (30%)**
FY 2016 State Dept. of Public Safety Request:	**$ 7,000,000 (70%)**

The City and Borough of Sitka continues to strongly 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 construction of this urgent safety and educational upgrade in 2015 and 2016. Environmental clearance and final design are expected to be completed by June, 2015, but additional funding is required for construction.

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. CBS appreciates the State of Alaska funding approximately $3,000,000 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 end of summer, 2016. The estimate for development of the Public Safety Academy property and additional land, rock and paving development costs, including wetlands mitigation, as well as road easements and construction, the total project is projected to cost around $10,000,000.

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 2016 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: EQUITABLE SITKA ALASKA MARINE HIGHWAY SERVICE

SITKA'S 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. Sitks'a "shoulder season" in May and September are dramatically reduced compared to other ports. Service needs to be improved to accommodate travelers to/from Sitka and connect with Angoon -- this is core service critical for Southeast region connectivity.

SITKA'S WINTER SCHEDULE unacceptably continues to be poor. 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 in the near future 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.

Since any development of Baranof Road is, at a minimum, decades away, City and Borough of Sitka requests the Alaska Marine Highway System management meet formally with City and Borough of Sitka to respond to the inadequate and inconsistent service to the 9,000 residents of Sitka and visitors trying to get to/from Sitka in view of the much greater service being provided to other mainline communities in Southeast Alaska.