

MANAGER'S REPORT

July 26, 2022

From: Chris Hladick, Interim City Manager

1. **Cost Benefit Study Captains Bay Road:** (with assistance of Tom Cohenour): At the request of Council, DPW publicly solicited to have a Cost Benefit Analysis (CBA) performed on the Captains Bay Road Paving and Utilities Upgrade Project. We received the final draft on June 16, 2022. The results indicated two things were necessary in order for the cost-benefit ratio to reach 1.0 which is the threshold necessary to garner DOT grant funds:
 - a. Utilities (water/sewer/electric) needed to be separated from the paving (realignment, storm drainage, walkway, streetlights, paving).
 - b. Very costly roadway realignment needed to be significantly reduced.

The above two items have been accomplished along with a 3 phase plan which was submitted to the State Legislature for funding request via CAPSIS. Two different grant applications have also been submitted for DOT roadway funding (Rural Transportation and INFRA) and one grant application for the waterline extension (Denali Commission). A STIP grant application was previously submitted prior to the CBA and subsequently turned down because of the high cost. Since then we've accomplished the two items noted above and will resubmit a STIP grant application in the next round of funding.

The utility portion of the project is not supported in light of the Cost Benefit Analysis. However, the current analysis did not include taking into account the utilities for the possible Trident project nor an economic analysis of the benefits of the Trident Plant. Staff is currently considering how best to take these issues into consideration prior to finalizing the CBA. More to come.

2. **302 and Title 3:** Staff continues to make progress on implementing the 302 contract, ESCNs have been completed and checks have gone out this pay period to reflect the contract. We are also working on the changes needed for Title 3. Our goal is to have a workshop the end of August or the first part of September and present a needed budget revision and associated changes via ordinance for Title 3.
3. **Terminal Facility Leases:** The first meeting in August we will have a workshop to discuss suggested lease area changes for the Airport Terminal. The Port Director is currently preparing the documents.
4. **Airport Terminal and ADOT:** I have been working with ADOT to get up to speed on the Airport Master Plan and the Airport Layout Plan. It is my recommendation that the City get in the queue for funding from the federal government for an addition to the current facility. This could be a long process so we need to ensure to get our request in to ADOT. The planning for our runway takes place in Juneau these days. Not sure how it was changed from Anchorage but it is what it is. I will be

working with Troy LaRue and our lobbyist in Washington DC on acquiring funding. In the meantime we will be developing a purpose and need statement for the project to make sure the council approves moving forward.

5. **Summer Meeting AML:** I will be attending the summer meeting in Sitka, I want to be sure and get the word out that the City is looking for a City Manager. I will also be attending the Energy Conference in Fairbanks.
6. **Trident:** We continue to provide company representatives with information regarding the Captain's Bay Road project and possible utility connections. We are told that a final decision on feasibility of building a new processing plant in Unalaska will be made by mid-October.
7. I will be returning to the island on July 27th. As always I am happy to meet with Council members including after work hours.