

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-04

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES

WHEREAS, the City of Unalaska identifies its critical infrastructure needs by maintaining a yearly planning process called the Capital and Major Maintenance Plan with a planning horizon of ten (10) years; and

WHEREAS, these projects are vetted and approved by the City Council and then are shared with the Alaska State Legislature through the CAPSIS process for consideration of funding by the State Legislature during the Fiscal Year 2023 Legislative session; and

WHEREAS, Unalaska and the Port of Dutch Harbor have been the number one commercial fishing port in the Nation for poundage for over twenty years and positively impacts the State of Alaska economy in many sectors; and

WHEREAS, the City of Unalaska and the community supports the commercial fishing industry and wants to maintain a thriving sustainable infrastructure now and twenty years into the future.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby identifies its State Legislative Priorities as:

| | |
|--|-------------|
| Captains Bay Road, Phase 1 | \$7,000,000 |
| Airport Terminal Building for Planning and Engineering | \$500,000 |
| Electrical Interconnection Project (Federal Allocation \$2.5M) | \$3,200,000 |
| Unalaska Marine Center & Light Cargo Dock Dredging | \$2,700,000 |
| Robert Storrs Small Boat Harbor Improvements | \$3,500,000 |

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top capital project funding priority as the _____.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 10, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Chris Hladick, Interim City Manager
Date: January 10, 2023
Re: Resolution 2023-04: Identifying the City of Unalaska's State Priorities

SUMMARY: Every year the City Council identifies, via resolution, the capital project priorities to place in the State Legislative queue which is called CAPSIS (Capital Project Submission and Information System). My approach is to keep it simple and very straight forward. Legislators don't have the time to read a long resolution with information that they don't much care about. So I like to get to the point and provide the explanation of projects in CAPSIS and of course in the briefing memo which will be distributed to our delegation in Juneau prior to our visits there, which will come this year in March. You will recognize many of the projects that are contained in the resolution. You may wish to add or subtract projects as this is within your authority.

PREVIOUS COUNCIL ACTION: Council last adopted a State Priorities resolution on December 14, 2021, identifying priorities at the time (Resolution 2021-77).

BACKGROUND: The outside influences on this resolution include what happens in Washington because if you receive funding from the Federal Government it can be leveraged to obtain funding from the State Legislature. And the legislature likes to see community participation as well. The City of Unalaska is fortunate in that it has money to participate. There are many communities in the state who cannot meet the match requirements of many grant programs. Also, just because we ask for money from State and Federal legislative and congressional processes does not mean we are not also looking for grants.

DISCUSSION: The following capital projects were included in last year's priorities; I am assuming you have seen these projects before. I can't stress enough how important it is to simplify the resolution to be more to the point. The more succinct the better. Here is last year's list of projects:

1. **Captains Bay Road and Utility Improvements Project - \$54 million:** There will be an update on this project during the workshop just prior to taking up the federal priorities. Costs are significantly higher than what was stated.
2. **Robert Storrs Boat Harbor Improvements - \$9.5 million.** Likely we will be putting in for a state grant for this project which would cover 50% of the costs. We don't have updated numbers as of yet. We may want to put in for a MARAD PIDP grant.
3. **Unalaska Marine Center Cruise Ship Terminal - \$18.59 million:** We have not identified a funding source for this project.
4. **Light Cargo Dock and Unalaska Marine Center Dredging - \$6.65 million.** This is a project that has been on the books for years. I think a new part of the project is dredging in front of UMC. We had always talked about Light Cargo needing dredging in the past.
5. **Makushin Geothermal - \$5.7 million** in support of work that needs to be accomplished for interconnection of the grid prior to geothermal coming on line.

6. **Solid Waste Gasifier - \$8.3 million.** The utilities director will be giving an update on this project during this workshop. I know he has been working on this project with representatives of the Department of Energy for some time now.

Here is this year's recommended list:

| | |
|--|-------------|
| Captains Bay Road, Phase 1 | \$7,000,000 |
| Airport Terminal Building Planning and Engineering | \$500,000 |
| Electrical Interconnection Project (Fed allocation \$2.5M) | \$3,200,000 |
| Unalaska Marine Center & Light Cargo Dock Dredging | \$2,700,000 |
| Robert Storrs Small Boat Harbor Improvements | \$3,500,000 |

Captains Bay Road, Phase 1, \$7,000,000: This is taken from the report recently completed by staff which takes the 50 million dollar project and breaks it down into components. This project has been in planning for many years. The utility part of this project will become increasingly important when Trident moves forward.

New Project, Airport Terminal Building Planning and Engineering, \$500,000: I would like the council to consider adding this project. This project will take a few years to develop. Design funds get the project started which would include a public process to review designs and estimates before lobbying for the full amount for construction. I envision remodeling the current facility and adding on to it. Total costs are unknown until you have a completed design. The process could take 5 to 10 years.

Electrical Interconnection Project, \$3,200,000: The City recently received funding from the Federal Government in the amount of \$2,500,000; and it seems plausible to request that the State participate in the project. This project would interconnect all the processing plants into one grid and is a requirement of the geothermal project. Though it makes sense to do it regardless of whether the geothermal project ever gets completed. Sooner or later the generators of electricity will be at the limits of permitting for the air sheds. Cooperation would be advantageous to all.

UMC and LCD Dredging, \$2,700,000: This project needs to be done in conjunction with the Harbor Entrance Dredging which just received \$25.6 million from the Federal Government. We hope to take advantage of the dredging equipment being in town for the larger project to save on mob and de-mob costs inherent in all of our projects.

Robert Storrs Small Boat Harbor Improvements, \$3,500,000: The project includes replacing A and B floats as well as some upland work. We are well on the way to obtaining title to the needed tidelands for the project and we have the basic design completed. As you know C float was completed some years ago with great success. I would recommend placing this project out for bid as a design build project.

Landfill Gasifier: This project was taken off the list because it is only going to be completed if we get a grant, and this is better suited to requests from the Federal Government. In addition, if we are serious about this, an economic study needs to be completed to see how much the plant will cost to operate because the utility needs to cover its costs. Up until 2015 we never moved projects forward without understanding the impacts to the rate payer. Yes, we are running out of space at the landfill, but a plan needs to be developed to better understand when the landfill will be full and the options.

Cruise Ship Dock: I removed this request from the list because intuitively I don't believe the Port department can afford this luxury project. If the council wants to move forward, I suggest an economic review prior to making a decision on an \$18 million dollar facility.

I've left a blank for the top capital project funding priority. This is a council decision and staff requests direction on identification of the top funding priority.

ALTERNATIVES: Council may choose to add or subtract projects. Direction is also requested as to the identification of Council's top funding priority.

FINANCIAL IMPLICATIONS: There are critical issues happening in the commercial fishing industry that will ultimately impact revenue streams for the City of Unalaska. There are also projects that the city needs help with funding.

LEGAL: No legal review required.

STAFF RECOMMENDATION: Staff recommends approval of this resolution, along with direction on Council's top funding priority.

PROPOSED MOTION: I move to adopt Resolution 2023-04. An amendment may be in order to identify Council's top capital project funding priority.

CITY MANAGER COMMENTS: This year's legislative session is going to be a challenge. Last year's budget and dividend were based on \$110 per barrel of oil. We all know how that played out. So I believe there will be little discretionary spending. Diane Blummer will be available on Tuesday and may wish to give some commentary to these predictions.