

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-82

A RESOLUTION OF CITY OF UNALASKA SUPPORTING FULL FUNDING FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM IN THE FISCAL YEAR 2023 STATE CAPITAL BUDGET IN THE AMOUNT OF \$20,160,062

WHEREAS, the majority of the public boat harbors in Alaska were constructed by the State during the 1960s and 1970s; and

WHEREAS, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

WHEREAS, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, especially in coastal Alaskan communities; and

WHEREAS, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State-owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

WHEREAS, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

WHEREAS, consequently, when local municipal harbormasters formulated their annual harbor facility budgets, they inherited a major financial burden that their local municipal governments could not afford; and

WHEREAS, in response to this financial burden, the Governor and the Alaska Legislature passed legislation in 2006, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Municipal Harbor Facility Grant program (AS 29.60.800); and

WHEREAS, the Department of Transportation and Public Facilities utilizes a beneficial administrative process to review, score and rank applicants to the Municipal Harbor Facility Grant Program, since state funds may be limited; and

WHEREAS, for each harbor facility grant application, these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction cost; and

WHEREAS, the municipalities of the City of Valdez, City of Yakutat, City & Borough of Juneau, City & Borough of Sitka, City of Homer, Aleutians East Borough/City of Sand Point, and the Municipality of Anchorage have committed to contribute \$20,160,062 in local match funding for FY2023 towards harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

WHEREAS, completion of these harbor facility projects is dependent on the 50% match from the State of Alaska's Municipal Harbor Facility Grant Program; and

WHEREAS, during the last fifteen years the Municipal Harbor Facility Grant Program has only been fully funded twice; and

WHEREAS, a survey done by the Alaska Municipal League of Alaska's ports and harbors found that from the respondents, the backlog of projects necessary to repair and replace former State-owned harbors has increased to at least \$500,000,000; and

WHEREAS, over the past five years alone, municipal harbors have submitted \$70 million in capital project match requests, representing over \$116 million in shovel-ready capital projects that have received only \$20 million in funding through the Municipal Harbor Facility Grant program with zero funding in FY21 and half of the requested funding in FY22.

NOW THEREFORE BE IT RESOLVED that Unalaska City Council urges full funding in the amount of \$20,160,062 by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant Program in the FY 2023 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 28, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Erin Reinders, City Manager
Date: December 28, 2021
Re: Resolution 2021-82: Supporting full funding for the State of Alaska Municipal Harbor Facility Grant Program in the Fiscal Year 2023 State Capital Budget in the amount of \$20,160,062

SUMMARY: This Resolution is a resolution of support. The Alaska Association of Harbormasters and Port Administrators is asking that its membership solicit support from their municipal councils and assemblies to accompany the AAHPA's request to the Alaska State Legislature to continue funding the Harbor Facilities Grant Program. This program is not only vital to provide necessary services to mariners, but also has a cascading benefit for the economy through construction services and revenue streams for municipalities through harbor facility enhancements. This resolution, if passed, will become part of the packet of support provided to the Alaska State Legislature.

PREVIOUS COUNCIL ACTION: A Resolution of Support for the Harbor Facilities Grant Program is requested annually from the Unalaska City Council. The last resolution passed was Resolution 2019-05 on February 12, 2019.

BACKGROUND: In 2006, the State of Alaska established the Harbor Facility Grant Program to help fund the maintenance and replacement of aging harbor facilities, with an emphasis on facilities that were turned over to municipalities by the State.

DISCUSSION: The Harbor Facility Grant Program was established to support municipalities with repair, maintenance and replacement of aging harbor facilities. The harbor facilities that take priority are the facilities that were previously owned by the State of Alaska, but were turned over to municipalities. However, all harbor facilities are eligible to apply to this program.

This grant program represents no less than a 100% match to the State's contribution or 50% of the project and the municipality must fund all design and permitting, as well as uplands development. This program has been instrumental to the economic development of the State by providing safe and secure mooring locations for mariners that navigate in and around some 33,000 miles of coastline.

Unalaska benefited from this program in 2015 through the State contribution of \$1,570,000 for the replacement of the Discovery Float at Robert Storrs Harbor. We intend to reapply for this grant program in the future for the replacement and upgrades to Robert Storrs A and B Floats.

This program has allowed communities to build revenue streams through the development of harbor facilities which, without the State's contribution, would have been abandoned or demolished.

By passing this resolution, the City of Unalaska will be supporting not only the Harbor Facility Grant Program, but all other coastal communities that provide mariners, maritime industries and the State of Alaska with vital services.

The Alaska Association of Harbormasters and Port Administrators stands unified in seeking ongoing funding from the State of Alaska through this program, and we are asking our local councils and assemblies to support the Association in its endeavors to receive funding for this necessary infrastructure.

ALTERNATIVES:

- 1) Council could fully support Resolution 2021-82; or
- 2) Council could choose to not support Resolution 2021-82 as written; or
- 3) Council could offer up another Resolution in lieu of the resolution prepared by the Alaska Association of Harbormasters and Port Administrators.

FINANCIAL IMPLICATIONS: This Resolution implies no financial obligation to the City of Unalaska.

LEGAL: Not applicable.

STAFF RECOMMENDATION: Staff recommends approving this Resolution.

PROPOSED MOTION: I move to adopt Resolution 2021-82.

CITY MANAGER'S COMMENTS: I recommend approving this resolution as a show of support for the many necessary harbor improvement projects around the State, including those in Unalaska.