
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: February 8, 2022
Re: City Manager Report

Upcoming Deadlines: The following City deadlines are upcoming.

- March 1 Business Personal Property Tax Return Deadline
- March 1 Senior Citizen Real, Disabled Veteran & Fire/EMS Volunteer Property Tax Exemption Application Deadline
- March 15 Annual Public Official Financial Disclosure Deadline
- March 31 Senior Citizen Sales Tax Refund Application Deadline

Budget Related Council Meetings: Staff continues to improve the budget process, and we have adjusted the schedule for bringing budget related information and actions items to Council. Key dates are as follows, subject to change:

- March 8 Present Proposed Rolling Stock Plan and Facilities Maintenance Plan
- March 22 Present Draft CMMP
- April 11 Special Meeting for presentation of FY23 Budget, including CMMP & Operating Budgets
- April 12 UCSD Budget Presentation & Community Grants Presentation
- April 26 Approve Property Tax Rate of Levy, UCSD Funding Sum, Community Support Grants & CMMP
- May 3 Special BOE Training with State Assessor
- May 10 BOE Hearings
- May 24 Certify Tax Roll & First reading of FY23 Budget Ordinance
- June 14 Second reading & adoption of FY23 Budget Ordinance

COVID-19 Update: As of Wednesday, February 2, we have 73 known active COVID-19 cases in Unalaska (35 categorized as Industry-Quarantined and 38 categorized as Community). Wastewater samples are positive for COVID-19, the most recent sample from January 31 was 32.9 RNA copies/ml. This information is published on the City's COVID-19 Data Hub at <https://covid19-response-unalaska.hub.arcgis.com/>. According to the State of Alaska, 75% of Aleutian West Census Area residents age 5 and up have received their first dose, 65% are fully vaccinated, and 18% have received their booster. Some of these figures are found on the City's COVID-19 Data Hub, but are pulled from the Alaska Department of Health and Social Services Coronavirus Response Hub at <https://alaska-coronavirus-vaccine-outreach-alaska-dhss.hub.arcgis.com/>. This site has a wealth of information.

LFS Tidelands Lease: Council provided the City Manager and Attorney direction on how to proceed with negotiations in Executive Session, and we have proceeded accordingly. Because Council previously voted down the lease and resolution, LFS has submitted a new lease application. Numerous meetings have been held between staff, our attorney and LFS representatives. Staff is hopeful that we will bring to you a lease that has been finalized and signed by LFS for Council action on February 22. The only detail missing will be the lease dollar amount, which will be filled in once the appraisal is complete. We anticipate this happening in April, but staff is working closely with the appraiser to expedite the process.

This is a significant economic development opportunity for the community and staff is doing what we can to keep this on track.

Memorial to Fishermen of Unalaska: There seemed to be general support from City Council to provide a monetary contribution for the memorial, yet there remains many unanswered questions. After discussing the most transparent approach moving forward with City Staff, I have determined that it's best to have this request go through the Community Support Grant Program for nonprofit organizations. This way the request and associated details will be vetted the same as other nonprofit organizations. This will also allow time for other details to be solidified as actual plans and additional support from other entities are further understood. Grant applications are due February 7, however staff just met with Karel and Marie Machalek on Thursday, February 3. They will have a few weeks to complete the application and return it for FY23 funding consideration.

Snow Removal on City Dock Facilities: The following information has been provided by the Ports Director. The arrival of the new loader has slipped to March and we may not have it in time to support this winter's snow removal at dock facilities. With the constant changing weather conditions: snow, below freezing temperatures, rain, then thawing temperatures, the surfaces all over town have been dangerously slick. Port facilities are no exception to the icy conditions. Ports continues to follow snow removal processes which place priority on the airport and facilities with cargo operations, followed by salting. Ports will also hire additional snow removal and ice clearing support services when available. Ports is encouraging mariners and stevedores to use extreme caution and personal protective equipment when working at Port facilities.

CAPSIS: The CAPSIS deadline has been extended to February 15. We are using the additional time to fine tune our request for support of the Captains Bay Road and Utility Improvements project. Staff has been working diligently with multiple constituent teams to obtain updated cost estimates, phasing information, and cost benefit data to refine our CAPSIS requests (as well as the CMMP). We have already entered, but have not yet formally submitted, our other requests focused on supporting the Bobby Storrs A & B Floats, the Electrical System Interconnection Projects, UMC and LCD Dredging, Solid Waste Gasifier and the UMC Cruise Ship Terminal.

Directives to the City Manager: There are two outstanding directives, both progressing as outlined below.

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Progressing.* The directive reads, "Implement a cost-benefit analysis for the proposed road improvements and utility expansion for Captains Bay Road." We will use this report to not only objectively define the benefit, but also define the project phases and scope for those phases. As you know what we thought was the Final Draft Cost-Benefit Analysis Report was submitted to the City on January 19, 2022, and included in your packet for the January 25, 2022 meeting. Staff was diligent in their efforts to bring to you the Draft Cost Benefit Analysis for review as soon as possible. Upon further review and discussion with HDR, however, we discovered discrepancies in the project costs that HDR used to develop the benefit cost ratios. Because this could impact the findings, it was best to remove the formal review of the Draft from the work session agenda. This has allowed for a deeper dive into updated construction costs estimates, a rerun of the Cost Benefit model, and an adjustment to the findings. As previously mentioned, having as accurate information as possible in the draft will lead to a much more meaningful discussion with Council in the future. The refined information will prove to be very beneficial and directly applicable to our project phasing as well as CAPSIS and CMMP requests clearly indicating in the most cost effective approach.
- *Haystack Communications Site (July 27, 2021). Progressing.* The directive reads, "Start the process to terminate leases on Haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases." This directive was

issued after public comment by Optimera representatives at the City Council meeting. Available space (that is not already leased or has an easement across it) is limited on Haystack, and Optimera had previously requested a lease agreement in a place that was leased to another entity. Planning department staff provided an overview of the situation to Council as a result of this directive, and the attention then shifted away from terminating leases to working with leaseholders to address space constraints and update lease agreements as existing leases expire. The Planning Department continues to reach out to entities in improvements on Haystack to discuss future leasing and update information between the City and lease holders. City Staff is currently working with TelAlaska on a new tower application in the valley, and in November the Planning Department discussed the need to look at renegotiating the existing TelAlaska lease on Haystack. As a reminder, TelAlaska currently leases a significant portion of the property on Haystack. TelAlaska will be seeking permission to build a new tower on Haystack in 2022 so we will be discussing the situation as we lead up to their application – which is not scheduled. As previously outlined, Optimera has applied for a new lease atop Haystack that will lease the site on which they already have an antenna located. Below is an overview of related activities over the past few months:

- November 26, 2021 – Planning emailed draft lease to Optimera for tower space on Haystack
- December 2, 2021 – Planning emailed Optimera to confirm they received the lease. Optimera responded affirmative.
- December 27, 2021 – Optimera returned a draft lease with proposed edits
- January 20, 2022 – Discussed Optimera’s proposed lease and City response with City Attorney
- January 24, 2022 – Discussed City position on Optimera draft with Optimera attorney
- January 27, 2022 – Discussed draft with City Attorney
- January 28, 2022 – Emailed new draft to Optimera
- February 3, 2022 – Awaiting response from Optimera