



City and Borough of Sitka

FY 2022

Legislative Priorities



1. Funding to support Sitka's Working Waterfront, a project that consists of a new marine haul out and renovation of the City cold storage sea wall.

Both projects are vital to Sitka commerce and our commercial fishing fleet. Sitka's only vessel haul out is privately owned and closure is imminent. Sitka is seeking development of a haul out at its Industrial Park. The estimated cost is \$8 million.

The bulkhead wall that supports our community cold storage is failing and must be renovated. The estimated cost is \$8.3 million.

2. Funding for Green Lake hydro generation plant renovation estimated at \$13 million.

Green Lake hydro generation plant is nearly 40 years old and is in dire need of major rehabilitation. The Green Lake plant is the backbone of Sitka's electric service, providing half of Sitka's electrical demand.

3. Continued State reimbursement of school bond debt at 70% as originally agreed to between Alaska and its local governments.

Sitka's schools were renovated using State bond funds with the expectation that the State would continue to live up to its obligation as a financial partner. Without agreed upon reimbursement, Sitka's sales tax, which funds the 30% share of school bond debt is insufficient to cover debt service.

4. Support for a right-sized and sustainable Alaska Marine Highway system.

The Alaska Marine Highway system is a critical component of Sitka's transportation system and its link to the rest of the state is critical to Sitka's economy. The drastic reduction of State ferry service to Sitka has caused massive economic and personal dislocations across the SE Alaska region.

5. Funding for the Sitka Rocky Gutierrez Airport Terminal Improvements Project.

Sitka is currently on the FAA & ADOT Airport Improvement Program priority list to receive \$7 million and is requesting from TSA \$3.3 million for baggage screening. However, even with those possible funding streams, as well as a \$4 million revenue bond, there is still a shortfall of \$5.4 million. The estimated total project cost is \$20 million.

6. Continued support for the transfer of State tidelands and uplands to the City of Sitka necessary for the construction of the Sitka Seaplane Base (SPB), and match-funding assistance from the State for the FAA's Airport Improvement Program Grant matching funds.

Sitka's application for conveyance of submerged and tidelands for the construction of the new SPB received preliminary approval from DNR. Upon completion of the Environmental Assessment, anticipated in March 2021, the City will proceed with the application process for conveyance of the submerged and tidelands. The City has been working with the DEED, the U.S. Coast Guard, and FAA for the purchase from the State of the upland parcel necessary for the construction of the SPB. The estimated project cost to design, permit, and construct the new Sitka Seaplane Base is \$19.5 million. Sitka anticipates receiving Federal funding through FAA Airport Improvement Program Grants, which require 6.25% matching funds or roughly \$1.2 million.

7. Support for removal of FERC's use restrictions on the Green Lake Hydro parcel.

In the 1970's, the federal government conveyed approximately 5,500 acres of land near Sitka (Green Lake parcel) to the State of Alaska under the Statehood Act. The patent contained language including a federal power site reservation on areas within the parcel below 450' in elevation. The Green Lake Hydroelectric Project was subsequently constructed, utilizing water flow from Green Lake inside the parcel. The State then conveyed the Green Lake parcel to the City and Borough of Sitka (CBS). While the federal withdrawal for the Green Lake project encompasses 1,281 acres, the facility itself, including reservoir, occupies only about 200 acres. The CBS would like to have the option for development of the Green Lake parcel lands outside the area occupied by the hydro project. In review of their records, BLM noted that Power Site Classification 459 was revoked in 1991 by Public Land Order No. 6859. Because the hydro project is located within the Tongass National Forest, any requests to change the boundaries of the project need to be made to the Forest Service in accordance with 18 CFR 25.1. The CBS respectfully requests that the Forest Service and the Federal Energy Regulatory Commission vacate Power Site Classification No. 459 and the Section 24 withdrawal, respectively.

8. Federal support for shore and utility infrastructure upgrades on Japonski Island necessary for the pending arrival of a Coast Guard Fast Response Cutter and the expansion of Southeast Alaska Regional Health Consortium (SEARHC) to a regional healthcare hub.

Both SEARHC and USCG expansions could bring a combined 500+ additional citizens into Sitka. Buildings will be constructed on the SEARHC campus and shore infrastructure improvements will be required at the USCG facility. These expansions will place a drastically increased demand on our CBS utilities infrastructure, which will require significant upgrades. The expansion will also burden our already strained housing and childcare capacity. In Sitka, there is currently only one childcare spot for every 3.5 children under the age of 5.5. To meet our expanding workforce needs, Sitka would need to have one space available for every two children.

9. Financial assistance for a new multi-purpose building to house the Police Department and jail.

The SPD and jail are currently housed within approximately 6,400 square feet of the City/State Building. The ~ 20,000 square foot building was constructed between 1974 and 1976 in partnership with the State. CBS owns a portion of the land the building is located on, and jointly owns the building with the State. The 45-year-old facility does not meet current needs and functions of the SPD. Probable costs for a new police department and jail range from \$18-\$19 million to construct on one of three possible sites.

10. Continued support for the State's Community Assistance Program to sufficiently offset unfunded mandates.

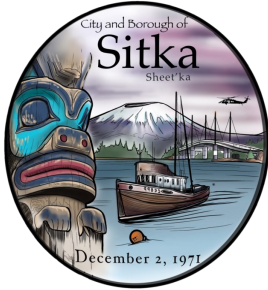
Sitka's jail contract with the State does not cover the cost of jail operations. The CBS requests the State fund the contract at its previous level of \$695K, as by law the State is responsible for caring for persons charged under State law; 89% of our inmates fall into this category. Other examples of unfunded mandates are forcing the CBS to manage the airport parking lot, derelict vehicle removal from State right-of-ways, prosecution expenses of State misdemeanors, State mandated disabled veteran property tax exemptions, and etc...

11. Stable and predictable funding of school systems.

Sitka supports its school system to the maximum allowed by State law. The Sitka Assembly allocates all the town's property tax revenue plus some of its sales tax to fund the school district. As school costs increase each year, yet state funding remains stagnant, the burden increasingly falls on the CBS.

12. Federal assistance for infrastructure repair deferred due to the financial strain of COVID-19.

In response to the pandemic and the corresponding drastic reduction in sales tax revenue, the CBS had to eliminate all new funding of capital projects. Allowing municipalities to use future federal stimulus to replace lost revenues would allow for investment in delayed repairs to critical infrastructure.



CITY AND BOROUGH OF SITKA ASSEMBLY MEMBERS

| NAME | CONTACT NUMBERS | TERM STARTS | EXPIRES |
|---|---|-------------------------|--------------------------------------|
| STEVEN EISENBEISZ <i>Mayor</i> 208 Lincoln Street | 738-9075 assemblyeisenbeisz@cityofsitka.org | 10/14 10/17 10/20 | 10/17 10/20 10/22 <i>Mayor</i> |
| THOR CHRISTIANSON <i>Deputy Mayor</i> 500 Lincoln Street A9 | 738-2491 assemblychristianson@cityofsitka.org | 10/19 | 10/22 |
| VALORIE NELSON <i>Vice Deputy Mayor</i> 107 Littlebyrd Way | 747-4589 assemblynelson@cityofsitka.org | 10/18 | 10/21 |
| KEVIN KNOX PO Box 8415 | 738-4864 assemblyknox@cityofsitka.org | 10/16 10/19 | 10/19 10/22 |
| KEVIN MOSHER 100 Lincoln Street | 752-0467 assemblymosher@cityofsitka.org | 10/18 | 10/21 |
| CRYSTAL DUNCAN PO Box 174 | 738-1910 assemblyduncan@cityofsitka.org | 10/20 | 10/23 |
| REBECCA HIMSCHOOT PO Box 8075 | 623-8235 assemblyhimschoot@cityofsitka.org | 10/20 | 10/23 |
| John Leach Municipal Administrator 100 Lincoln Street | 747-1812 w 747-7403 f administrator@cityofsitka.org | | |
| Sara Peterson Municipal Clerk 100 Lincoln Street | 747-1811 w 747-7403 f sara.peterson@cityofsitka.org | | |

Group email address: assembly@cityofsitka.org

Note: Written communications with public officials generally are considered a public record and subject to disclosure (viewing and/or copying of the communication) pursuant to a public records request.

6 Elected Assembly Members

3-year terms

1 Elected Mayor (full voting member)

2-year term (beginning in 2000, even-year elections)

REGULAR MEETINGS: 2nd and 4th Tuesday