Agency: Commerce, Community and Economic Development

Grants to Municipalities (AS 37.05.315)

Grant Recipient: Sitka **Federal Tax ID:** 92-0041163

Project Title: **Project Type:** Remodel, Reconstruction and Upgrades

Sitka - Sawmill Cove Industrial Park Dock

State Funding Requested: $7,500,000 **House District:** 2 / A
One-Time Need

Brief Project Description:

CBS requests $7,500,000 in State Funds to reconstruct the deep water bulkhead at Sawmill Cove Industrial Park. The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep water port use of the Industrial Park.

Funding Plan:

Total Project Cost:	$7,500,000
Funding Already Secured:	($0)
FY2013 State Funding Request:	($7,500,000)
Project Deficit:	$0

Detailed Project Description and Justification:

City and Borough of Sitka requests the State partner with CBS to develop a bulkhead dock at Sawmill Cove Industrial Park, by providing $7,500,000 for construction.

The highest priority Waterfront Development Project is the Sawmill Cove Bulkhead Dock Completion -- total cost $7,500,000. CBS requests $7,500,000 in State funds. This multi-purpose dock facility, a bulkhead cargo and freight dock, will be located in the center of the Industrial Park waterfront (Lot 9). Development includes a bulkhead dock, fender system, and uplands improvements to allow freight to come over the dock. Currently there is no safe and useable docking facility at the industrial park. The Sawmill Cove Industrial Park has not reached its full potential due to the lack of infrastructure to access the ocean and water based commerce. A bulkhead dock will support and enhance the existing tenant's business models and promote future development of the park. Additionally, a bulkhead dock will allow the CBS to assist with logistics for the Blue Lake Dam project.

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over $11,000,000 of Federal, State and CBS funds were used to complete upland utilities, system upgrades, and paving. The State contributed $1,000,000 toward a raw water line to allow for bulk water export. A Wastewater Outfall Project has also been completed to support fish processors. The Industrial Park is operational, with tenants including Cove Partners Water Bottling, Fortress of the Bear, Island Fever Diving, Monarch Tannery, Audio Workshop, Child Song Dolls, NSRAA Salmon Hatchery and Silver Bay Seafoods. Total private investment into the industrial park is over $20,000,000. Development at the industrial park has created 60 full time jobs and seasonal employment for over 320 people.

The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep

Contact Name: rrooney
Contact Number: 4858

For use by Co-chair Staff Only:

$7,500,000
Approved
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water port use of the Industrial Park. The existing waterfront facilities are unsafe for use and must be removed and new pilings, bulkhead, dredging and shoreline protection, and other improvements must be completed to allow the park access to the ocean and water transportation avenues.

The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other Southeast Alaska port yet has no ability to function as a deep water port. The Bulkhead Dock Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility.

Project Timeline:

Design / Permitting FY 13; Construction FY14.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City and Borough of Sitka

Grant Recipient Contact Information:

Name:	Marlene Campbell - City and Borough of Sitka
Title:	Govt Relations Director
Address:	100 Lincoln St.
	Sitka, Alaska 99835
Phone Number:	(907)747-1855
Email:	campbell@cityofsitka.com

Has this project been through a public review process at the local level and is it a community priority? [X] Yes [ ] No

For use by Co-chair Staff Only:

3:14 PM 5/2/2012

Contact Name: rrooney
Contact Number: 4858

FY2013 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SAWMILL COVE INDUSTRIAL PARK BULKHEAD DOCK

Total Bulkhead Dock Project Cost: $ 7,500,000
FY2013 State Priority 1 Funding Request: $ 7,500,000
Previous Upland Development Funded: $ 11,000,000 (Federal, State, CBS)
City and Borough of Sitka Federal Tax ID Number: 92-0041163

City and Borough of Sitka requests $7,500,000 from the State of Alaska, for construction of a bulkhead dock at Sawmill Cove Industrial Park. This bulkhead will enable Sitka to again serve as a deep water port for Municipal, State, Federal, and private sector access to the Gulf of Alaska.

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over $11,000,000 of Federal, State and CBS funds were used to complete upland utilities, system upgrades, and paving. The State contributed $1,000,000 toward a raw water line to allow for bulk water export. A Wastewater Outfall Project has also been completed to support fish processors. The Industrial Park is operational, with tenants including Cove Partners Water Bottling, Fortress of the Bear, Island Fever Diving, Monarch Tannery, Audio Workshop, Child Song Dolls, NSRAA Salmon Hatchery and Silver Bay Seafoods. Total private investment into the industrial park is over $20,000,000. Development at the industrial park has created 60 full time jobs and seasonal employment for over 320 people.

The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep water port use of the Industrial Park. The existing waterfront facilities are unsafe for use and must be removed and new pilings, bulkhead, dredging and shoreline protection, and other improvements must be completed to allow the park access to the ocean and water transportation avenues.

The highest priority Waterfront Development Project is the Sawmill Cove Bulkhead Dock Completion – total cost $7,500,000. **CBS requests $7,500,000 in State funds**. This multi-purpose dock facility, a bulkhead cargo and freight dock, will be located in the center of the Industrial Park waterfront (Lot 9). Development includes a bulkhead dock, fender system, uplands improvements, and other infrastructure improvements to allow freight to come over the dock**.** Currently there is no safe and useable docking facility at the industrial park. The Sawmill Cove Industrial Park has not reached its full potential due to the lack of infrastructure to access the ocean and water based commerce. **A bulkhead dock is critical for future development of the park**. It will help grow existing tenant's business, attract new business, and is essential in creating new jobs. Additionally, a bulkhead dock on the south end of town will help reduce traffic on State road systems and will help the CBS with logistics of the Blue Lake Dam expansion project.

Past public investments into the Sawmill Cove Industrial Park have resulted in private investment, job creation, and a sustainable tax basis for the CBS. The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other SE port. The Bulkhead Dock Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility once again.

Sawmill Cove
INDUSTRIAL PARK

"A Southeast Alaska waterfront industrial park without a deep water dock"

A deep water dock at the Sawmill Cove Industrial Park in Sitka, Alaska will:

- Increase economic activity in the industrial park and throughout Sitka
- Create jobs in Sitka
- Support existing businesses located in the Industrial Park
- Allow shipping and receiving of bio-fuel from wood products and fish oil
- Support critical near term development needs
- Support the Blue Lake Hydro-electric Dam expansion
  - Saves CBS money in logistical costs of project
  - Reduces traffic on State road system
    - Allows materials and equipment to be delivered on site
    - Allows rock and timber to be removed economically
- Permit the development and use of a local rock source for:
  - State road projects in Sitka (Sawmill Creek Road Phase III)
  - Sitka Airport expansion State project
  - Sitka Breakwater Harbor project
- Assist with infrastructure required to export Bulk Water
  - A large potential source of revenue for both State and CBS
- Allow for future development opportunities

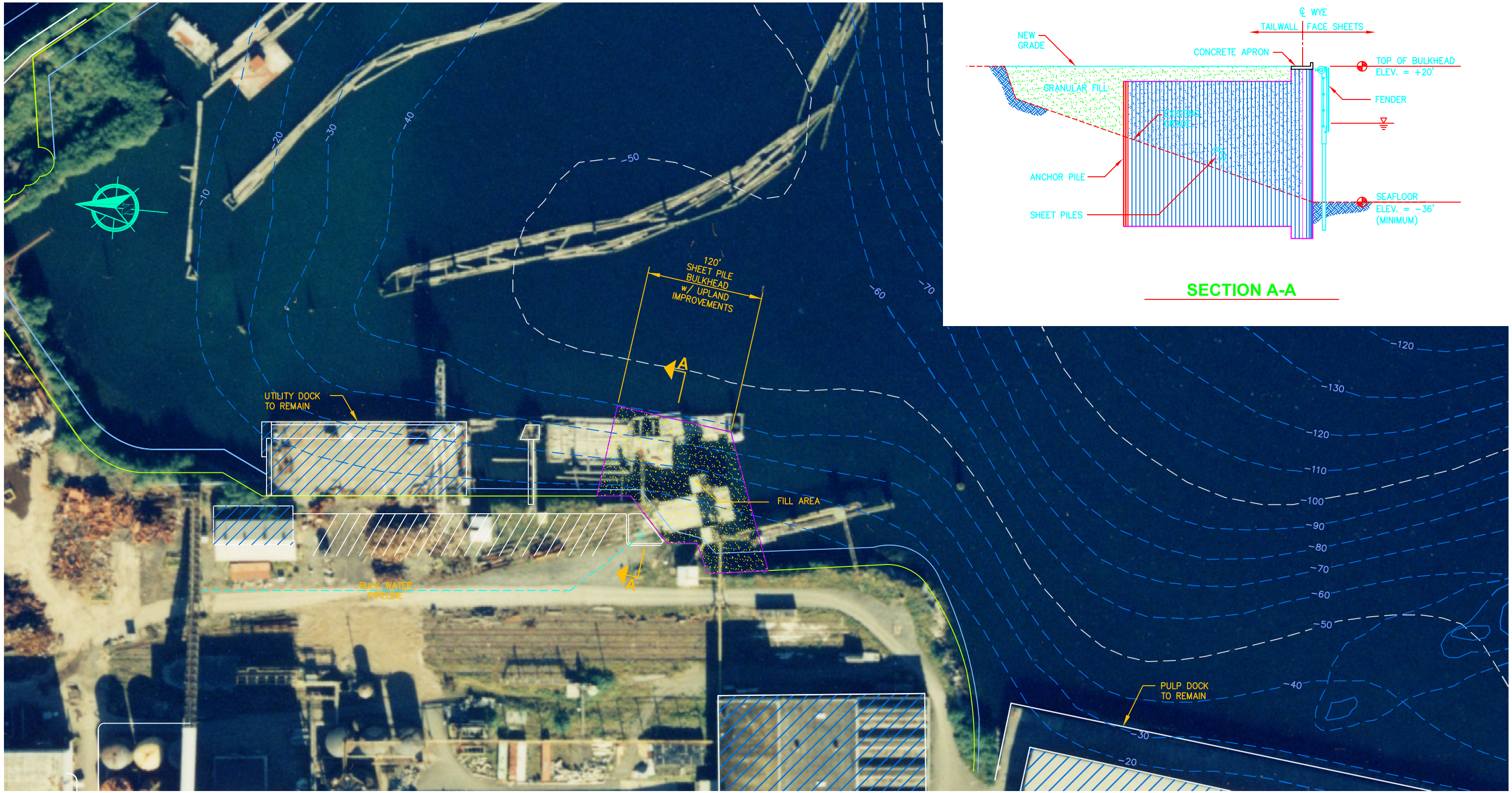
For more information please contact:
Garry White – Executive Director
Sitka Economic Development Association
907-747-2660
garrywhite@gci.net

SEDA

Estimated Cost of Bulk Head

*A 5% increase in cost is assumed per year

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Bulk Head	$5,119,127	$5,375,083	$5,643,838	$5,926,029	$6,222,331	$6,533,447	$6,860,120	$7,203,126
Remaining Infrasture	$4,724,844	$4,961,086	$5,209,141	$5,469,598	$5,743,077	$6,030,231	$6,331,743	$6,648,330
Total Cost	$9,843,971	$10,336,170	$10,852,978	$11,395,627	$11,965,408	$12,563,679	$13,191,863	$13,851,456



SECTION A-A

SHEET PILE BULKHEAD DOCK

0 25 50 100 150 FT.

CITY AND BOROUGH OF SITKA

SCALE:

DATE:

SAWMILL COVE INDUSTRIAL PARK
BULKHEAD DOCK

SHEET TITLE:
PHASED DEVELOPMENT PLAN

DWG. FILE:

SHEET 1 OF 1

CITY AND BOROUGH OF SITKA

RESOLUTION 2011-22

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA (CBS) SUBMITTING CBS 2013 STATE LEGISLATIVE PRIORITIES TO STATE OF ALASKA AND 2012 LEGISLATURE

WHEREAS, the City and Borough of Sitka advocates cooperating and sharing resources with the State of Alaska to maximize public infrastructure and services for the citizens of Alaska in the most efficient, cost effective manner; and

WHEREAS, the State of Alaska has inadequately maintained State owned facilities and passed unfunded mandates on to municipalities; and

WHEREAS, municipalities have suffered major budget impacts from State management of the PERS/TRS system, State harbors, State roads and utilities, and other State responsibilities which should be compensated.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the following FY2013 State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible:

- **State Revenue Sharing/Local Tax Relief** – The City and Borough of Sitka supports the State Revenue Sharing on a sustainable basis to equitably compensate Alaska communities for providing local services.
- **Education** – State funding should be increased to cover escalating transportation expenses, the rising costs of fuel and energy, and reasonable new costs to improve the quality of education.
- **Local Control and Maximum Local Self-Government Guaranteed by the Alaska Constitution** – The Legislature should defeat any legislation that creates new unfunded mandates or takes away existing powers of local governments. The State should fund existing unfunded State mandates.
- **Deferred Maintenance of Harbors** – The State should fully fund the deferred maintenance of State harbors transferred to local governments. In addition, the State should fully fund the 50 percent matching grants legislated by SB 291, the Municipal Harbor Facility Grant Fund, to assist with future harbor upgrades.

NOW FURTHER BE IT RESOLVED that the Assembly submits the enclosed FY2013 City and Borough of Sitka Legislative Priorities, CBS Legislative Capital Project Requests and CBS Requests for State Funding for State Facilities in priority order to the 2012 Session of the Alaska State Legislature and State of Alaska.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 27th day of September, 2011.

Cheryl Westover

Cheryl Westover, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk