

300,000 + 300,000 p 73, 216 & 18  
p 73, 224 & 27



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

RECEIVED

NOV 13 2006

November 9, 2006

The Honorable Bert Stedman  
Alaska State Senate  
State Capitol, Room 30  
Juneau, AK 99801

COPY

Dear Senator *Bert* Stedman:

Please accept our thanks for participating in the Assembly work session on the Sitka capital projects priorities for FY'08. Your comments were very helpful and much appreciated.

The Assembly prioritized its City and Borough of Sitka (CBS) Capital Improvement Projects requests to the State of Alaska at its November 6, 2006 meeting by consensus. The following, in priority order, with #1 as highest priority, are the Assembly's priority requests:

**Priority 1-- Skateboard Park Completion: \$100,000.** Efforts have been underway to construct a 7,200 square foot concrete skate park at the Turnaround for several years. A substantial amount of the funding has been raised with broad community support, but the technical demands of this project have raised the costs, and the additional funds will permit its completion. (Total Project \$392,750; cash and in-kind funds available \$292,750. State funding requested: \$100,000.)

**Priority 2 – Street Paving (Edgecumbe Drive and connecting streets): \$850,000** State funding requested; Total Project \$1,000,000; CBS match \$150,000). Sitka's existing street paving is in cascading failure. The majority of the streets of Sitka were paved at about the same time, approximately 20 years ago. The pavement has reached the end of its life and needs replacement. Edgecumbe Drive is among the largest projects and is the community's bypass to a major section of Halibut Point Road (HPR), the City's main artery to residences. It was the only means of getting in and out of town when two different slide events blocked HPR last year. If the State could cooperate with the City to upgrade this important arterial, a major safety improvement of value considerably beyond Edgecumbe Drive to both the City and State could be completed. The upgrade includes all driveway curb cuts to be ADA compliant, upgrade storm drain systems (replace all piping, add basins, etc.), and evaluate utilities in the area.

*pg 73*  
*L16 &*  
*L18*  
**Priority 3 – Moller Park Upgrades: Lighting: \$300,000; Synthetic Infield: \$300,000.**  
*pg 16*  
*pg 18*  
This project has been suggested repeatedly as ballfield use has grown, but the high cost of these improvements has been prohibitive. Now that Moller Park is being upgraded (concession stands, scoreboard and fence and possibly other items with major in-kind

contributions) the field will be even better suited for tournaments and broader use. This would permit Sitka to host other communities rather than having to travel to all events, and would permit our award-winning teams to use the field day or night, rain or shine.

PA 73  
L24  
L27

L24

L27

**Priority 4 – Swan Lake Upgrades: Dock and Pedestrian Improvements: \$100,000; Dredging: \$250,000.** Swan Lake is Sitka’s “Central Park” as well as an Area Meriting Special Attention (AMSA) in the Sitka Coastal Plan. It was once an impaired waterbody, but an extensive Watershed Recovery Strategy has been completed, and the Lake is being rehabilitated. The Recovery Strategy includes selective dredging, and one project which removed a delta forming at the mouth of Wrinklneck Creek has greatly improved water flow through the Lake. However, a larger dredging project is recommended to deepen the channel around the spit and remove lily pads which could choke off the flows from the inlet streams and increase eutrophication of the Lake. Once this project is complete, a small dock would enable manual launching of the non-motorized watercraft used in the kids fishing derby each year, and provide for much greater recreational opportunities at the Lake. These are projects which have been discussed as improvements to Swan Lake since the AMSA was created in 1981. The City can provide staff to manage these projects as matching funds.

**Priority 5 – Sitka High School Auditorium Theatre Equipment Completion: \$800,000.** The cost of theatre equipment was initially budgeted in the Auditorium bond issue. Due to rising costs of the project, it was not possible to fund the equipment in the initial project. While over half the funding is available, \$800,000 more is needed to complete this project.

**Priority 6 --Centennial Hall Parking Lot Upgrade: \$350,000.** This parking lot is over 20 years old and has reached the end of its useful life. It is used year round by large numbers of the public and needs replacement. While the sidewalks in the area are being upgraded, there is insufficient funding to upgrade the lot itself.

**Priority 7 – Nelson Logging Road Upgrade: \$200,000.** While this is just a beginning budget to address this road, including a major rebuild where it intersects Halibut Point Road, this funding would enable a substantial safety upgrade and make the road more maintainable for year-round use. Since the Alaska State Troopers now use this road all year to get to their Public Safety Shooting Range, improving this road has become a much higher priority. It also serves the City’s public rifle and pistol range and the USDA Forest Service’s off-road-vehicle recreation area. Since this project would benefit the Alaska State Public Safety Academy, perhaps funding could be routed through this agency to avoid penalizing Sitka with loss of funding for other municipal projects. Although the State of Alaska owns this road, it defers all maintenance responsibility to the City and Borough of Sitka or USDA Forest Service.

The Assembly has not formally addressed the FY’08 City and Borough of Sitka Legislative Priorities other than the small capital project requests. However, it is very likely the City will continue to address major capital project issues or cooperative efforts with the State as has been the case in past years. The following are some of the areas the Assembly will be considering for inclusion in its priorities, which will probably be finalized in January, 2007:

### Large/Ongoing Cooperative Projects with State of Alaska

- Japonski Island Water Distribution Main-Channel Crossing Project: \$1 Million (ADEC Municipal Matching Grants Program application supported by Assembly Resolution 2006-25). EPA has funded \$700K; water fund has budgeted \$120K.
- Sawmill Creek Road Phase III, Whale Park to end of pavement: Urge State DOTPF to construct in FY'08 and include separated path/bike lane. This project may enable CBS secondary buried electric transmission cable project and sewer line extension project.
- Major Maintenance for City/State Office Building: \$50,000 for rubber floor tile and carpet; lighting retrofit \$80,000, restrooms remodel \$30,000; Total Project: \$160,000. State's 66% share: \$105,600. Sitka's 34% share: \$54,400.
- Sawmill Cove Industrial Park Pulp Dock Warehouse: \$500,000 received from Denali Commission for design of pulp dock upgrade; application for for construction (total project \$7.31 Million) in process; Central Waterfront Bulkhead completion \$3.13 Million.
- DEC Grant Application for Cove Sewer Lift Station: \$200,000.
- Electric Projects (per Resolution 2006-26):
  - Addition of a 6 Mw third Turbine expanding the Blue Lake Hydro Plant: \$10 Million (2012) Request for \$4 Million State grant; \$4 Million Federal grant; \$2 Million Municipal match.Additional Electric Capital Projects in planning stages:
  - Raise Blue Lake Dam to full design height \$6 Million in 2014, 23 ft. increase in storage and operating head.
  - Sawmill Creek Road Phase III, Transmission and Distribution Tie Line to provide reliability: \$4.4 Million (2008/09 when road completed).
  - Sawmill Creek 69 Kv Ring Switching Project to provide power from either Hydro Plant to Sitka: \$400,000 (2008).
  - Jarvis Diesel Air Quality Permitting and Emission Equipment: \$1 Million (2008).
  - Increase 10 Mw Emergency Power Generation Plant to back up Hydro system: \$6.6 Million (if wait until 2010-\$10 Million).
- State Department of Transportation and Public Facilities (DOTPF) has requested a \$1.3 M appropriation to be placed in the state's general fund budget to reconstruct the Baranof Warm Springs dock facilities contingent on CBS accepting ownership and management responsibilities.

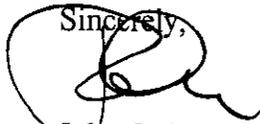
### REPORTS ON PENDING CBS CAPITAL PROJECTS --

- Sitka Seaplane Base Relocation and Upgrade Status
- Japonski Island Infrastructure Upgrades Status
- Sitka Airport Infrastructure Upgrades (Including Terminal Upgrade) Status
- Indian River Road Upgrade Status

-Sitka Regional Justice Center Status

If you would like any further information or have any questions on any of the above, please contact me at 907-747-1808 or Government Relations Director Marlene Campbell at 907-747-1855. We look forward to working with you again this upcoming legislative session.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Stein", written over the word "Sincerely,".

John C. Stein  
Administrator



Capital Improvement Projects

MOTION, by Holst to approve the Draft FY'08 City and Borough of Sitka Capital Improvement Project (CIP) requests to the State of Alaska dated November 6, 2006; and to add the prioritization of the Small Capital Improvement Projects determined this evening as follows: Skatepark #1, Street Paving #2, Moller Park #3, Swan Lake #4, Auditorium Equipment #5, Centennial Hall Parking Lot #6, and Nelson Logging Road #7.

Campbell came forward to answer questions and give an overview.

Holst would like a future discussion on the airport terminal rebuild. It was determined to have a worksession beginning at 5:30 at the next regular meeting of the Assembly on November 28 to discuss this topic.

Motion CARRIED as amended by the makers on a 6-0 roll call vote.

Item H

ORD. 2006-43

The following motion was on the floor from the last meeting: strike Section B (lines 32-36) and the last several words under Purpose under (lines 21 and 22), "~~and the replenishment of the fund with raw fish taxes.~~"

Wolf explained that this is the business tax which consists of varied taxes that the processors pay. There is also the salmon enhancement tax and that goes back to entities such as NSRAA.

Holst believes that there is confusion on this issue. He contends that the raw fish tax is paid by the processors.

Ken Creamer, vice chair of the Ports and Harbors Commission announced that they held a worksession last Thursday. Some of the concerns were that the fisherman didn't want to finance the processors and it appears we were on the wrong track after Holst's testimony tonight.

MOTION by Sherrod to postpone action on this item until November 28<sup>th</sup>, 2006.

MOTION to postpone PASSED on unanimous consent.

**X. NEW BUSINESS:**

Item I

LEPC Liaison

MOTION, by Sherrod to appoint Marko Dapceovich as LEPC Assembly Liaison as the elected liaison.

It was felt that the position of mayor has responsibilities surrounding emergencies and therefore his position would be most fitting to serve as liaison to this commission.

Motion PASSED by unanimous consent.

STA Liaison

Westover pointed out that she has taken over the at-large for Sitka Justice Center or she would be willing to serve.

Holst and Cavanaugh agreed to serve as co-liaisons this committee.

No objections were heard.