

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Inter-Island Ferry Authority

Federal Tax ID: 92-0165708

Project Title:

Inter-Island Ferry Authority - Northern Route Development Assistance

State Funding Requested: \$ 500,000

House District: Southeast Region (1-5)

Future Funding May Be Requested

Brief Project Description:

Appropriation will provide assistance to the Inter-Island Ferry Authority (IFA) while it continues to develop the northern route between Coffman Cove and Petersburg. Funds will be used to overhaul main engines on the M/V Prince of Wales, retire debt and defray increased fuel costs.

Funding Plan:

Total Cost of Project: \$500,000

Funding Secured

Other Pending Requests

Anticipated Future Need

Amount FY

Amount FY

Amount FY

There is no other funding needed

Detailed Project Description and Justification:

Appropriation will provide assistance to the Inter-Island Ferry Authority (IFA) while it continues to develop the northern route between Coffman Cove and Petersburg. Funds will be used to overhaul main engines on the M/V Prince of Wales, retire debt and defray increased fuel costs.

\$260,000 - Main engine overhauls

\$150,000 - retire debt

\$90,000 - fuel expenses

The IFA is a coalition of six communities from southern Southeast Alaska formed to meet marine transportation needs. It is a port authority under AS 29.35.600, the Port Authority Act for the State of Alaska. By law, the IFA is a municipal corporation and subdivision of the State and is eligible for general fund assistance from the State of Alaska.

The IFA serves a population of 30,000 full-time residents and provides service to the Prince of Wales Island, Ketchikan, Wrangell and Petersburg. The IFA operates 2 state-of-the-art ferries that carry 30 vehicles, nearly 200 passengers and operate with a 5 man crew. The MV Prince of Wales (MV POW) has operated between Hollis and Ketchikan every day for the past six years and over this period has averaged 55,000 passengers and 15,000 vehicles annually. The vessel generates \$3 million in revenues annually and covers vessel operations and shore side costs for the system.

The MV Stikine was brought into service in the spring of 2006 to run between Coffman Cove (North Prince of Wales Island),

Total Project Snapshot Report

FY 2009 Capital Budget

TPS Report 50400

Wrangell and Petersburg by way of the South Mitkof Terminal, located 25 road-miles south of Petersburg. As with all new services, the northern route has begun slowly as residents learn of the availability of this new transportation service. While passenger and vehicle traffic continues to grow, they are still not at the level necessary to allow the system run this service from the fare box. Consequently, the communities served and the IFA Board of Directors are requesting development assistance from the state of \$500k. The IFA needs this assistance in order to operate the northern service at a level that necessary to build a stable, reliable service that can be independently sustained.

The IFA is also applying for a Federal Transit Administration grant for annual operational assistance for the northern service. As a political subdivision of the State, and a public transportation provider, Federal funds must be matched by the state.

Project Timeline:

FY09

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

Inter-Island Ferry Authority

Grant Recipient Contact Information:

Contact Name: Bruce Jones
Phone Number: 907-826-4849
Address: PO Box 495, Craig, AK 99921
Email: ifa@interislandferry.com

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

For use by Co-chair Staff Only:

5:19 PM 4/29/2008

Phone: 907-826-4848
Fax: 907-826-4849



P.O. Box 495, Craig, AK 99921
Email: ifa@interislandferry.com

March 24, 2008

Senator Bert Stedman
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

RE: Funding Request for FY2009

Dear Senator Stedman,

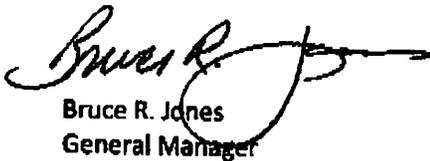
The Inter-Island Ferry has asked for Capital funding in the amount of \$500,000 to complete a much needed project, pay off a loan and defray the increasing cost of fuel.

Of the requested amount, \$260,000 will be used to perform a major engine overhaul on the two main engines on the M/V Prince of Wales. We will use \$150,000 to pay off a loan from the City of Petersburg that will come due in March of 2009. The remaining \$90,000 will be used to offset the rising cost of fuel. This will not cover the total increase, but will help lower the debt incurred.

I want to thank you for your continued support of the IFA. As I mentioned during my last visit, I would like to ask for your staff's assistance, this next summer, to assist in drafting legislation that would put us as a line item in ADOT's budget. As a political subdivision of the State, and a public transportation provider, we are unable to request Federal funds without the State providing the match.

Please let me know if you need anything further.

Sincerely,



Bruce R. Jones
General Manager

Petersburg City Schools

☎ 907.772.4271
Fax 907.772.4719

P. O. Box 289
Petersburg, Alaska 99833-0289

Dr. Gary Jacobsen
Superintendent

Mr. Tom Briggs
General Manager
Inter-Island Ferry Authority
P.O. Box 495
Craig, AK 99921

Dear Mr. Briggs:

The IFA could provide a valuable service to the students of Petersburg City School District through the year-round scheduling of the Inter-Island Ferry System. The Inter-Island Ferry could reduce our costs and time away from school by providing efficient transportation to Wrangell, Prince of Wales Island, and other points South of Petersburg. There are times when we send as many as 50 to 70 students to activities in Wrangell and other schools on Prince of Wales Island. Currently we have to utilize the services of charter jet boats with limited capacity and Alaska Airlines, which is very expensive.

The Petersburg City School District urges you to look at ways to provide year-round ferry service to Petersburg, Wrangell and other points South.

Sincerely,



Gary Jacobsen, Ed.D.
Superintendent
Petersburg City School District



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1218A Shoreline Drive Thorne Bay, Alaska 99919
(907) 828-8254 Fax: (907) 828-8257 E-mail: sisd@sisd.org

February 25, 2007

Dear Inter-Island Ferry Authority,

I am writing in support of the M/V Stikine being able to maintain a flexible schedule for the upcoming winter months ('08). Flexibility in this case is to the benefit of the school district, as it would allow our students the opportunity to travel out of Coffman Cove to their scheduled activities without the (weather) risks involved in traveling commercial via Alaska Air. Reduced travel time, reduced costs, and less time away from their classes/family seem to make this request quite amiable.

However, when you combine the fact that more and more people desire travel on the Stikine it appears that by considering additional flexibility throughout the winter months would only heighten customer usage/satisfaction for all the surrounding communities.

I am aware of the Stikine sailing in the absence of the Prince of Wales, and support such a schedule. I am not aware of next year's needs. If the Stikine has a similar schedule to replace another ferry while it is under repairs this request may be void without additional conversation. If the Stikine is scheduled to sit vacant, this request should be considered as a top priority, as the need is real and could benefit the entire population of the surrounding area.

I appreciate your consideration in the above listed request and will make myself available to discuss it at length should you desire.

Sincerely,

A handwritten signature in cursive script that reads "Jim Nygaard".

Jim Nygaard
Superintendent of Schools
Southeast Island School District

Inter Island Ferry Authority
P.O. Box 495
Craig, AK 99921

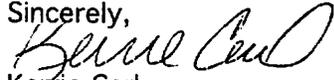
March 1, 2007

To whom it may concern,

Our class here in Thorne Bay was fortunate enough to take the Stikine to Wrangell this past fall. Our trip was timed primarily because the IFA isn't running the northern route after September. Although I understand the financial implications of this, we would like to encourage the IFA to have the north-end ferry run once or twice a month during the winter. We take field trips as often as funding will permit and would very much like to return to Wrangell or go to Petersburg. I also have heard, on a personal note, that many people found that flights on Alaska Airlines were sometimes cheaper out of Wrangell or Petersburg. This would be beneficial to my family and me as well.

For our school, the sports teams would also enjoy being able to travel from Coffman Cove, as it is a shorter route for us as well during our volleyball and basketball seasons. Please consider operating the north-end ferry a couple of times a month. My class, my school and my family would use it!

Sincerely,



Kerrie Carl
Teacher
Thorne Bay School



Craig High School

P.O. Box 800
Craig, AK 99921
Phone (907) 826-2274
FAX (907) 826-3016

Ronald Erickson Superintendent

Doug Rhodes, Principal

March 13th, 2007

Dear IFA Board Members:

I am currently a board member for the Region V (Southeast Alaska) Alaska School Activities Association, am a past member of the state ASAA board, and served as the Vice President for 5 years of that organization. In addition, I have been the principal of Craig High School for the past 10 years, and am concerned with the travel costs and safety facing our kids each year in regards to sports and activities.

I am writing this letter to you to try and convince the Inter Island Ferry Authority Board of Directors to continue running the M/V Stikine on the northern route from Coffman Cove to Wrangell and Petersburg throughout the winter months. I understand that the costs of operating this vessel in the winter may not be cost effective at all times, but would like to offer some suggestions.

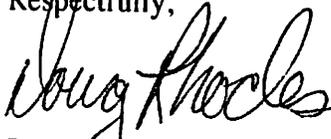
First, I would like to see the northern route have a Friday trip between Coffman Cove- Wrangell- Petersburg and a Sunday trip between Coffman Cove- Wrangell- Petersburg every other weekend throughout the school year. If you were to look at past passenger manifests, I think you would find that the biggest loads of passengers on the northern route took place because of high school and middle school activities- and the ferry barely ran during the school year! If the ferry were to run throughout the year, you would see an increased passenger manifest from not only athletes, but from parents and fans and their vehicles from all of the different schools. To me it is a win-win situation.

Our board meets 3 times a year (September, January and April) to discuss issues facing our region, as well as to schedule sport seasons, games and tournaments. If we could be assured that the IFA would run the northern route two weekends a month throughout the school year, we would try and schedule our contests around the IFA schedule.

I have been attending teleconferences and meetings about the Inter-Island Ferry Authority off and on for many years. I am a big proponent of this group, and believe that school activity travel was one of the big reasons that there was so much support for this northern route. I have parents and fans that would love to see their kids and teams participate, and cost prohibits that at this time without the ferry. In addition, because of budget restraints, we have been forced to use smaller vessels to transport our kids from Coffman Cove, and this limits the space available as well as the weather conditions that they can travel in. Continuing this ferry run throughout the school year would solve so many of these problems!

In summary, I urge you to set a winter schedule for the Stikine out of Coffman Cove during the school year so that schools can use this important transportation source. Thank you for your consideration in this matter.

Respectfully,

A handwritten signature in cursive script that reads "Doug Rhodes".

Doug Rhodes
Region V Athletic Director Board Member
Principal, Craig High School



City of Coffman Cove

310 Harbor Avenue

Coffman Cove, Alaska 99918-0135

(907) 329-2233

Fax: 329-2212

2-28-07

Dennis Watson, Chairman
Inter-Island Ferry Authority
PO Box
Craig, AK 99921

Dear Dennis:

The City of Coffman Cove would like to request the Board of Directors consider running the northend ferry, Stikine, two weekends a month during the winter. We feel the added service will benefit the island residents including students traveling for sporting events. The ferry is a much safer mode of transportation than the jet boat currently being used by the four school districts.

There is an opportunity for freight service for the emerging shellfish industry on the island. The summer of 2006 showed there was a fair amount of local travel between Coffman Cove and Wrangell/Petersburg. The communities have close ties and the ferry provided a reasonable means of transportation so there was a lot of travel between the residents.

If the schedule was published we feel many residents would take advantage of the ferry for connecting with Alaska Airlines instead of going to Ketchikan and having to spend the night in the winter.

We understand scheduling a crew would be a challenge and you have to work out of the fare box, but remember when it was first proposed to build our own "shuttle" ferry we were laughed at. Identifying potential and making it work is what created the IFA.

Sincerely,

Mikael Ashe
Mayor

Canoe Lagoon Oyster Co.
P.O. Box 18062
Coffman Cove, AK 99918
Tele. 254-0786

February 25, 2007

Inter-Island Ferry
Board of Managers
Prince of Wales Island

Dear Board Member:

I am excited to learn that you are now considering a winter schedule for the northern route. I have always felt this would be necessary as a means to develop ridership. Transportation is an important factor in the growth of both population and business on P.O.W. Island. A year-around reliable service to Wrangell will allow these connections to develop, and increase as the island population grows.

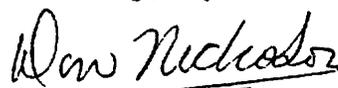
Our business is totally dependent on off island markets, especially to the lower "48". A weekly schedule would benefit us the most. You might consider this schedule.

Summer - Friday through Tuesday

Winter - Monday and Tuesday

I am looking forward to the day I can use the IFA for my business transportation needs.

Sincerely, .



Don Nicholson
Owner, Canoe Lagoon

March 13th, 2007

Inter Island Ferry Authority
Box 495
Craig, AK 99921
Attn: Tom Briggs

Dear Tom,

My name is Jim Holien and I'm the Principal / AD at Hydaburg Schools. I have recently heard talk concerning the IFA's north route. This past year we've would have utilized its service different times. We (and all island schools) travel north throughout the school year to various region events. If we were able to leave from Coffman Cove and go north from there, it would save us both time and money. We can schedule our games and events around a planned schedule and it would be a big help for our school. We, like all schools, fight to save money and reduce time away from school for our students. Having access to the north route IFA would help us in both aspects. I realize that daily service is not a feasible option for that ferry to run, but if it could run once a week or once every two weeks, it would help us. Not only does it save money and reduce time, but we've had students traveling on smaller boats to and from Wrangell/Petersburg and safety is an issue. Your larger vessel would increase safety and comfort for all those trying to travel to those events. Another issue we've had in the past is seating availability. We've had interested parents/fans that wanted to travel with, but were not able to because of no space available.

I appreciate your consideration of setting and keeping a winter schedule for the north route IFA. It would really help each school district in the whole region as others coming to POW would benefit as well. Feel free to contact me with any questions or concerns you may have. Thank you.

Sincerely,

Jim Holien
Principal – Hydaburg Schools