

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-77

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES

WHEREAS, the Alaska Department of Transportation, U.S. Department of Transportation, and Federal Aviation Administration are responsible for supporting safe and efficient transportation systems and infrastructure; and

WHEREAS, air travel is the only way to reasonably access our island community. Direct, safe, reliable and affordable flights meeting regular and peak season demand is critical; and

WHEREAS, the Tom Madsen Airport in Unalaska, Alaska is owned and managed by the Alaska Department of Transportation; and

WHEREAS, the City of Unalaska calls upon state delegations and agencies to assist in creating an environment that allows for redundancy in aircraft in order to meet the transportation needs of our island community. Specifically, we request that the Alaska Department of Transportation continue with their Airport Master Plan for the Tom Madsen Airport and work to address runway improvements; and

WHEREAS, the Alaska Marine Highway System provides an essential service to Unalaska and is necessary for our community health, safety, economic and social wellbeing; and

WHEREAS, regular ferry service provides a cost-effective way for community members, visitors, and businesses to travel and ship equipment and materials to and from our remote island; and

WHEREAS, the City of Unalaska's ability to fulfill the obligations of a local government is limited by available resources including State funding, specifically funding through the Community Assistance Program and the Shared Fisheries Tax Program, offsetting burdens that might otherwise be felt by the local tax base; and

WHEREAS, Unalaska's internet connection speeds thwart business growth, medical service, education, and overall quality of life; and

WHEREAS, the City of Unalaska continues to support programs and activities to bridge this digital divide; and

WHEREAS, Unalaska has several sites that were subject to the Department of Defense's Formerly Utilized Defense Sites environmental program due to contamination which occurred during WWII activities, as well as WWII related contamination that is discovered during construction projects today; and

WHEREAS, the City of Unalaska supports the creation of a federal funding mechanism that would allow reimbursement to land owners who remediate contaminated sites or the identification of an accessible funding source to allow for a timely response to contamination sites that are holding up construction projects and negatively impacting subsistence living; and

WHEREAS, support from the Alaska Department of Environmental Conservation is critical to managing these contaminated areas and ensuring Federal assistance and support; and

WHEREAS, Unalaska is a strategically located and vibrant Artic Port community. Home to the largest commercial fishing port in the nation, Unalaska’s International Port of Dutch Harbor is a vital transportation and economic hub that will only become more key as northern shipping routes expand. The Port of Dutch Harbor is the only deep draft and year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait; is a designated “Port of Refuge”; and is the western most container terminal in the United States; and

WHEREAS, Captains Bay Road is a heavily used commercial corridor vital to the community’s economic welfare with has safety concerns and economic development potential which require road improvements, water, sewer and electric utilities; and

WHEREAS, Robert Storrs Boat Harbor Improvements, Unalaska Marine Center Cruise Ship Terminal, Light Cargo Dock and Unalaska Marine Center Dredging are all port related infrastructure projects that will help meet the needs of a growing Arctic Port and the number one commercial fishing port in the nation; and

WHEREAS, Makushin Geothermal Interconnection Projects support the City of Unalaska’s commitment to alternative energy and are utility infrastructure upgrades required for the City’s electrical distribution system to accept power from the Makushin Geothermal Plant; and

WHEREAS, a Solid Waste Gasifier is needed because current active landfill cells are reaching capacity. The City of Unalaska has worked with the Department of Energy National Renewable Energy Laboratory to consider the best waste management approach for our remote location. Operating costs for this project will eventually be recovered by extending the landfill lifespan.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby identifies its State legislative priorities as:

STATE LEGISLATIVE PRIORTIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flights at Tom Madsen Airport - Top Critical Need
State Ferry System
Community Assistance Program and Shared Fisheries Tax Program
Reliable and High Speed Internet
Environmental Remediation
Arctic Port Development in Unalaska
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$54 Million - Top Project Funding Priority
Robert Storrs Boat Harbor Improvements – \$9.5 Million
Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million
LCD and UMC Dredging - \$6.65 Million
Makushin Geothermal Interconnection Projects - \$5.7 Million)
Solid Waste Gasifier - \$8.3 Million

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top critical need is the support for the stabilization of commercial flights at Tom Madsen Airport.

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top capital project funding priority as the Captains Bay Road and Utility Improvements Project.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.



Dennis Robinson
Vice Mayor

ATTEST:



Marjie Veeder, CMC
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J. R. Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-77 Identifying the City of Unalaska's State Priorities

SUMMARY: City Council identifies legislative priorities on an annual basis, typically in the fall. This memo provides an outline of Council's existing priorities and highlights changes to the updated priorities based on feedback from our lobbyist. Staff recommends approval of resolution 2021-77.

PREVIOUS COUNCIL ACTION: Identifying State and Federal priorities is a recurring Council action to express our support for certain initiatives, seek support for capital projects, and in preparation for Lobbying Trips.

On April 9, 2019, City Council approved Resolution 2019-15 identifying the Captains Bay Road and Utility Improvement Project as the City's number one State funding priority.

City Council discussed both State and Federal priorities at the August 27, 2019 work session. Council then approved Resolution 2019-52 identifying Federal priorities on September 10, 2019. After further discussion, Council approved Resolution 2019-51 identifying State priorities on September 24, 2019.

Council approved Resolution 2019-59 on November 12, 2019 amending the previously established State and Federal Priorities to include the stabilization of commercial flights between Dutch Harbor (DUT) and Anchorage (ANC) at the Tom Madsen Airport.

On January 14, 2020, at the Mayor's request, Council reviewed their priority statements and considered necessary adjustments. Council then approved Resolution 2020-10 identifying Federal priorities and Resolution 2020-09 identifying State priorities on February 11, 2020.

Council approved Resolution 2020-62 on September 22, 2020 adopting State Legislative Priorities.

City Council will discuss and consider State Legislative Priorities separately from the Federal Priorities this year. Council has already heard from our Federal Lobbyist team and approved the Federal Priorities through Resolution 2021-67 on October 12, 2021.

Council discussed legislative priorities with the State Lobbyist at the November 9, 2021 City Council meeting.

BACKGROUND: Taking the time to identify Council's legislative priorities allows for Council members, lobbyists, consultants and City staff to more effectively focus efforts and resources. Current Council legislative priorities are listed below. Council discussed these priorities on November 9, 2021.

DISCUSSION: Below is the State Legislative Priority list based on discussion at the November 9, 2021 City Council meeting and with our lobbyist. There may be opportunities in the new infrastructure bill, passed on November 15, 2021, that may help fund some of these priority projects. Staff are evaluating which projects apply to the bill.

STATE LEGISLATIVE PRIORITIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flights at Tom Madsen Airport (existing State and Fed Priority)*
State Ferry System (existing)
Community Assistance Program and Shared Fisheries Tax Program (existing)
Reliable and High Speed Internet (existing)
Environmental Remediation (existing)
Arctic Port Development in Unalaska (new and newly identified Federal Priority)
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$54 Million (existing State and Fed Priority)
Robert Storrs Boat Harbor Improvements – \$9.5 Million (existing and newly identified Federal Priority)
Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million (new and newly identified Federal Priority)
LCD and UMC Dredging - \$6.65 Million (new and newly identified Federal Priority)
Makushin Geothermal Interconnection Projects - \$5.7 Million (new and newly identified Federal Priority)
Solid Waste Gasifier - \$8.3 Million (new and newly identified Federal Priority)
*Bold indicates that Priority is also identified as a Federal Priority

These legislative priorities are described in more detail below.

Critical Needs Support

1. **Stabilization of Commercial Flights at Tom Madsen Airport.** *This is an existing and unchanged Legislative Priority (both State and Federal) that helps to address Council’s recently identified focus on air transportation.* This item is currently identified as Unalaska’s top critical need.

Air travel is the only way to reasonably access our island community. Direct, safe, reliable, and affordable flights meeting regular and peak season demands of our community is critical. The airport and runway are owned and managed by the Alaska Department of Transportation. Furthermore, the Alaska Department of Transportation, US Department of Transportation, and the Federal Aviation Administration are responsible for supporting safe and efficient transportation systems and infrastructure.

The grounding of the Saab 2000 for the DUT-ANC route, in the aftermath of the crash of Flight 3296, highlighted the risk of having only one airline with one commercial aircraft authorized to fly passengers directly between Anchorage and Unalaska. This was again recognized when Ravn Air declared bankruptcy and stopped all air service in April of 2020 for a lengthy period of time. We call upon state and Federal delegations and agencies to assist in creating an environment that allows for redundancy in aircraft service in order to meet our island community’s transportation needs.

We also support the State of Alaska's efforts as they update and implement their Airport Master Plan for Tom Madsen Airport to address runway improvements. We support the Essential Air Service program, and related programs, as critical tools to ensure the long-term viability of air travel to and from Unalaska.

2. **State Ferry System.** *This is an existing and unchanged State Legislative Priority.* Ferry service to and from our remote island community is identified in the City's Comprehensive plan as a community priority, stressing the importance of advocating for regular and consistent service to meet the needs of residents, businesses and visitors. Alaska Marine Highway System provides a cost-effective way for community members and businesses to travel and ship equipment and materials. The Ferry is how teachers move to this island, this is how our Aleutian Island neighbors access critical stores and services, this is how large families can travel off the island to visit loved ones, this is how the mobile mammogram van comes to our community to provide life altering healthcare. The Alaska Marine Highway System provides an essential service to Unalaska and is necessary for our community health, safety, economic and social wellbeing. The city supports sustained service as well as investment in vessels and related infrastructure.
3. **Community Assistance Program and Shared Fisheries Tax Program.** *This is an existing and unchanged State Legislative Priority.* The City of Unalaska works hard to fulfill its obligations as a local government. Our ability to do so is limited by statute, public interest and available resources. Traditionally those resources have included State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.
4. **Reliable and High Speed Internet Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska's internet speeds impede business growth, access to medical services, remote post-secondary education, and our community's overall quality of life. Residents are unable to fully utilize cloud-based systems to improve efficiencies and effectiveness in personal, educational, medical, and business processes. Improving internet services has long been a priority and the City supports programs and activities that help to bridge this digital divide.
5. **Environmental Remediation Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska has several sites that are subject to the Department of Defense's Formerly Utilized Defense Sites environmental program due to contamination during WWII activities, as well as WWII related contamination that is discovered during construction projects today. Assistance and support at the State and Federal levels is critical to mitigating these contaminated areas.
6. **Arctic Port Development in Unalaska.** *This item is a new Federal Priority and should be considered as a State Priority in support of Council's vision of becoming an arctic port.* Unalaska is strategically located and vibrant Arctic Port community. City of Unalaska is home to the International Port of Dutch Harbor, the largest commercial fishing port in the nation. Unalaska/Dutch Harbor is a vital transportation and economic hub that will only become more key as northern shipping routes expand. The Port of Dutch Harbor is the only deep draft, year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait. Our port has been designated a "Port of Refuge" and provides protection and repair for disabled or distressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands daily. Unalaska is also the home of the western-most container terminal in the United States and is one of the most productive ports for the transshipment of cargo in Alaska. In addition

to products shipped domestically to and from this regional hub, the product is shipped to ports around the world with weekly shipments headed to Europe and Asia by container ship and freighter.

Capital Project Funding Support

1. **Captains Bay Road and Utility Improvements Project - \$54 Million.** *This is an existing Legislative Priority (both State and Federal), identified on the CMMP and submitted for the State's CAPSIS in 2021. The dollar amount has changed from \$52 Million to match the CMMP. This item is City Council's number one project funding priority.*

Captains Bay Road is the primary transportation route for Westward Seafoods, Alaska Chadux Network (oil spill response), North Pacific Fuel, Trident Seafoods, Alaska Marine Lines, Offshore Systems Inc., Bering Shai Rock and Gravel, and small businesses and residences. This high traffic area is a corridor for pedestrians as well as heavy trucks in the fishing, shipping, and support industries vital to Unalaska's economy. Future growth and business activity is expected to occur along Captains Bay Road.

This project includes roadway realignment, utility extension and installation, drainage improvements, lighting, walkways and pavement. The current \$54M cost addresses all these components. Staff continues to consider how the project might be divided into phases, ideally as standalone projects. Given the large dollar value for the overall project, the State DOT advised us that smaller stand-alone projects would increase our likelihood of funding support in the STIP. We are currently working to complete a formal cost benefit analysis to help quantify and communicate the overall project value the various components bring. This analysis will help us with better project phasing, improve project ranking during the STIP evaluations at the state level, and can be used to support other funding opportunities.

2. **Robert Storrs Boat Harbor Improvements – \$9.5 Million.** *This is an existing State Legislative Priority, identified on the CMMP, was submitted for the State's CAPSIS in 2021, and is a new Federal Priority.* The Robert Storrs Boat Harbor was inherited by the City of Unalaska from the State of Alaska and has served the community well for over 30 years. To ensure the safety of those who use the dock and the vessels that moor at the Storrs Boat Harbor, the floats must be replaced and the dock redesigned. Existing Floats A and B will be removed and reconfigured to accommodate a new float system, ADA gangway, and create uplands for parking and a public restroom. This project includes a fire suppression system, electric, and year round water supply for harbor users. This project qualifies to be a part of State of Alaska's Harbor Facility Grant Program for potential funding support. This is a program that the City of Unalaska has long supported. This reconfiguration will add 30 slips.
3. **Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million.** *This is project is identified on the CMMP, was submitted to the State's CAPSIS in 2021, and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port.* This project will provide an open sheet pile dock with mooring dolphins to the south of Unalaska Marine Center Position 7. Prior to the COVID-19 pandemic, cruise ship activity was on the rise in Unalaska and was proving beneficial to local commerce. Cruise ships do not have dedicated dock space to reserve with certainty; the Unalaska Marine Center is designated for industrial cargo and fishing operations. Unalaska has been fortunate to be able to accommodate most of the cruise ship activity, but space will grow more challenging as passenger counts and vessel calls increase. A cruise ship terminal would allow for dedicated cruise ship berthing and eliminate

safety issues created from passengers walking through and around cargo operations. During the off season for cruise ships, this facility could be used for fishing vessel offloads. A cruise ship terminal will provide an additional revenue opportunity and still bolster commerce through committed berthing for the cruise ship industry.

4. **LCD and UMC Dredging - \$6.65 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port.* The completion of this dredging will enhance current and future port operations by creating usable industrial dock face that is designed for vessels in varying lengths, draw and tonnage. This project includes the engineering, permitting, and dredging at the faces of the Light Cargo Dock and the Unalaska Marine Center positions 1-7. It will compliment other capital projects in the Port, namely the dredging of the entrance channel. Larger vessels will be able to enter into Dutch Harbor and the depth of the dock face must facilitate the new traffic. The depths at the Unalaska Marine Center vary from -32 and -45 at MLLW. Dredging at the face of the Unalaska Marine Center would create a constant -45 from Positions 1-7. This will accommodate deeper draft vessels throughout the facility. The existing sheet pile is driven to approximately -58 and dredging to -45 will not undermine the existing sheet pile. This project is primarily to accommodate large class vessels. Many of the vessels currently calling the Port must adjust ballast to cross the entrance channel and dock inside the harbor. Dredging in front of the Light Cargo Dock will also make this dock more accessible for current customers. Vessels using the Light Cargo Dock that draw more than 22' must insert another vessel in between the dock face and their vessel in order to get enough water under the keel.
5. **Makushin Geothermal Interconnection Projects - \$5.7 Million.** *This project is directly related to a long time Council priority supporting alternative energy, identified on the CMMP, is required per the PPA with OCCP and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure and could help address Council's recently identified focus on geothermal power and natural resources.* This project is the City of Unalaska's estimated portion of reliability upgrades for the City's electrical distribution system required to accept energy from the Makushin geothermal plant. It requires connecting multiple self-generating industrial customers to the current distribution system, installs more robust intermediate level protections, replaces the aging submarine cable at Iliuliuk Bay, upgrades numerous feeder connections and substations, and improves the current SCADA system and automated controls. This project includes a set aside for legal and consulting fees associated with implementation. A more accurate budget will be determined upon the completion of the interconnection study and after the implications are fully understood. Based on study findings, there may be a Phase II project to accomplish the required upgrades.
6. **Solid Waste Gasifier - \$8.3 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure, and could help address Council's recently identified focus on natural resources.* Current active landfill cells are projected to reach capacity in five or six years. The City of Unalaska worked with the DOE National Renewable Energy Laboratory (NREL) to consider the best waste minimization technology pathway for our location. Combustion, pyrolysis, hydrothermal liquification, gasification, and anaerobic digestion were all considered, factoring in environmental impacts, complexity, waste reduction potential, initial capital costs, and on-going operating costs. Gasification, anaerobic digestion, or a combination of the two processes was deemed to be the best long-term solution. A solid waste gasifier would work for approximately 86% of Unalaska's total waste stream, and could be used to dispose of

bales already buried in the landfill cells, vastly increasing the current location's projected lifespan. In keeping with our commitment to clean geothermal power and an overarching goal of becoming carbon neutral, the City is seeking a technology provider that can offer a plant design that uses the syngas production from the gasification process to pre-dry the feedstock, reducing the diesel needed to reach a self-sustaining steady-state operation. Assistance and support at the State and Federal level will help minimize possible landfill fee increases required to fund the construction of this capital project. Operating costs will be eventually recovered by extending the landfill lifespan; each year of additional capacity is valued at \$1.1 million dollars.

ALTERNATIVES: City Council can add to or delete from this listing of priorities.

FINANCIAL IMPLICATIONS: No direct financial impact is associated with this action.

LEGAL: None needed.

STAFF RECOMMENDATION: Staff recommends approval of this resolution.

PROPOSED MOTION: I move to adopt Resolution 2021-77.

CITY MANAGER COMMENTS: This priority list was generated after discussion with both our state lobbyist and our federal lobbyist team, along with discussions with Council.