



# AAHPA

Alaska Association of Harbormasters & Port Administrators

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November 19, 2020

Governor Michael J Dunleavy  
3rd Floor, State Capitol  
PO Box 110001  
Juneau, AK 99811

Dear Governor Dunleavy,

As President of the Alaska Association of Harbormasters and Port Administrators (AAHPA), and on behalf of our 43 municipal members, I am requesting your full support of the **ADOT Harbor Facility Matching Grant** program in your FY22 budget. Since 2006, the State has partnered with municipalities through this matching grant program and it has proven to be an effective way to leverage limited state funding for critical infrastructure projects across Alaska. It provides a list of bid-ready infrastructure projects with *committed* municipal match for 50% of the construction funds. This has a positive effect of not only strengthening and supporting Alaska's transportation infrastructure, but it also leverages state dollars to provide construction jobs and bolster the private sector. Over the past five years, municipalities have submitted \$58 million in capital project match requests, representing over \$116 million in shovel-ready capital projects that have received only \$16,6 million in state funding through the Municipal Harbor Matching Grant program, with zero funding in FY21.

For FY22, five municipalities have committed matching funds totaling \$14,049,988 for shovel-ready projects. These qualifying municipalities have met the strict standards set by the grant program, and the projects have been vetted through ADOT.

Across the state there are significant maintenance and recapitalization needs of aging harbor infrastructure. Originally built by the State, our harbors are relied upon by coastal and riverine communities for critical economic activity from fisheries to basic transportation, and railbelt and interior communities depend on functioning ports and harbors for critical goods coming into the state, recreation, and commercial opportunities. The crafters of the Harbor Grant Program, which was established in 2006 under SB291, believed it would provide a reasonable partnership between the State and municipalities for funding the recapitalization of aging infrastructure. The following is a legislator's testimony from 2006 in which SB291 established the Harbor Grant Program:

*Starting in the 1930s the state began to build harbors in coastal areas stretching from Ketchikan to Sand Point. The state's agreement with the municipalities was that they would do major maintenance and the municipalities would run the harbors and do ongoing administration. For whatever reason, the maintenance wasn't done and the harbors fell into disrepair. When the state moved forward to divest itself of harbor ownership, it assigned applicable dollar value for deferred maintenance to the various*

*harbors. The municipalities didn't feel that the financial consideration was near enough to deal with the deferred maintenance and that has been an unresolved issue...*

*SB 291 would establish the municipal harbor facility grant fund to which the Legislature would make an annual appropriation from the watercraft fuel tax account and from the state portion of the fisheries business tax. Both sources come from the marine industry so harbor users would generate the revenue for the program. The bill caps the funds that can be used per community per year at \$5 million so that a large community couldn't take all the available funds in any given year. Communities could apply for the capital match for any particular harbor just once. The expectation is that communities would establish, maintain, and run an enterprise fund into perpetuity.*

We know that vibrant, well-maintained harbor facilities are a basic, foundational requirement for Alaskans to pursue and grow our commercial economic diversity, recreational opportunities, and subsistence livelihoods. Although much has been accomplished through this program since its inception, there are still many facilities needing the anticipated financial support to leverage their local dollars. It is for these reasons that the Alaska Association of Harbormasters and Port Administrators respectfully requests full program funding of the **Harbor Facility Grant Program** in the amount of \$14,049,988 for FY22.

In addition to the enclosed resolutions of support, I am also including a list of our members for your review. In addition to our municipal members, the AAHPA supports and promotes the sectors that help to design, build, and maintain port and harbor infrastructure. The AAPHA Board of Directors and I are pleased to meet with you or any of your staff to provide greater insight into the infrastructure needs of Alaska harbors.

Kind regards,

Bryan Hawkins  
President, Alaska Association of Harbormasters & Port Administrators

Encl:  
AAHPA Resolution of Support for Municipal Harbor Matching Grant Funding  
AAHPA List of Members