

Monthly Report.

From: Chris Hladick, City Lobbyist

Date: March 15, 2022

To: Mayor and City Council

Once my contract was signed in early February, I purchased a plane ticket for Juneau. I spent two weeks going to committee meetings and attended the Winter Session of the Alaska Municipal League. There was a good turnout for AML (I would encourage council engagement with AML and SWAMC (Southwest Municipal Conference) to help keep current with what is happening in other communities in our Region and the State and the legislature). Go to akml.org to see the slide decks and presentations from the Winter meeting. One of the presentations was on the budget and how the one billion dollars per year for five years, the State of Alaska is receiving from the federal government, is going to be distributed. There is some expectation that the legislature will have this money to dole out in capital projects. That is not going to happen.

Miles Baker is the point lead for the Governor on researching and identifying opportunities for funding. Basically, the money is coming through existing programs such as the State Transportation Improvement Program or STIP which funds road projects in the State. A large portion of funding will come through ADOT but also Energy and Power, Water, Resiliency, Environmental Remediation and Public lands. Go to akml.gov, events, winter meeting and then presentations. See Miles Baker's presentation at akml.org.

The Dillingham Downtown rehabilitation project was funded through the STIP process and constructed by ADOT. A community project must be in the STIP process in order to obtain funding. I highly recommend the city rejuvenate their requests for road funding. As anyone familiar with the program knows it can take years to ascend to the top of the list to obtain funding. The city administration should get to know the Area Planner at Alaska Department of Transportation Southcentral Region, located in Anchorage, and glean as much as possible about the upcoming changes to the program then develop projects in conjunction with the Planning Commission and City Council which then would be submitted to ADOT.

It's still early in the process of learning about the federal funding opportunities. There will be a seminar in Anchorage, hosted by Senator Murkowski's office, on or about April 11. I will be attending but I also feel it might be informative for Robert Mawson to attend. He could also take time to meet with the engineers and whomever is working on city projects. The focus of the seminar will be on the new funding opportunities and how to apply.

In February I met with several legislators in Juneau to re-introduce myself and to talk about the Harbor Float Replacement Project. I met with Speaker of the House Louise Stutes, Rep Thompson, and of course Bryce as well as, Senator Stedman, Hoffman and Bishop. Many of them asked what the city was putting up for match, or why we were not on the list for State Ports and Harbor projects (which is through ADOT and requires a 50/50 match). As I have stated

previously it is very important to have matching funds in the yearly budget. I realize this is easier said than done but it takes money to make money. Dillingham is in a competition with other communities for the same dollars. Some communities advance their issues with the legislature by putting on a reception during the legislative session to help get the word out about what is happening in the community.

In the future the City should consider putting on a joint reception in Juneau for legislators to get to know the City's issues. I say joint because it would be good if the community worked together on this; tribes, the Electric Coop etc. whomever wants to participate. Strength in numbers.

I realize there may be reasons for not being on the State grant program for Ports and Harbors given the match requirement of 50/50. However, funding options seem to be improving with the availability of federal funding. I will outline the possible sources of funding for the Harbor project so the council and administration can make informed decisions. This is what I know to date.

I have identified four possible funding sources for the Harbor.

1. MARAD: United States Maritime Administration grants. PIPD or Port Infrastructure Development Grants. The NOFO just came out (Notice of Funding Opportunity) and the harbor project fits the grant. There is a 20% match requirement which would mean the city would need \$1.2 million for a \$6 million dollars project. The grant is due March 22, 2022. I have contacted PN&D to request a proposal for filling out the grant since they have the experience of filling out MARAD grants that have been successful. Award would be in the fall of this year.
2. State of Alaska ADOT Ports and Harbors grant. The NOFO comes out in the Spring, as previously stated this is a 50/50 match and would only fund the floats or \$5 million. That means the city has to come up with \$2.5 million for match then another \$1.2 million for the utility extensions needed to get water, sewer and electric to the city leased lots at the Harbor. This could take several years to get to the funding level, which requires legislative approval.
3. Community Transportation Program at ADOT. I am researching this as a possible funding source. I need to meet with ADOT representatives. More on this shortly.
4. Direct Appropriation: This would basically be a line item in the Capital budget which has yet to be put together. Right now, the legislature is closing out operating budgets for departments. The capital budget will be dependent on the Spring Revenue forecast to some extent which came out March 15. There appears to be a surplus in the amount of \$3.6 billion. Whether or not there would be a capital budget, or a bond package will be dependent on which spring forecast is used (it appears the Senate will want to use more conservative numbers) and other factors. I am working closely with Bryce Edgmon in the event an opportunity presents itself for funding the Harbor project. A trip to Juneau is on standby until we see how the capital budget unfolds.

Other projects:

Outer Breakwater at the Harbor: I am working to identify where the match requirement would come from or approximately \$8 million dollars. Federal dollars cannot be used to match federal grants. However, I am told those tribal dollars received from the federal government may be used as match.

Snag Point Erosion: I am in communication with staff in Senator Murkowski's office to get more information on getting this project in the queue with the Corps of Engineers. I should hear from her by the end of the week. This would be 3,600 feet of erosion control rock revetment with a WAG of \$36 million. The match requirements will be forthcoming, but it could be as much as \$12 million dollars. The question for the council is, "what is the cost of not doing the project?" The project would primarily protect the sewer lagoon but also Grandma's house and all the homes and businesses on the bluff. More to come on this project.

EOC: for Lake Road Firehall. Mark Lynch put in for a grant for this project and you should hear shortly whether it is funded. EOC stands for Emergency Operations Center. This would provide for a backup system to the one at the Police Station if the current system goes offline during a crisis.

Fire/EMS/Police station: The request for \$500,000 would provide for engineering/architectural services to pick this project up and develop a practical alternative for the project. Funding for a \$21 million dollar project has yet to be identified. I originally suggested this be an EAA grant or Economic Adjustment Act grant but learned today that there are five times as many grant applications as there is money available. I am working with SWAMC to identify other EDA grant opportunities for \$500K. I have the Public Safety and Fire Hall replacement feasibility plan from 2014, this will be a good place to start.

I have also been following the legislature, watching House and Senate Finance meetings. Of note is Nome requesting \$175 million for their dock expansion to a Deepwater Port and the Port of Anchorage they are renaming the Port of Alaska that needs \$600 million for a portion of the project. These requests make Dillingham's request of \$6 million seem insignificant. I also attended a hearing in Senate resources on PFOS and testified as the former EPA administrator.

Bills of interest:

Here are some of the bills currently before the legislature in process, this by no means is an exhaustive list. You can find more at akleg.gov for live broadcast over the internet, bills in committee, meetings and other important information. Also, you should sign up for Bryce Edgmon's newsletter for up-to-date info on the legislature. It is a great way to stay in tune.

SB (Senate Bill), HB (House Bill)

SB 172: increases residential property exemption from \$50,000 to \$75,000 for municipalities.

SB 178: Absentee ballots include option for voter to receive by mail

SB 33: Seafood Product development tax incentives extended

HB 131: Recall petitions must be filed within 365 days of certification by the clerk.

HB 190: Recall of Public Officials, money fund-raised for the recall must be used for recall.

HB 244: Annexation: must be approved by 2/3rds of votes cast by voters residing in the area to be annexed.

HB 225: Exempting Seniors from the first \$150,000 in valuation of real property for 65 yr old residents or 60 yr old widows.

HB74: allowing AHFC (Alaska Housing and Finance Corporation) to bond for water, sewer, highway and aviation projects

HB 75: PERS to charge rate of 22% of base salaries

HB 371: Broadband equalization, sets up mechanism to equalize broadband cost across the state.

Any questions don't hesitate to give a call