

## PROJECT SCOPING and DEVELOPMENT FORM

This form is to be used to document project planning and approval in order to assure that: project options are well-considered; the best option is put forward; initial and continuing costs and funding are addressed; and that Council approval has been given for implementation. Use this project scoping form with the Project Planning and Approval Process Flow Chart.

Answer the questions that pertain to your proposed project. Attach additional narrative pages if necessary. Type in the electronic form using as much space as you feel is necessary.

### Part 1. Project Identification

Name of project: [Gustavus Gravel Extraction Improvement Project](#)

Department: [Lands](#)

Contact: [Kathy Leary](#)

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**Part 2. Project Scope** refers to a project's size, goals, and requirements. It identifies what the project is supposed to accomplish and the estimated budget (of time and money) necessary to achieve these goals. Changes in scope will need Council approval.

1. What is the project? [Extending the life of the Gustavus gravel pit operation by implementing an alternative to the current extraction method.](#)  
Specifically:
  - [Conduct an engineering study to optimize extraction of the gravel resource.](#)
  - [Conduct the surveying and mapping necessary to support the engineering study.](#)
  - [Conduct drilling that will provide information about the depth and characteristics of the remaining gravel resource to support the engineering study.](#)
  - [Permitting.](#)
  - [Determine the cost and process for leasing or acquiring additional DNR managed land for a new gravel extraction area.](#)
  - [Legal costs to support additional land lease or purchase.](#)
  - [Issue a Request for Quotation for a single contractor to manage the gravel pit operation according the engineering plan.](#)
  - [Purchase a portable scale to weigh gravel for sale or for City projects.](#)
  - [Purchase of construction rock for capital projects and natural disaster recovery. There is no source for suitable construction rock in Gustavus:
    - \[Good River Bridge Repair and Bank Stabilization \\(187 cy\\).\]\(#\)](#)

Gustavus Gravel Extraction Improvement Project Scoping and Development  
*Update to original Scoping Document of 4/25/19*

City of Gustavus, Alaska  
Project Scoping and Development  
Project Planning Attachment C

Submitted by: \_\_\_\_\_ Meeting Date: \_\_\_\_\_ Approved\_\_\_ Not Approved\_\_\_

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- DRC Recycling Building (1853 cy)
- DRC Compost Shelter (135 cy)
- Salmon River bank erosion stabilization at and around City Hall (not yet designed).

- Who/what will be aided by this project? Who are the targeted stakeholders/customers?

Provide a plan and method for gravel extraction that will extend the life of the existing gravel pits to maximize the recovery of the gravel resource that leaves the excavated area with adequate drainage and in a condition that is suitable for aquatic habitat.

Purchase construction rock and establish a new stockpile to be developed at the gravel pit. There is not a source for suitable construction rock in Gustavus and a stockpile is needed. Factors that restrict the City's ability to import rock are:

- ADOT is requiring \$3 million of insurance to allow for construction rock to be delivered at the dock, which exceeds the coverage that local contractors can obtain.
- There are very few marine operators capable of delivering construction rock to the Gustavus dock.
- Construction rock availability is limited.

- Who/what will be aided by this project? Who are the targeted stakeholders/customers?

The primary beneficiaries of this project will be the City for road maintenance and new infrastructure, and property owners and businesses that require gravel for their construction projects.

- Is a preliminary survey necessary to identify the number of potential customers/users? How will you design and conduct the survey?  
No.

- What is NOT covered by this project? What are its boundaries?  
The purchase of the gravel extraction equipment.

2. Why is the project needed?

The project is needed so gravel will continue to be available for City road maintenance and construction projects for the City and property owners.

- What community problem, need, or opportunity will it address?  
The problem this project addresses is the pending exhaustion of gravel from the City's gravel pits. Given the current rate of extraction, using the current method, the City will soon run out of gravel.
- The project will provide a method to extract the maximum volume of gravel

from the City owned gravel pits. This project will extend the life of the gravel pits so gravel will continue to be available for road construction and maintenance, City infrastructure projects, and construction on private property.

- There isn't a source for construction rock in Gustavus, so it has to be shipped to Gustavus by barge. This project will establish an area within the gravel pit property for a construction rock stockpile.
- Opportunity: The project provides the opportunity to continue supplying gravel from the existing pits for the community's road maintenance and construction project needs.
- What health, safety, environmental, compliance, infrastructure, or economic problems or opportunities does it address?  
The project addresses the pending loss of the current gravel source. Without any available gravel the current road maintenance standards cannot be sustained, and new construction projects will not be able to proceed. The project also addresses the improvement of the gravel pit drainage system into the east airport ditch and leaving exhausted areas of the pit in good condition for establishing aquatic habitat.

3. Where did the idea for this project originate? (Public comments, Council direction, committee work?)

The project originated through discussions going back to 2020 with contractors notifying the City that the gravel pits are nearing exhaustion.

4. Is this project part of a larger plan? (For example, the Gustavus Community Strategic Plan, or committee Annual Work Plan?)

No.

5. What is your timeline for project planning?

- By when do you hope to implement the project?  
The initial request was for the project to be implemented for spring/summer of 2020. The target now is to begin engineering work in spring 2025 and implement the recommended new gravel extraction plan and extraction method as soon as possible so there is no interruption to the gravel supply.
- Will the planning or final project occur in phases or stages?  
The extraction plan will be completed first, then an RFQ for the operation of the gravel pit using the new plan and extraction method will be issued.

6. What is your budget for the planning process? Will you be using a consultant?

The budget for the project is \$500,000. \$200,000 is for the purchase of shot rock and D-1 to stockpile for upcoming capital projects and natural disaster recovery. \$300,000 will cover the costs for engineering, surveying, drilling,

permitting, land acquisition, legal costs and purchase of a scale. Consultants will be used for engineering, surveying, drilling, permitting and legal work.

7. What is your rough estimate of the total cost of the planning and final product? At the least, please list cost categories. See Part 4. (Ques. 4-8) and Part 5 (Budget) for guidance.

\$300,000 for the Gravel Extraction Improvement Project. \$200,000 for the construction rock stockpile.

### **Parts 3., 4., 5., 6. Project Investigation and Development**

Parts 3.—6. refer to social, environmental, and financial impacts of various options. These questions will help you document your consideration of alternatives and your choice of the option providing the best value for the community. Your goal is to generate alternatives and make a recommendation from among them. Return to Part 3., “Summary” after applying Parts 4.—6.

#### **Summary:**

1. What alternative approaches or solutions were considered? Make a business case for your top two or three options by discussing how effectively each would fulfill the project goals, and by comparing the economic, social, and environmental costs vs. benefits of each one.

The alternatives include:

- Don't proceed with the gravel extraction improvement project and exhaust the gravel supply. Road maintenance standards will not be achieved, and new construction projects will not be possible.
- Lease or purchase land from DNR for new gravel pits. More land will be stripped for the new pits.
- Purchase and ship gravel from a source outside of Gustavus. The cost and logistics will make road maintenance and new projects unaffordable.

2. What solution was chosen as the best and why is it the best?

An engineering study to evaluate the gravel resource in the City's 40-acre gravel pit property will inform the decision about a method to extract the deep gravel resource or acquire more land for new gravel pits.

3. Identify your funding source(s).

- How will the project be funded initially, and for its operating life? Initially through CAPSIS or other capital funding, and subsequently through gravel pit sales, (with the ability to extract more material).
- Is there a matching fund requirement? Please provide details. This is envisioned as a grant funded project through CAPSIS (State of Alaska). If a match requirement is necessary, the

city, upon approval by council could apply an approximately 5% match towards the overall project.

**Part 4. Environmental, Social, Financial Impacts**

1. Project Impacts Checklist

<b>Will this project affect:</b>	<b>No</b>	<b>Yes (+/-)</b>	<b>Maybe</b>
<b>Environmental quality? (+ = impact is beneficial; - = harmful)</b>			
• Climate change	X		
• Streams/groundwater quality	X		
• Air quality	X		
• Soils/land quality		X	
• Fish/wildlife habitat, populations		X	
• Plant Resources (timber, firewood, berries, etc)		X	
• Invasive or pest species		X	
• Natural beauty of landscape or neighborhoods		X	
• Neighborhood character	X		
• Noise or other environmental impacts		X	
• Environmental sustainability		X	
• Hazardous substances use	X		
• Community waste stream	X		
• Light pollution at night	X		
<b>Recreational opportunities?</b>			
• Public land use and access		X	
• Trails/waterways		X	
• Parks	X		
• Public assembly/activities	X		
<b>Education/training/knowledge &amp; skill development?</b>	X		
<b>Public safety?</b>		X	
<b>Public health?</b>	X		
<b>Medical services?</b>	X		
<b>Emergency response?</b>	X		
<b>Economic performance &amp; sustainability?</b>		X	
• Employment of residents		X	
o Short-term (i.e., construction)		X	
o Long-term (operating and maintenance)		X	
• Cost of living reduction		X	
• Return on investment		X	
• Visitor opportunities/impressions/stays/purchases	X		
• Competitive business environment		X	
• Support for existing businesses		X	
• New business opportunities		X	

• Economic sustainability		X	
• Attractiveness of City to new residents/businesses		X	

<b>City government performance?</b>			
• Infrastructure quality/effectiveness/reach (more people)		X	
• Existing services		X	
• New services		X	
• Cost of City services		X	
• Tax income to City		X	
<b>Transportation?</b>			
• Air	X		
• Water	X		
• Roads		X	
<b>Communications?</b>			
• Internet	X		
• Phone	X		
• TV/radio	X		
<b>Other? (type in)</b>			

2. How does this project provide benefits or add value in multiple areas? (E.g., benefits both to the environment and to business performance.)

This project has multiple benefits:

- The City can build and maintain roads.
- Contractors will have a local source of gravel for projects.
- Gravel will generate funds for the City through gravel sales.
- Safe roads, through proper maintenance, will provide for transportation safety.
- The gravel operations will employ Gustavus residents.
- A local source of gravel will assist businesses with staying competitive.
- Continued use of the existing gravel pits will limit the need to expand to other areas for gravel extraction.
- Using a local source for gravel will reduce the carbon footprint of the City by not shipping gravel in from other locations.
- Construction rock will be stockpiled and ready for upcoming capital projects.
- Construction rock will be available for emergency road repair in the event that a natural disaster such as the December, 2020 floods occurs again.

3. Are other projects related to or dependent on this project? **Yes, as explained above.**

- Is this project dependent on other activities or actions? **No**
- If yes, describe projects, action or activities specifying phases where appropriate. **N/A**

4. Will the project require additional infrastructure, activity, or staffing outside the immediate department or activity? (E.g., will the construction of a new facility require additional roads or road maintenance or more internal City staffing?)

**The continuing operation of the gravel pits will be done by a contractor. An additional**



culvert may need to be installed under Rink Creek Road.

5. What regulatory permits will be required and how will they be obtained?  
ADF&G Fish Habitat Permit, and possibly an Alaska DEC water discharge permit and US Army Corps of Engineers permit. Permit applications will be submitted by the engineering contractor.
6. What are the estimated initial (e.g., construction or purchase) and continuing operational costs of the project?  
\$300,000 for the gravel pit planning and land acquisition costs. \$200,000 for the construction rock stockpile for capital projects and natural disaster recovery. Operations costs to the City are not yet identified but are expected to be minimal and paid for by the profits of the gravel sales. The gravel pit contractor will be responsible for the equipment and related gravel extraction costs.
7. Is an engineering design or construction estimate necessary? **Yes.**
8. Will operation of the project generate any revenue for the City such as sales, user fees, or new taxes? If so, how will the new revenue be collected?  
**Yes, through the sale of gravel.**

**Part 5. Project Budget**

Proposed Budget Line Items

Construction project Budget estimate	Cost	Operational budget estimate (annual)	Cost
Administrative	\$5000	Personnel	\$
Project management	\$5000	Benefits	\$
Land, structures, ROW, easements	\$230,000	Training	\$
Engineering work	\$40,000	Travel	\$
Permitting, inspection		Equipment:	\$
Site work	\$	Contractual	\$
Construction	\$	Supplies	\$
Waste disposal	\$	Utilities	\$
Equipment <b>Truck scale</b>	\$20,000	Insurance	\$
Freight	\$	Repair & maintenance	\$
Contingencies	\$	Other (list)	\$
Other (list) <b>Construction Rock</b>	\$200,000	Other (list)	\$
Other (list)		Total direct costs	\$
		Indirect costs	\$
		Income (fees, taxes)	\$
		Balance: costs- income	\$

Gustavus Gravel Extraction Improvement Project Scoping and Development City of Gustavus, Alaska  
*Update to original Scoping Document of 4/25/19* Project Scoping and Development  
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Updated Latest Estimate Budget Line Items if Changed Date:  N/A

Construction project Budget estimate	Cost	Operational budget estimate (annual)	Cost
Administrative	\$	Personnel	\$
Project management	\$	Benefits	\$
Land, structures, ROW, easements	\$	Training	\$
Engineering work	\$	Travel	\$
Permitting; inspection		Equipment	\$
Site work	\$	Contractual	\$
Demolition and construction	\$	Supplies	\$
Waste disposal	\$	Utilities	\$
Equipment	\$	Insurance	\$
Freight	\$	Repair & maintenance	\$
Contingencies	\$	Other (list)	\$
Other (list)	\$	Total direct costs	
		Indirect costs	
		Income (fees, taxes))	\$
		Balance: costs-income	\$

**Part 6. Jobs and Training (required by some granting agencies)**

1. What service jobs will be needed for operation and maintenance?  
O & M will be the contractor’s responsibility.
2. How many full-time, permanent jobs will this project create or retain? None unless contractor hires additional operator(s)  
 \_\_\_\_\_ Create/retain in 1-3 years  
 \_\_\_\_\_ Create/retain in 3-5 years
3. What training is necessary to prepare local residents for jobs on this project? N/A, this is the contractor’s responsibility.
4. How many local businesses will be affected by this project and how? There are three gravel pit leases that will be reduced to one operator. However, many businesses will be affected by the availability or loss of a local gravel source.

**Part 7. Business Plan (Upon Council request)**

Upon Council request, please prepare a business plan for the operating phase of your leading option(s). Plans will differ according to the nature of the project.

There are a number of good Internet sites that will assist you in developing a business plan. One example (12/2010): is [http://www.va-interactive.com/inbusiness/editorial/bizdev/ibt/business\\_plan.html](http://www.va-interactive.com/inbusiness/editorial/bizdev/ibt/business_plan.html)

Basic components of a business plan:

- The Product/Service
- The Market
- The Marketing Plan
- The Competition
- Operations
- The Management Team
- Personnel

**Part 8. Record of Project Planning and Development Meetings**

1. Please document the manner in which public input was received.
  - Public comment on agenda item at committee or Council meeting
  - Special public hearing
  - Dates and attendance for the above.
  - Written comment from the public (please attach)

The Mayor, Council Member Taylor, City Administrator, and current gravel pit contractors have discussed the issue and alternatives on multiple occasions.

2. Please use the following chart to document committee meetings, Council reports, and so on. Did the committee make recommendations or requests? Did the Council make requests of the committee? N/A

**Meeting Record**

Event (Meeting of committee, Council report, public hearing, etc.)	Date	Agenda Posted (date)	Minutes or record Attached? (yes/no)	Outcome Rec to Council, requested action of Council, etc.	No. of attendees
February Worksession	Feb 3, 2025	Jan. 29, 2025	No (on city website)	Update Scoping Document for CIP to CAPSIS	
May GM work session	May 6, 2019		No	Moved to GM	