



Port of Juneau

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From: Carl J. Uchytel
Port Director

To: Assembly Finance Committee

Thru: (1) Docks & Harbor Board
(2) Finance Director
(3) City Manager

Date: December 16th, 2022

Re: REVENUE BOND REQUEST – CBJ DOCK ELECTRIFICATION

1. In the August 4th memo to the Assembly, a recommendation included pursuit of the CBJ docks electrification without specifying a single funding source. The memo referenced Resolution 2975(b) which appropriated \$2.64M from the State Marine Passenger fees to the Dock Electrification CIP. In November 2022, CBJ and AELP entered into a MOA for the procurement and installation of a load tap changer (LTC) transformer to replace the South Franklin Dock substation, which is a required precursor for construction at the CBJ owned docks at Alaska Steamship and Cruise Ship Terminal. Stated in the August 4th memo and again validated by AELP, the lead time to acquire the LTC transformers is upwards of three years.
2. Docks & Harbors applies for federal grant funding for dock electrification. We have been unsuccessful in the US DOT RAISE (Rebuilding America Infrastructure with Sustainability & Equity) grant in FY21 and in FY22 as well as the MARAD PIDP (Port Infrastructure Development Program) grant in FY22. The next deadline opportunity for submitting the FY23 RAISE is February 28th. The proposed language in the FY23 PIDP is not favorable for CBJ to submit a competitive grant application for dock electrification. The IRA (Inflation Reduction Act) does contain an EPA program aimed at reducing emissions at US ports. The NOFO (Notice of Funding Opportunity) for this program has not yet been promulgated.
3. Notwithstanding the pursuit of federal funding, CBJ does have resources available to advance the Assembly goal for CBJ dock electrification *post haste*. The August 4th memo outlined and recommended selling revenue bonds in January 2023 as a strategy to cash flow the project. However, because of the long lead items and the anticipated high rate of interest due to a volatile securities market, it is recommended that only \$5M in revenue bonds be sold at this time (vice the \$20M outlined in the memo). This will enable CBJ to procure the long lead LTC transformers necessary for installation in support of the AS and CT Docks.
4. **I request that the Assembly approve the selling of \$5M in revenue bonds to facilitate the procurement and installation of two LTC transformers for the CBJ owned docks.** Furthermore, I request that the repayment of the revenue bonds be made from the Port Development Fee (currently \$3 per cruise ship passenger). The Port Development fund balance is fiscally stable and the use of this funding mechanism is appropriate for this purpose. Within the next three years, unless we are successful with federal grants or other funding opportunities arise, another request for revenue bonds will be made to the Assembly for Alaska Steamship Dock construction.

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Enclosure: CBJ Dock Electrification Memo dated August 4th, 2022