



MEMORANDUM

DATE: January 23, 2023

TO: Deputy Mayor Gladziszewski and CBJ Committee of the Whole

FROM: Katie Koester, Engineering & Public Works Director
Katie Kachel, Lobbyist, Blank Rome

SUBJECT: Federal Funding Update

The purpose of this memo is to organize updates to the Committee of the Whole on a number of federal Issues/projects CBJ is tracking.

Federal Issues

NOAA Support Property. A provision (section 11710) was enacted as part of the U.S. Coast Guard (USCG) Authorization Division of the National Defense Authorization Act (NDAA/P.L. 117-263) that would give the City & Borough of Juneau (CBJ) a right of first refusal to initiate a conveyance at fair market value of the National Oceanic and Atmospheric Administration (NOAA) support, should the Coast Guard not act on its discretionary authority to affirm its interest in acquiring the property via transfer from NOAA within 180 days after date of enactment (12-23-22). Should the USCG declare its interests, NOAA is required to transfer the property to the USCG within one year from the date of the USCG's declaration of interest. If the USCG doesn't declare its interests, the underlying authority to convey the NOAA support to CBJ applies. CBJ has up to three years to complete this conveyance before the authority automatically expires.

Icebreaker Homeporting in Juneau. The USCG's FY23 budget requested funds to acquire a commercially available icebreaker; an acquisition that is not a part of the USCG's Polar Security Cutter (PSC) program, but rather would be used to augment the Coast Guard's polar icebreaking capabilities until the new PSCs under construction enter service. The USCG intended to homeport this commercially available "icebreaker" in Juneau after the USCG completed a feasibility study (released to limited audiences in Nov.) of potential homeport areas in Alaska. The USCG reviewed the ports of Adak, Anchorage, Dutch Harbor, Juneau, Ketchikan, Kodiak, Nome, Seward, and Valdez. A preliminary version of the FY23 Omnibus Appropriations bill contained funding for this commercially available icebreaker, however, this funding was struck from the final enacted omnibus bill. Absent any FY23 acquisition funding the USCG now faces a sizable new hurdle in bringing an icebreaker to Juneau. This funding gap also casts uncertainty for the USCG's capital planning budgeting for numerous related out-year expenses (e.g., yard availability and vessel refitting, Juneau pier/shoreside infrastructure construction, service member housing and relocation costs, etc.). The USCG's FY24 budget request will provide insights into the USCG's level of interest and support within the Department of Homeland Security and the Biden administration to homeport an icebreaker in Juneau.

Approach Lighting System at JNU Airport. A change in law is required to allow JNU Airport to use federal FAA Airport Improvement Program (AIP) funds for the full buildout of the Medium Intensity Approach Lighting System (MALSR) on Runway 26 and for the MALSR to remain an FAA facility maintained by the FAA. The MALSR is a system that will reduce missed approaches by pilots into JNU Airport, and thus increase access, reliability, and safety at the airport.

Congressionally Directed Spending / Community Project Funding

As part of the Fiscal Year 2022 and 2023 appropriations processes, Congress amended its rules and allowed members to request “congressional designations” (aka earmarks) in appropriations bills, after a 10-year earmark ban. This means Members of Congress could request provisions designating an amount of funds to a particular recipient—such as a local government or nonprofit organization—for a specific project. These provisions are called "Congressionally Directed Spending" (CDS) in the U.S. Senate and "Community Project Funding" in the House of Representatives. Entities and projects receiving CDS funds must prove to be eligible for the underlying federal programs. The CDS request and vetting process is essentially a pre-qualification exercise, but eligibility and competition considerations resemble a full blown competitive grant application. Congress decides which federal programs are earmarked, and within those programs, certain projects can be more competitive than others. Project readiness is a key factor in eligibility and competitiveness because it lowers risk to the federal government. Once an entity is listed for a CDS, depending on the federal program, it has to again submit an application to the federal agency in order to draw down the funds that were designated for them in the appropriations bill. Congress is expected to allow again members to request CDS in the FY24 process. Senator Murkowski’s FY24 CDS portal opens on February 6, 2023.

Secured Congressionally Directed Spending

Juneau Douglas North Crossing \$7M. CBJ is grateful to Senator Murkowski for securing a \$7 million dollar appropriation for this project. There is currently a lot of activity on the project as we are nearing the completion of a Planning and Environmental Linkages (PEL) Study scheduled to wrap up this spring. The purpose of the PEL is to facilitate robust public engagement on the project and explore different alternatives. After completion of the PEL, the next step will be to work on environmental permitting through the National Environmental Policy Act (NEPA) process. The \$7 million in congressionally directed spending will go towards this effort. Additionally, CBJ is applying for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant to complete NEPA and initiate design. A resolution supporting this application will be on the Regular Meeting Agenda January 30th.

Municipal Composting \$2.5M. CBJ has identified developing a zero waste or waste reduction plan as sustainability goal 5a. Based upon a compost feasibility study (Cedar Grove, 2016), National Resource Defense Council and EPA estimates that there is likely more than 5,000 tons food waste per year for a community of this size. Finding a beneficial use for the large amounts of food waste that the community generates has a triple benefit: helps with odors, creates space in the landfill, and diverts organics from going down the drain, which is costly to our municipal wastewater treatment system. To meet this need, the Public Works and Facilities Committee (PWFC) has prioritized increasing composting capacity in Juneau as a phase that can happen concurrently with broader zero waste planning. Last year when submitting Congressionally Directed Spending Requests, CBJ was encouraged to submit a project that would be eligible for the Environmental Protection Agency subaccount, which prompted the municipal composting facility request. CBJ is excited to receive \$2.5M, thanks to Senator Murkowski. With this level of funding, we expect to be able to do the limited site prep (versus design and planning for a full zero waste subdivision) needed to compost a portion of the commercial food waste that currently goes to the landfill. This would likely be from just one sector of the community (e.g., grocery stores, a large

organization, or restaurants, etc.) and be done with mostly moveable elements such as cover and blower systems. There is a lot of planning still to move the project forward and we don't yet have the funding in hand to move forward with those contracts. Nevertheless, CBJ will rely on local engineering experts and professionals in the composting community to design a facility. The Assembly and CBJ leadership has been clear that scaling up composting in Juneau will rely on a private-public partnership; much like how we manage junk vehicles, household hazardous waste, and recycling where CBJ provides a facility and relies on local expertise to operate and manage.

In addition to the funding that has been secured, on Feb 13, Juneau will apply for a \$4 million EPA Solid Waste Infrastructure for Recycling Grant (with no local match requirement) to develop a zero waste plan, build, and operate a larger scale commercial compost facility with more permanent structures and additional equipment such as depackager or conveyor systems to enable food that is currently difficult to compost to be composted.

Prospective Congressional Directed Spending

The Assembly will adopt Legislative Priorities at this meeting which are used to advocate for funding with the State and Federal delegations. Based on historical experience, the projects below will likely be good candidates.

CBJ Radio System Replacement \$14.5M. This project is a good candidate for Congressionally Directed Spending due to the public safety, homeland security, and emergency response benefits. The project's current status is CBJ has hired a consulting firm to advise on procurement and the Assembly has appropriated \$500,000 to initiate planning, design, and procurement support. Additionally, the Assembly and voters included \$2M in the 1% special sales tax. This request will likely have to be phased due to the available funding.

Mendenhall Wastewater Treatment Plant: Fats Oils and Grease (FOG) and Grit Removal \$5.75M. Traditionally, substantial funding is allocated to clean water projects through the Environmental Protection Agency, which makes this project a good candidate for Congressionally Directed Spending. Removing FOGs is also a necessary part of the CBJ utility's compliance plan through the Alaska Department of Conservation.

Lemon Creek Multimodal Path \$10M. For the past two years, this has been the number one legislative priority for the Assembly and was included in the 1% special sales tax for \$1.5M. CBJ Engineering has been working with consultants to prepare two separate grant applications to advance this project: Reconnection Communities for planning, scoping, public outreach, and feasibility and the Transportation Alternatives Program for construction of phase one of the path from the intersection of Vanderbilt Hill Road and Glacier Highway to the east side of Lemon Creek adjacent to Egan Drive. Because of the terrain in the area and length of the path, even if the grants CBJ has applied for are successful additional funding will be necessary to complete the entire path to connect Lemon Creek.

Capital Civic Center \$75M. CBJ was unsuccessful in a request for \$25M in congressionally directed spending last year. However, since then, progress has been made on developing the project to reduce the total project cost and further develop the concept level design.

In 2017 the community identified a long list of needed improvements to Centennial Hall including lobby and meeting room expansions, ballroom renovations, exterior wall improvements, site, and civil work, and HVAC/electrical upgrades. In 2017 voters approved an increase in the bedtax to fund improvements in addition to \$4.5M in bond funding. After the project was briefly put on hold at the beginning of COVID due to fiscal uncertainty, design and construction moved forward on the highest priority component; ballroom renovations including HVAC and electrical systems for that portion of the building. This project is currently under construction and scheduled to be completed in August of 2023. The remaining list of improvements to Centennial Hall identified in 2017 totals approximately \$24M (adjusted to FY2024).

In 2020 supporters of Centennial Hall and the performing arts came together to form the Alliance with members of Travel Juneau, the Chamber of Commerce, JAC, and The Partnership to pursue a joint vision of a shared convention center and performing arts space. The Assembly appropriated \$75,000 to flush out the idea. With a rough order of magnitude cost estimate of \$85M total project cost, it quickly became apparent that more time and resources needed to be invested into conceptual design to determine where spaces could be shared and savings could be had. The Assembly appropriated \$2M and gave direction to aim for a \$65M project. Through CBJ Engineering, the Alliance worked with JYW and Northwind Architects on six different design iterations before landing on the one before you today with a total project cost of \$75M (see floor plans attached).

Next Steps

There is \$1.8M left of the funds the Assembly appropriated for design. However, we are hesitant to move forward with design without securing significant funding for the project. The intent is to request \$10M from the State in 2023 and \$35 from the Federal Government, potentially over a 2 year period.

Availability	Confirmed		Future Requests
	Now	Near Term	At least 1 yr out
The Partnership Board		\$6	\$2
CBJ/ Alliance Congressional Request			\$35
CBJ/Alliance SOA capital req			\$10
CBJ Appropriation: Sales Tax/ Bed Tax		\$3	
CBJ Appropriation: Passenger Fees		\$10	
Rasmussen/Murdock Foundation			\$5
CBJ Appropriation: GF	\$2		
Other			\$2
Total (millions)			\$75