

City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

Cape Blossom Road and Port Project- Phase II

Project Information

Executive Summary - Cape Blossom Regional Port has been a goal for the Northwest Arctic since the 1970s. The purpose of the effort is to improve transportation efficiency and reduce safety risks during loading and unloading freight, eliminate the expense of barge lighterage services, and reduce the overall cost of transporting goods and services to 12 Northwest Arctic Borough (NAB) communities, including Kotzebue. Phase II is being funded with State funding to build the needed infrastructure to reach the anticipated port location. This funding will also include an estimated 300-foot-long bridge over Sadie Creek and the rest of the road to Cape Blossom Port. This portion of the project was put out to bid in the Spring of 2024. This funding request will be used local match funding for the Northwest Arctic Region to ensure that Phase II of the road is built.

Infrastructure Fund- Yes, the City of Kotzebue is applying for the infrastructure fund section of the FOA.

Program Area- Infrastructure, Surface Transportation

Distressed Communities/ Disadvantaged Communities- The City of Kotzebue is identified as a disadvantaged community according to Memorandum M-21-28.

Environmentally Threatened Communities

Environmental Threatened Category	Ranking
Erosion	Group 2
Flooding	Group 1
Permafrost	Group 1

Project Narrative

Community description, characterizing the community and population served by the proposed project.

The City of Kotzebue is located in Northwest Alaska and is about 30 miles above the Arctic Circle. Kotzebue is the hub community to 10 surrounding villages, and makes up about 40 percent of the region's population. Just like much of Rural Alaska, Kotzebue is not connected to the road system. The shipment of freight, such as heating fuel, groceries, and building supplies, becomes more expensive due to the remote location of the state. Cape Blossom Regional Road and Port project aims to lower the cost of living in Northwest Alaska by increasing access to barge services and eliminating lighterage fees. This project will lower the cost of infrastructure and the cost of fuel. The population of the city was 3,102 as of the 2020 census, down from 3,201 in 2010. The city has received an All-American City Award. Kotzebue is an:

- Area of Persistent Poverty: This project is located within a county (Northwest Arctic Borough). Census Tract 1 meets the designation of an Area of Persistent Poverty.
- Historically Disadvantaged Community: The project is located within the NANA Region, meeting the designation of any Tribal land.

Problem statement, describing why the proposed project is needed.

There are no roads or railroads that serve Kotzebue, so all goods must be flown in or barged. Shallow draft barges transfer fuel and freight 15 miles to shore, which adds a 25% cost to all materials and equipment brought into the community. Goods in the region are 61% higher than goods purchased in Anchorage, Alaska, the largest city in Alaska. Additionally, land availability at the current port is limited,

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and storage problems exist. There is a critical need for more fuel storage capability. A new port site at Cape Blossom would allow larger vessels to dock and provide room for expansion of fuel and other storage.

The project is intended to address shipping logistics and economic development issues for the region. The purpose of the Kotzebue to Cape Blossom Road is to provide access between Kotzebue and a future port site at Cape Blossom. Kotzebue serves as a transportation and economic center for Northwest Alaska. Nearly all regional supplies arrive in Kotzebue by ocean shipments between June and September. Deep draft marine freight vessels serving Kotzebue set anchor in 30 feet of water approximately 15 miles from shore at the north end of the Baldwin Peninsula. From these offshore anchorages, freight is then lightered by smaller vessels over shifting mudflats during incoming tides. In contrast to this current practice, waters 1 mile offshore of Cape Blossom are over 25 feet deep with no evidence of dynamic shoaling.

Project description, presenting the proposed project and how it addresses the problem/need

Kotzebue is the transportation hub and the largest of the 11 communities in the Northwest Arctic Borough (NWAB). The purpose of the Cape Blossom Road project is to improve transportation efficiency and reduce the cost of shipping freight between cargo barges and the NWAB communities. It will provide a critical link between Kotzebue and the future port site at Cape Blossom, as well as expand opportunities for land-use productivity and housing development, while providing increased access to traditional subsistence resources.

The Cape Blossom Road is designed for commercial freight transport and recreational uses with an estimated volume of 100 vehicles per day or less. The project will construct a two-lane gravel road 11 miles long, with a road surface width of 24 feet and side slopes 3:1 or steeper. Turnouts with ramps down to the tundra would be constructed along the road near traditional trail crossings and in other areas, respecting and contributing to Tribal access in the area. The project will include accessing local gravel for materials, further expanding transportation access in the region.

The project will construct an all-season transportation facility and freight-staging area, and provide access to a much needed barge-landing site. An all-season road would reduce the distance and cost for freight lightering, and provide multi-modal connectivity for deep draft barges, improving access and efficiency for transportation of freight and other commodities to Kotzebue and nearby communities in the NWAB. The project should result in more affordable goods and services to disadvantaged communities.

Impact/value statement, describing the impact and/or value of the proposed project to the community and population served

The project is identified as a regional priority needed to address transportation deficiencies and provide economic opportunities. The advancement of the road project is included in the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation (SAFETEA-LU 2005). The road will also open up areas for new housing. The region suffers from a shortage of housing and lacks land to build on. Some of the existing housing is threatened by eroding coast lines and will eventually be lost to the sea. In recent years, the airport has flooded and will eventually need to be relocated. The community has expansion plans to extend into the higher elevation areas to the east and south of Kotzebue.

The City of Kotzebue's Comprehensive Plan, the city's community planning document, explains the need for housing developments, along with the expansion of the sewer and water utilities, airport

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expansion/relocation, and the development of a small boat harbor. The road will open a whole new section of town to develop for housing away from the coastline with direct access to town.

Another need for the Cape Blossom Road is to provide access to private land holdings and for the community to develop recreation and subsistence areas. Also, Sadie Creek has been identified in public meetings as a potential recreational and subsistence area that would receive greater use if access was available year-round with the construction of a permanent bridge. A road to Cape Blossom would also allow access to private landholdings along the western coast of the Baldwin Peninsula, where current access is limited to four wheelers, snow machines, or boats. The road will also present an opportunity for comprehensive transportation safety planning.

Population served – this may include descriptions of improved sustainability and/or greater community resilience.

The USDOT Equitable Transportation Community (ETC) Explorer identifies Kotzebue's health vulnerability as 97%, well into the disadvantaged range, and its social vulnerability at 62%. These are strong indicators that reflect the challenges that this project is working to address. The outcome of the project targets no less than 40 percent of benefits towards disadvantaged communities. 100% of the community benefiting from the project is considered disadvantaged, based on the [White House guidance on Justice](#), which notes that all Federally Recognized Tribal entities are considered disadvantaged communities for the purposes of the Justice40 Initiative. This project falls within the Kotzebue ANVSA.

Without this project, Alaskans and companies will have reduced viability for access to and from the community and region. This will not only impact commerce but will put limitations on Alaskans from the southeast panhandle from having reliable and safe access to the central part of the state. That access may be required to maintain familial connections, exercise harvesting rights for native and non-native Alaskans, access to health care services only available in major centers and capitalizing on job opportunities that exist outside of their home communities. This project will serve an Area of Persistent Poverty, as the entire Northwest Arctic Borough (outside of city limits) is considered such, and 40% of goods brought into Kotzebue are distributed to surrounding communities.

Project purpose with problem it intends to solve and intended outcomes:

To reduce transportation costs the City of Kotzebue plans to construct an all-season access road from Kotzebue to Cape Blossom that would allow development of a deepwater port at Cape Blossom, eliminating the expense of barge lighterage service and expanding new opportunities for regional economic development such as natural gas exploration and fish processing. This project would facilitate freight movement from barges landing at Cape Blossom. The gravel staging pad would accommodate temporary parking of vehicles, equipment, freight, and supplies being transported to or from Kotzebue via barge.

Scope of Work

Project Background: DOT&PF completed the Kotzebue to Cape Blossom Road Reconnaissance Study in 2011. The Federal Highway Administration (FHWA) reviewed the study and gave DOT&PF the approval to move forward with this project. This project is shovel-ready. The project has completed the required environmental documentation under the NEPA and is now moving forward through final design. The initial Environmental Assessment (EA) and Finding of No Significant Impact (FONSI), as well as a 2017 EA Re-Evaluation outlining minor design revisions, are available at DOT&PF's [project website](#).

The City of Kotzebue has already obtained \$17 million in funding for studies and construction. Local entities have spent \$10 million for material hauling and staging. DOT&PF has \$20.5 million in the draft

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STIP. Cape Blossom was selected as “the best location to develop a deep-water port.” DOT&PF completed Stage 1 with \$30 million in expenditures, which delivered road access to Sadie Creek. Other reports have been completed evaluating the feasibility of a port at Cape Blossom by the Corp of Engineers since the 1980s, but those reports are not as comprehensive or as broad in scope. The most recent studies conducted by the Corp of Engineers focus on port developments, not road development. A plan and profile index map is included as [available information](#).

This project has been underway in Northwest Alaska since 2013. In the summer of 2023, Phase I of Cape Blossom Road was completed. This portion of the road is 5 miles long and stops at Sadie Creek. The Cape Blossom Road is designed for commercial freight transport and recreational uses with an estimated volume of 100 vehicles per day or less. The project will construct a two-lane gravel road 11 miles long, with a road surface width of 24 feet and side slopes 3:1 or steeper. Turnouts with ramps down to the tundra would be constructed along the road near traditional trail crossings and in other areas, respecting and contributing to Tribal access in the area. The project will include accessing local gravel for materials, further expanding transportation access in the region.

The project will construct an all-season transportation facility and freight-staging area, and provide access to a much needed barge-landing site. An all-season road would reduce the distance and cost for freight lightering, and provide multi-modal connectivity for deep draft barges, improving access and efficiency for transportation of freight and other commodities to Kotzebue and nearby communities in the NWAB. The project should result in more affordable goods and services to disadvantaged communities.

Impact and value of the project

Traveling in northern Alaska can present unique challenges due to the remote and harsh environment. The current safety challenges are multi-pronged: 1) the City is working to reduce the total marine exposure experienced by freight traffic, who move goods 15 miles over water in often uncertain and treacherous conditions, and 2) improve local road conditions for subsistence users who otherwise navigate over ever-changing permafrost. Safety challenges depend on the time of year and weather conditions.

Kotzebue currently has a small docking area located in front of town. The dock consists of a 250 foot long "tied back" bulkhead. The sheet pile structure is located on the town's waterfront, where the water depth is about eight feet. During the summer, barges deliver vehicles, petroleum products, building supplies, and other items to the town, where they are then distributed to surrounding villages. Kotzebue Sound is too shallow for the barges to come up on the dock. Instead, barge tugs drive out to where the barge is anchored, some 13-15 miles away from the town, and supplies are then transferred from the tug to the main dock. A large crane is stored on the barge, which is used to load goods and takes up a large amount of space. This time-consuming process can be delayed further by adverse weather conditions, and drifting ice floes. Compulsory pilotage is required for vessels larger than 300 GRT or longer than 65 ft. (although there are exemptions for vessels up to 175 ft.). These vessels must contact the Alaska Marine Pilots when sailing to Kotzebue.

NOAA's Coast Pilot reads, "During ice-free months privately maintained buoys mark the entrance to the navigation channel. The channel is difficult to follow and is restricted to vessels with drafts under 6 feet... The trip by small boat from the anchorage to Kotzebue is about 15 miles and over many sandbars that are constantly shifting." The Coast Pilot also describes the local draw down condition, including observations of draw down and ebbs and flows at Cape Blossom.

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The village of Kotzebue has a population of 3,245 (US Census Bureau, 2016), and has 604 registered snowmachines and only 372 passenger cars. These vehicles serve various purposes like hunting, recreation, and daily chores, making them popular among rural residents. However, their use alongside other modes of travel on roads and public facilities poses safety risks. About a quarter of all traffic-related crashes in Kotzebue, with only 4,000 residents, involve snowmachines or ATVs, with 21 crashes due to speeding ATVs on city streets in the last four years alone (Native Village of Kotzebue, 2015). For villages like Kotzebue, where all-terrain vehicles and snow machines are often the only travel option, they fulfill basic mobility needs for residents. The coexistence of these vehicles raises safety concerns, especially in mixed-use environments. Addressing these issues is crucial to ensure the safety of residents who rely on these vehicles for transportation in rural Alaska.

Concise scope of work, outlining step-by-step tasks using verbs describing accomplishments.

Phase I Completion: Phase I of the project, completed in the summer of 2023, involved the construction of a 5-mile section of Cape Blossom Road leading up to Sadie Creek.

Phase II Objectives: Phase II of the project focuses on achieving the following objectives:

- Building a bridge over Sadie Creek to connect Phase I with the anticipated port location.
- Constructing the remaining portion of Cape Blossom Road to facilitate access to the regional port.
- Conduct an economic study for Cape Blossom Road and Port to assess economic benefit of the port.
- Developing the regional port authority to oversee Phase III for planning and design.

Project Timeline:

Phase II of Cape Blossom Regional Road and Port project was put out to bid in the spring of 2024. The project will be slated for construction in the summer of 2025.

Key Deliverables: The scope of work for Phase II includes but is not limited to:

- Place Request for Proposals out through the State of Alaska Department of Transportation.
- Bridge construction over Sadie Creek to ensure uninterrupted connectivity.
- Road construction to extend Cape Blossom Road to the designated port site.
- Port facility development to enhance barge services and eliminate lightering fees.
- Installation of necessary infrastructure to support the port operations, including storage facilities, docking areas, and utilities.

TASKS - YEAR 1	DURATION DAYS	DURATION WEEKS	PRODUCTION PER SEASON
Mobilization to Kotzebue	24	4	NA
Survey ROW for Ice Roads	20	3	10 Miles
Frost packing and Snow Fence	35	6	10 Miles
Ice Access Road to Mine Site (Land Based) Build and Operational	35	6	10 Miles
Ice Access road to Water Sources (Land Based)	11	2	3 Miles
Water/Ice Source Development (Duration of Ice road use)	126	21	6 M Gal
Ice Work Pad Construction	6	1	11,000 sf
Clear Mine Site (Remove Overburden and Silt)	72	12	300,000 cy
Build Temporary Facilities (North and Primary Pads)	6	1	11,000 sf
Develop Pit	29	5	131,250 sf
Mine/Process Gravel (Time includes Blasting)	0	0	0 cy

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Haul/Place Silt and Gravel (Double shift)	72	12	300,000 cy
Close pit for Season (Date based on weather conditions)	15	3	NA
TASKS - YEAR 2			
Survey ROW for Ice Roads (Check staking from last season)	20	3	10 Miles
Frost packing and Snow Fence	35	6	10 Miles
Ice Access Road to Mine Site (Land Based) Build and Operational	35	6	10 Miles
Ice Access road to Water Sources (Land Based)	11	2	3 Miles
Water/Ice Source Development (Duration of Ice road use)	126	21	6 M Gal
Ice Work Pad Construction	6	1	11,000 sf
Clear Mine Site (Remove Overburden and Silt)	19	3	80,000 cy
Build Temporary Facilities (Material Storage Pad)(Refresh)	6	1	11,000 sf
Develop Pit (Continue Cell Development)	29	5	131,250 sf
Mine /Process Gravel (Includes Blasting Time)	53	9	220,000 cy
Haul/Place Silt and Gravel (Double shift)	72	12	300,000 cy
Close pit for Season (Date based on weather conditions)	15	3	NA
Demobilization from Kotzebue	24	4	NA

Cost Management: The project will adhere to budgetary constraints outlined by the State of Alaska, with a focus on cost-effective solutions without compromising on quality and safety standards. The City of Kotzebue has already obtained \$17 million in funding for studies and construction. Local entities have spent \$10 million for material hauling and staging. DOT&PF has \$20.5 million in the draft STIP. Cape Blossom was selected as “the best location to develop a deep-water port.” DOT&PF completed Stage 1 with \$30 million in expenditures, which delivered road access to Sadie Creek. Other reports have been completed evaluating the feasibility of a port at Cape Blossom by the Corp of Engineers since the 1980s, but those reports are not as comprehensive or as broad in scope. The most recent studies conducted by the Corp of Engineers focus on port developments, not road development. A plan and profile index map is included as [available information](#).

Stakeholder Collaboration: Collaboration with stakeholders, including local communities, government agencies, contractors, and regulatory bodies, will be integral to the successful execution of the project. Currently our stakeholder team includes the State of Alaska Department of Transportation, Northwest Arctic Borough, NANA Regional Corporation, Kotzebue IRA, and Kikiktagruk Inupiat Corporation.

DOT&PF completed the Kotzebue to Cape Blossom Road Reconnaissance Study in 2011. The Federal Highway Administration (FHWA) reviewed the study and gave DOT&PF the approval to move forward with this project. This project is shovel-ready. The project has completed the required environmental documentation under the NEPA and is now moving forward through final design. The initial Environmental Assessment (EA) and Finding of No Significant Impact (FONSI), as well as a 2017 EA Re-Evaluation outlining minor design revisions, are available at DOT&PF’s [project website](#).

Environmental Considerations: The project will comply with environmental regulations and incorporate sustainable practices to minimize ecological impact during construction and operation. The permit needs include:

- Update to the USACE permit for an additional 45.7 acres of impact

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- Title 9 Major Use Permit from Northwest Arctic Borough.
- Land use permit from the Department of Natural Resources (DNR) Division of Mining, Land, and Water.
- Temporary water use authorization from DNR.
- Possible hydrology and hydraulics and fish data on lakes used for water extraction.

NEPA Status: A Finding of No Significant Impact (FONSI) was obtained by the Federal Highway Administration in 2015.

Monitoring and Evaluation: Regular monitoring and evaluation will be conducted throughout the project lifecycle to assess progress, address challenges, and ensure timely completion within specified parameters.

Project Completion: Upon completion of Phase II, the Cape Blossom Regional Road and Port project aims to significantly reduce the cost of living in Northwest Alaska by lowering infrastructure costs, enhancing access to essential services, and optimizing transportation of goods through expanded barge services.

Organization, Capacity, and Delivery Method

Description of the applicant's organization, including its structure, leadership, relevant programs, and unique perspective/expertise.

The City of Kotzebue is a municipality in the Northwest Arctic Borough. We serve 3,200 residents within the municipality, but many of our services are region wide. The City of Kotzebue has a city council to city manager structure in which the city council hires a city manager to oversee all operations. The City of Kotzebue oversees city hall, capital projects/ planning department, parks and recreation, fire department/ emergency medical services, police department, public works, and a distribution store.

DOT&PF is delivering this project. DOT&PF are highly experienced and intimately familiar with this project's local conditions and needs. DOT&PF's project development staff comprises 75 persons, including materials and geotechnical engineers, environmental and right of way professionals who can navigate and achieve the required support products according to all Federal regulations and requirements. DOT&PF staff are knowledgeable about federal requirements, including Build America stipulations. The proposed project will be administered by the Alaska DOT&PF. DOT&PF is the owner-operator of the Alaska Highway, responsible for all maintenance costs and activities as well as management authority for design and construction of the proposed project. For many years, the DOT&PF and the FHWA have operated under an executed Stewardship and Oversight Agreement where the DOT&PF has assumed stewardship and oversight responsibilities of federal funding, including Title 23 funds from the FHWA.

Summary of the organization's experience managing federal grant programs and/or similar projects, including the experience of key personnel (resumes may be included in the appendix).

The City of Kotzebue and DOT&PF have extensive experience working legal, financial, and technical aspects of federally funded projects, including grant administration. DOT&PF has a successful track record in delivering FHWA Grant projects on time and within the Scope, Schedule and Budget. City Manager Tessa Baldwin, and the Finance Director Chelsea Sieh, will be responsible for City grant and project management. Their resumes are included in the appendix.

Description of the delivery method, describing how the tasks outlined in the scope of work will be carried out and by whom (information about contractors may be included in the appendix, as appropriate).

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The City of Kotzebue will oversee the grant, including delivery of the project by DOT&PF.

Partnerships and Leveraged Funds

All project supporters and stakeholders, including loans, funding from other sources, and in-kind participation.

For years, the City has established formal public-private partnerships and joint ventures to expand and create new infrastructure and develop economic development. For example, the City is currently building a new \$1.5MM washeteria and public shower facility for the community of Kotzebue with a grant received in August 2022. In addition, several of these supporting entities have contributed funding resources to studies and reports that have established a foundation for this vision to proceed. After many years of working together, NANA, NAB, and other entities are prepared to continue this effort, as demonstrated by their letters and resolutions of support.

Clarify secured or pending partnerships.

Phase II is funded by the State of Alaska capital funds through Congressionally Designated Spending of \$26 million dollars. The phase will focus on building the bridge over Sadie Creek and to the anticipated port location. Phase II of Cape Blossom Regional Road and Port was put out to bid in spring of 2024.

In addition, The City of Kotzebue has secured \$500,000.00 from the State of Alaska capital project budget in 2023. This funding is being used to develop a port authority and an economic study. We are currently in the beginning phases of an economic study contracting through DOWL Engineering. In addition, we have worked on developing the Regional Cape Blossom Committee made up of the Northwest Arctic Borough, Kikiktagruk Inupiat Corporation, NANA Regional Corporation, Kotzebue IRA and the City of Kotzebue. Lastly, the City of Kotzebue was awarded \$2,455,000 from the United States Department of Transportation Port Infrastructure Development Program (PIDP) grant to start Phase III of planning and development of the port, a separate but complementary project.

All work to date, for example, funding, community plans, letters of support, agreements with other parties, and/or prior completion of tasks or phases that support the current phase of the project.

The following list of entities have provided the City with letters of support and resolutions to confirm their continued commitment to this project.

- Alaska Congressional Delegation: Senator Lisa Murkowski, Senator Dan Sullivan, and Representative Marry Sattler Peitola.
- Alaska State Representative Josiah Patkotak and Senator Donald Olson.
- DOT&PF, Commissioner Ryan Anderson. For over a decade, the DOT&PF has been working with the City of Kotzebue and the Northwest Arctic Borough to collaboratively fund the first stage of construction of Cape Blossom Road.
- NAB, Dickie Moto, Sr., Mayor. Home rule regional government.
- NANA Regional Corporation, John Lincoln, President/CEO. NANA is the region's Alaska Native corporation, formed as a result of the Alaska Native Claims Settlement Act (ANCSA), which was passed by Congress in 1971.
- Native Village of Kotzebue (Kotzebue IRA), Sitkauraq Whiting, Executive Director. The Federally-recognized Tribal government representing the Qikiktagrukmiut, the original inhabitants of the area of northwest Alaska surrounding modern day Kotzebue (Qikiktagruk).
- Maniilaq Association, Tim Gilbert, President/CEO. Maniilaq Association represents twelve federally recognized tribes located in Northwest Alaska.
- Noorvik Native Community, Wilbur Howarth, Sr., President.

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- Northwest Arctic School District (NWASD), Terri Walker, Superintendent and Margaret Hansen, School Board President.
- Alaska Commercial Grocery, Walt Pickett, General Manager.
- Red Dog Mine, Les Yesnik, General Manager, Red Dog Operations.
- Vitus Marine, Justin Charon, CEO.

Future (planned) work with partners to manage and complete the project, including plans for future operations and maintenance.

Proper maintenance is essential to ensure the road's usability and safety and this project will ensure a state of good repair by delivering an active maintenance plan that includes:

1. Regular grading of the gravel surface is crucial to keep it smooth and free from potholes and washboarding caused by the freeze-thaw cycle. The City's graders will be used to level the surface, redistribute gravel, and fill in any depressions.
2. Gravel roads can experience significant wear and tear due to the effects of freezing and thawing. Adequate supplies of gravel will be stockpiled at City reserves for quick repairs.
3. During the warmer months, gravel roads can generate dust and become susceptible to erosion due to rain and melting snow. Applying dust suppressants or watering the road can help control dust and stabilize the road surface, which is a common strategy of the City for all roads.
4. In winter, heavy snowfall can cover gravel roads, making them impassable. Snow removal equipment such as plows are used to clear the road. Regular snow removal helps maintain access to communities and resources, improving safety as well.
5. Ice buildup on gravel roads can make them extremely hazardous. Sand is commonly used to improve traction, with salt an inappropriate method in this fragile environment.
6. Proper drainage is crucial to prevent water from pooling on the road and causing erosion or freezing. Maintaining culverts and ditches is essential to ensure proper water flow.
7. Road maintenance equipment and vehicles need to be winterized to function in extreme cold temperatures. Adequate city shelters and storage facilities are in place to protect equipment from the elements.
8. Regular inspections are necessary to identify issues such as road damage, erosion, or drainage problems. Use of technology, such as remote cameras or weather sensors, can aid in monitoring road conditions. The City will work with DOT&PF to invite drone operations to assist in this, based on their recent SMART award for DOT&PF's ARROW project.
9. Effective maintenance of gravel roads in arctic conditions requires collaboration between local authorities, transportation departments, and community members. Comprehensive winter and maintenance plans are in place to address the challenges posed by the harsh climate.

Creative approaches to partnerships that go beyond financial commitment, including community outreach, leveraged resources, or other in-kind support that demonstrate breadth of support.

The City has collaborated alongside a broad range of stakeholders who have provided input into this project; the City has received Letters of Support from diverse people, private entities, and regional communities, from local, regional, State, and Federal levels, from education agencies, community-based organizations, health organizations, Tribal governments, and barge companies. Commitment for this project is also demonstrated from across the region from Tribal governments, Tribal corporations, and local businesses enterprises. These long-term partnerships have demonstrated interest and support for this project to achieve the proposed local and regional benefits, and the public has, for many years, engaged in the planning process through many meetings conducted for studies and research. This project will continue to support and engage diverse people and communities to ensure equity

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considerations for underserved communities are meaningfully integrated throughout the lifecycle of the project and are integrated into all stages of the port development. During the feasibility study process, the City will coordinate with other types of industry to discuss the potential for positive economic development, commercial or residential development near the terminus, and power/electric infrastructure agencies such as the Kotzebue Electric Association.

Program Specific Evaluation Criteria

Enables regional connectivity and supports opportunities for multi-modal transportation connections.

This project will increase the safe delivery of essential goods that are critical for quality of life in Alaska, such as food, fuel and consumer goods that support the local economy and small and medium sized businesses. This project will reduce freight-shipping costs into Kotzebue and the region. The current method of lightering goods and supplies from 15 miles off-shore has increased freight costs by at least 25%. The missing link for this region is a more direct cost-saving route to get goods and supplies into Kotzebue. This project will allow for the development of a barge-landing site at the road terminus of Cape Blossom, and is part of the City of Kotzebue 2012 Comprehensive Plan. The Cape Blossom Road will eliminate the need for the expense of barge lightering service and allow resources to be exported from the region.

This project will directly increase intermodal and multimodal freight movement. Beyond resident use that includes four-wheelers, snowmachines, bicycles, and pedestrian, the eventual port development facilitated by this project will 1) expand options for movement of goods and materials to the region's villages; 2) evaluate fuel and freight costs; 3) collaborate with state and federal agencies to collect data, evaluate climate change rates and impacts; and 4) develop sustainable port requirements. The entire region supports the concept of increasing multimodal freight movement and the movement of supply chains through and to the villages. More goods and supplies arriving in Kotzebue at more reasonable costs will reduce the transactional costs and encourage development of businesses and infrastructure in the region, and community members can use the road's terminus to access increased subsistence activities.

Improves community health and safety.

Road safety benefits will stem from various factors such as road design, maintenance, traffic regulations, and community engagement.

- Design elements focus on the safety benefits of building on permafrost, where current conditions endanger residents who transit the area on four-wheelers or snowmachines. The tundra is susceptible to sinking and ponding that increase safety risks. The project's design includes significant strengthening of the surface for safe transportation.
- There is limited maintenance of the service road that extends to the wind farm by the utility, but the City of Kotzebue will take this over on a more regular and responsive basis for this extended public route.
- Traffic regulations are responsive to rural conditions and multi-modal users. Road traffic is expected to be commercial, as well as utility services, alongside resident users traveling on alternative transportation to visit nearby communities or participate in hunting and gathering activities (cultural subsistence) on overland routes.
- Community engagement has been critical to the project's development, with a road to and port at Cape Blossom part of community and regional planning documents for decades. Residents continue to cite safety benefits as part of this future development.

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A U.S. Army Corps of Engineers (USACE) feasibility study (2019) discussed the safety benefits of Cape Blossom development and the safety concerns of subsistence users in the region by noting that there are subsistence benefits from not having to sail around the tip of the Baldwin Peninsula if inclement weather were to occur while hunters are in the Cape Blossom area. By including a boat ramp in the project's design, opportunities are increased for additional subsistence resource use. Should inclement weather arise, the boat ramp also promotes security, health, and safety by providing mariners a safe spot where they can pull their vessels out of the water instead of having to motor around Cape Blossom. Increased security, safety and subsistence are publicly significant in Alaska and were considered important during the USACE focus group interviews in Kotzebue.

NOAA's Coast Pilot reads, "During ice-free months privately maintained buoys mark the entrance to the navigation channel. The channel is difficult to follow and is restricted to vessels with drafts under 6 feet... The trip by small boat from the anchorage to Kotzebue is about 15 miles and over many sandbars that are constantly shifting." The Coast Pilot also describes the local draw down condition, including observations of draw down and ebbs and flows at Cape Blossom.

Improves access to services (e.g., solid waste disposal site, sewage lagoon, water source, health care facility, airport, or port).

Without this project, Alaskans and companies will have reduced viability for access to and from the community and region. This will not only impact commerce but will put limitations on Alaskans from the southeast panhandle from having reliable and safe access to the central part of the state. That access may be required to maintain familial connections, exercise harvesting rights for Native and non-Native Alaskans, access to health care services only available in major centers and capitalizing on job opportunities that exist outside of their home communities. This project will serve an Area of Persistent Poverty, as the entire Northwest Arctic Borough (outside of city limits) is considered such, and 40% of goods brought into Kotzebue are distributed to surrounding communities.

This project will continue to support and engage diverse people and communities to ensure equity considerations for underserved communities are meaningfully integrated throughout the lifecycle of the project and are integrated into all stages of the port development. During the feasibility study process, the City will coordinate with other types of industry to discuss the potential for positive economic development, commercial or residential development near the terminus, and power/ electric infrastructure agencies such as the Kotzebue Electric Association.

Supports planned land use, and the pursuit of housing and economic development opportunities.

After the port is built, significant regional improvements in economic strength and opportunity will increase the economic productivity of land, and capital; will include creating and expanding high-quality, good-paying jobs with relevant training opportunities; and improve the economic strength of the Northwest Arctic Borough. Increased transportation connectivity from the lower-48 will revitalize underserved and disadvantaged communities in the region and increase affordable housing options with affordable freight costs. A road to Cape Blossom can also significantly reduce fuel and freight costs for residents in the NAB, as future development occurs. In addition, the site's development would provide benefits for the local salmon fishery, improved access to local gravel sources, and increased economic opportunities like cruise ship port calls (Arctic tourism is increasing) and tourists and provide access to mineral resources that are available near Kotzebue. Upland development for the port operations and a need for other support facilities may result in decisions to support equitable commercial and mixed-income residential development closer to the port.

City of Kotzebue 2024 Application for the Denal Commission Funding Opportunity

Cape Blossom Road and Port Project- Phase II

Budget / Resources

Tessa Baldwin, City Manager, tbaldwin@kotzebue.org, 907-412-3571.

Personnel: City of Kotzebue has budgeted for an FTE to participate in all aspects of project management, estimated to be \$123,950.

Fringe: The City's fringe rate of 31% includes retirement and healthcare benefits, PTO, insurance, etc.

Travel: No travel is needed by the City for this local project.

Equipment: No equipment over \$5,000 will be purchased as part of this project.

Supplies: No supplies will be purchased as part of this project.

Contractual: City of Kotzebue has budgeted \$100,000 to support city project management needs, including any additional feasibility or benefit cost analysis needed to complete the project. This line item is based on historical costs of similar services.

Other: This project will be delivered by Alaska DOT&PF, which has completed a detailed budget that includes all construction needs. DOT&PF has included 25% contingency due to supply chain and inflationary risks involved, embedded within current cost estimates. DOT&PF provided preliminary construction costs for excavating, hauling, and placing the material. Cost estimates were developed for each phase and season, activities that are described in the project schedule. The costs are based on a 10-mile road, Davis Bacon and union labor rates, and include mobilization costs from Anchorage or Seward to Kotzebue. Basis of cost estimate has been developed using itemized quantities and adjusted historical costs based on past bid results and includes built in contingency levels and risk mitigation measures. While construction costs can vary widely depending on the economic climate, our confidence in the cost estimating work to date is relatively high, especially with the involvement of the CMGC. That budget is included in the appendix.

Indirect Charges: City of Kotzebue is waiving its indirect rate to maximize the funding that will go to this project, and acknowledging the ICAP rate embedded in DOT&PF's budget.

"Budget by Cost Category"

Cost Category	Total
Personnel	\$123,950
Fringe	\$38,425
Travel	\$0
Contractual	\$100,000
Other	\$53,401,977
Subtotal	\$53,664,352
Indirect	Waived
Total	\$53,664,352

"Budget by Task"

Budget by Task	
Project Management	\$262,375
Construction	\$53,401,977
Total	\$53,664,352

"Funding Summary"

Denali Commission	\$ 2,000,000
Applications pending	\$ 24,064,352
Federal CDS	\$ 27,600,000
Total	\$ 53,664,352