

\$10 million state grant for port expansion looks safe

By Anna Lionas

Grant money from the Alaska Legislature for the Port of Nome expansion was at risk of being clawed back last month, but is now likely safe, and was removed from the budget as a fund reappropriation.

The move to pull back \$10 million of the \$175 million awarded to the City of Nome by the Legislature in 2022 left leadership in Nome temporality reeling, as the funds were being actively drawn upon to pay for the bidding process of Phase 1A of the expansion project.

The grant for the port expansion was one of numerous other projects with funds identified as available for

the state to reappropriate as a state match by the Department of Transportation and Public Facilities to receive federal highway funds.

But according to project manager for the project and acting Port Director Joy Baker, that money was not sitting idle. "We are actively using those and have contractual obligations tied to those monies," Baker said.

On the State of Alaska Office of Management and Budget website the Capital Appropriation Status Report shows there is no "unobligated" money in the port expansion project fund, meaning it's all being used.

During a House Finance meeting Rep. Will Stapp (R-Fairbanks)

pointed this out and days later a new draft of capital projects was released with the port money reappropriation removed. The budget is still working its way through the House. The House and Senate both must agree on one version of the bill before it's transmitted to the Governor.

Accounting explained

Of the \$175 million appropriated, \$162 million was in a bank account for the U.S. Army Corps of Engineers to draw from to award the first phase of the project. That covers both the city's required 10 percent cost share for the general navigation features of the project and the city's responsibility to pay for local service

facilities (docks, roads, utilities etc.) costs.

Since the grant was awarded to the city, \$2.4 million was spent on design cost-share requirements and design engineering for the local service facilities, Baker said.

The remaining \$10.6 million still in state coffers – of which the state was poised to take \$10 million of – is being actively drawn on to pay for design for upcoming phases and inspection during the Phase 1A construction.

Bidding process

In October last year the Army Corps cancelled the bidding process for Phase 1 after receiving only one

bid at a price too high for the statutory limit. The Corps reassessed the first phase of the project, splitting it into two parts.

Bid offers for Phase 1A of the project were due April 28. The Army Corps is set to award the project to a contractor in late summer or early fall.

The estimated cost of Phase 1A is between \$250 and \$500 million according to the contact announcement on Sam.gov.

The plan for Phase 1A is to remove the spur breakwater at the end of the causeway, extend it and the road by 1,200 feet, adding a 600-foot open cell sheet pile dock.