



Municipal Ports and Harbors

An Overview

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“Strengthening Alaska’s
Local Governments”

Municipal Perspective

- Municipalities own and maintain 112 of Alaska's 133 ports and harbors, or 84% of the coastal infrastructure.
- Responsibilities of the locality range from police to hospitals, water and wastewater to schools – ports/harbors are often enterprises of the municipality.
- Ports and harbors facilitate economic activity, defense, infrastructure development, and public health and safety.

Table 4. Marine Facilities by Community

Region	Ports	Harbors	Docks	Mooring Buoys and Other Facilities	No Marine Facilities
	Percent of Respondent Communities with Facility Types				
Southeast	16	45	61	42	3
Prince William Sound	20	40	100	40	20
Southcentral	19	6	44	19	38
Southwest	16	36	56	28	32
Yukon-Kuskokwim	0	0	33	20	47
Northwest	7	7	7	20	60
Arctic	0	0	0	100	0
Interior	7	0	7	29	64

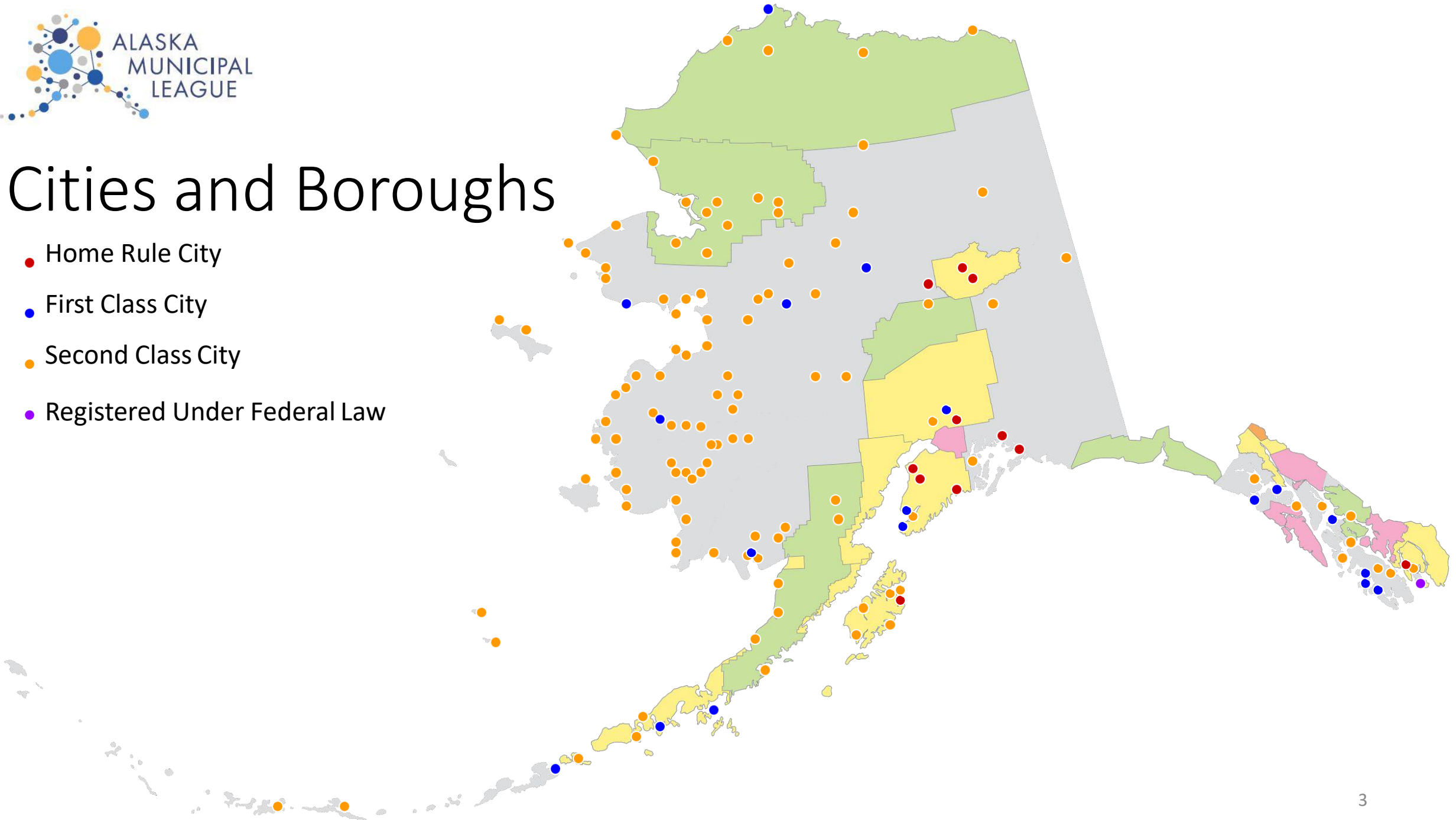
Source: Northern Economics, Inc. using USACE, 2010

Note: Rows do not total to 100 percent because a community may have more than one type of facility.



Cities and Boroughs

- Home Rule City
- First Class City
- Second Class City
- Registered Under Federal Law



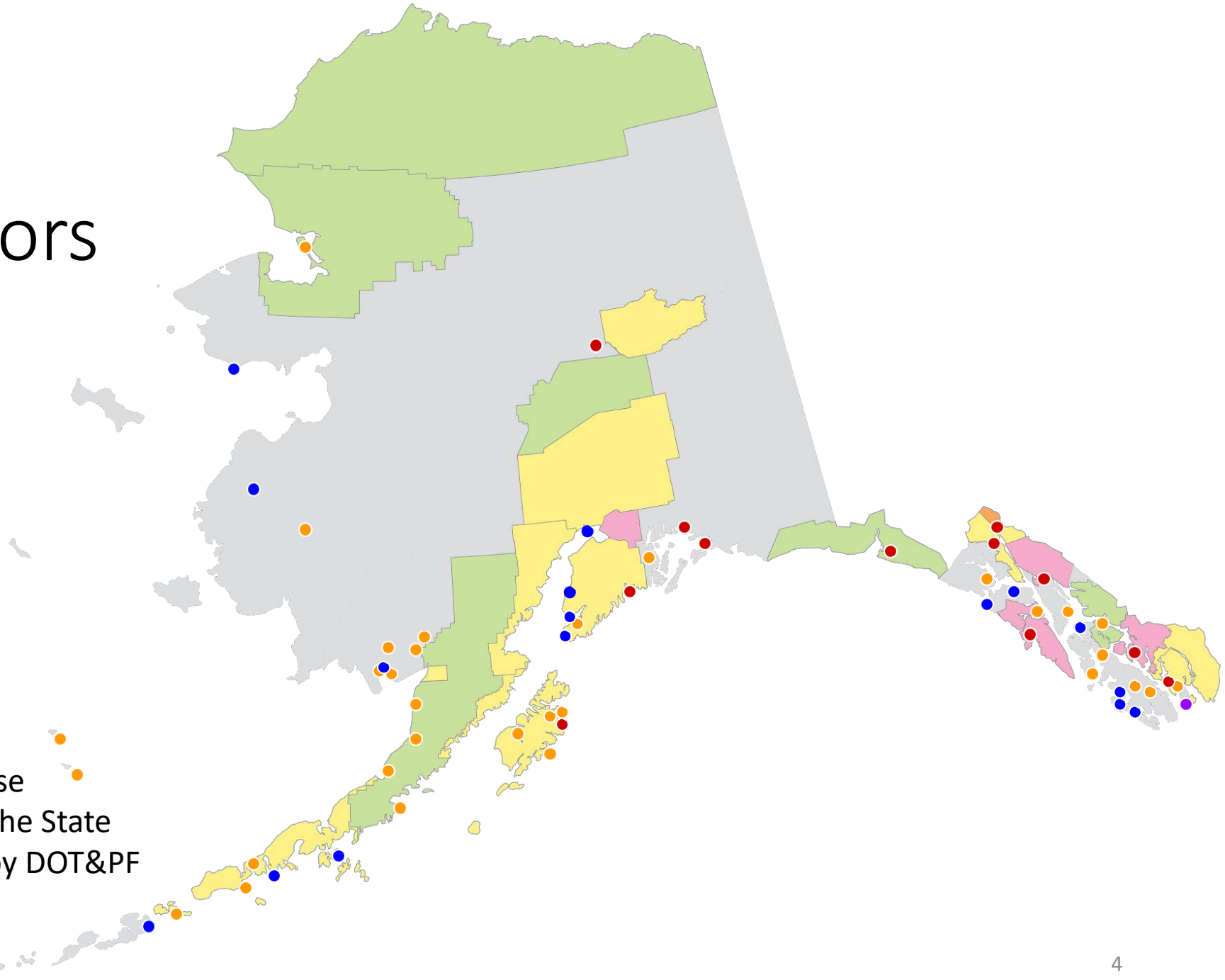
Ports and Harbors

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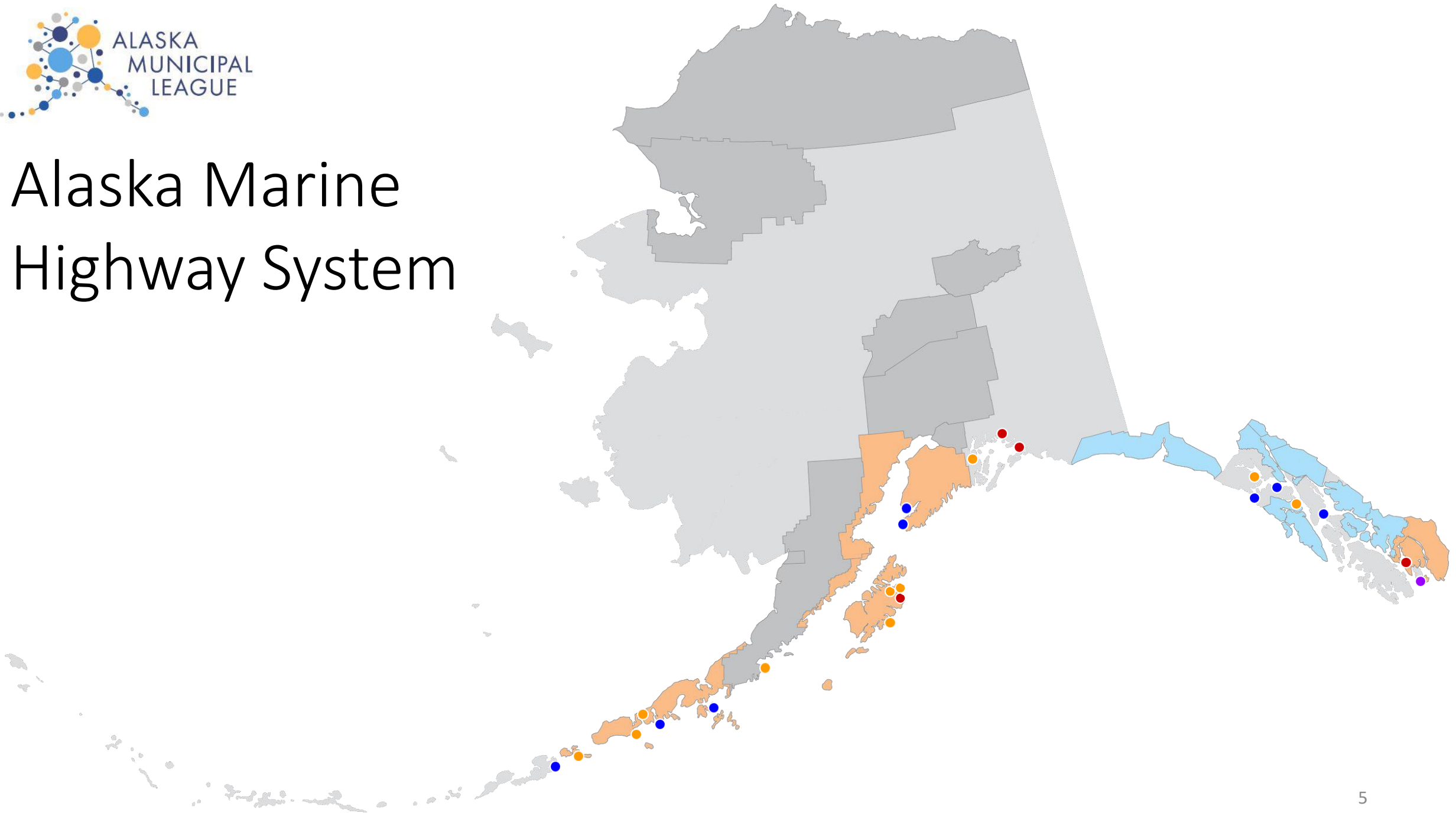
Ports and Harbor Planning

133 Public Ports and Harbors in Alaska

- Local governments own 117 of those
- 27 of those were never owned by the State
- 82 municipal facilities transferred by DOT&PF
- State owns 15 harbors; no ports



Alaska Marine Highway System



Indirect Benefit

658,959
Alaskans

Chart 14. Top 10 Alaska Communities Visited by Non-Resident AMHS Passengers, 2011

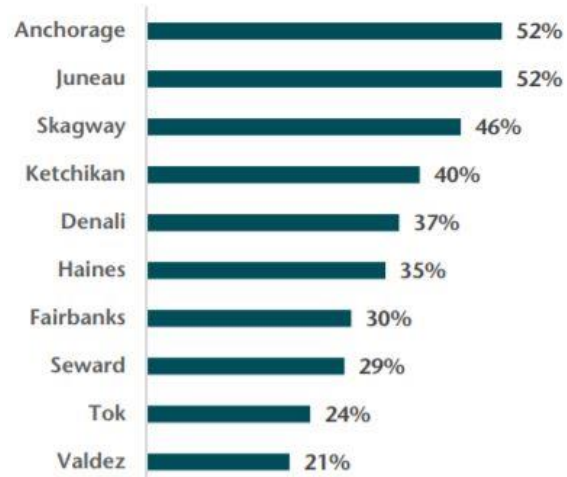
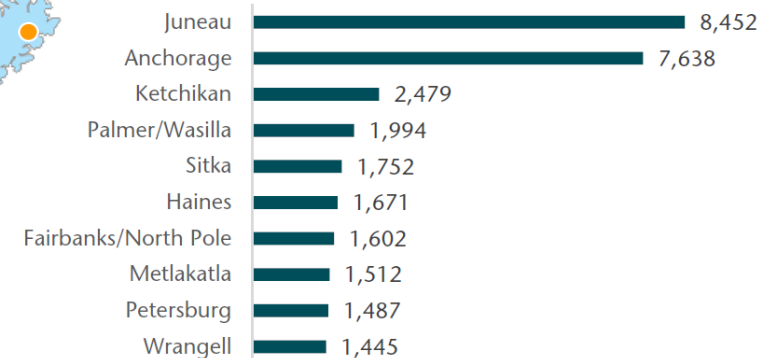


Chart ES-2. Number of AMHS Trips Booked by Community of Residence, Top 10, 2014



Value of Port Communities

106 cities served only by air

- 62,795 residents
- 1,064 employees
- \$54 million in taxes
- \$137 million budgets
- Tax as % of budget = 39%
- \$6.5 million to education
- 43 have police powers (40%)
- 34 are PERS employers (32%)
- 94 receive a total of \$16.3 million in PCE
- \$25 million in Bond debt
- \$4.2 million in fisheries taxes

33 AMHS port communities

- 119,170 residents
- 2,275 employees
- \$332 million in taxes
- \$584 million budgets
- Tax as % of budget = 56%
- \$73 million to education
- 20 have police powers (60%)
- 25 are PERS employers (75%)
- 15 receive \$3.7 million in PCE
- \$720 million in Bond debt
- \$24 million in fisheries taxes



Statewide Planning

- Federal CFR450 “Each State shall carry out a continuing, cooperative, and comprehensive statewide transportation planning process that provides for consideration and implementation of projects, strategies, and services”
 - Coordinate planning carried out under this subpart with the metropolitan transportation planning activities
 - Cooperate with affected local elected and appointed officials with responsibilities for transportation, or, if applicable, through RTPOs
- LRTP 1.3 “Continue to participate in U.S. Army Corps of Engineers ports planning and federal efforts to monitor and plan for increased Arctic maritime traffic and the transportation infrastructure needs that it may generate for Alaska.”
- Alaska Statute 44.42.050 – State Transportation Plan “(d) The commissioner shall develop a list of projects scheduled for design, construction, or other necessary activities for a period of not less than two years that is consistent with the plan developed...”
- STIP “is the state’s four-year program for transportation system preservation and development. It includes interstate, state, and some local highways, bridges, ferries, and public transportation needs, but does not include airports or non-ferry-related ports and harbors.” Ferry assets included are specific to ferry needs; airports are addressed in the AIP.

Port and Harbor Funding

State Funding for Coastal Infrastructure

- AMHS terminals (STIP): \$68.25 million (out of \$4.8B plan)
 - No other port and harbor improvements

Municipal Harbor Facility Matching Grant Program (AS 29.60.800)

- DOT&PF role to accept, review, score and rank applications
- Municipalities commit to 100% of design cost, and 50% of construction cost
- Ports and Harbor Matching Grants (2007-2019)
 - Requested: 98 Awarded: 45
 - \$199,273,401.50 (of \$398,546,803)
 - Total harbor grants awarded - \$84,529,551.00
- FY22 request of \$14 million with matching funds
 - City of Cordova
 - City and Borough of Sitka
 - City and Borough of Juneau
 - City of Seward
 - City of Sand Point

Transportation and Infrastructure Debt Service Reimbursement (TIDSRA)

- Created by law (HB528) in 2002; commitment to 100% reimbursement for limited list of projects

“The port and harbor facilities described in sec. 4 of this Act that are currently owned by the state are in need of substantial investment in capital maintenance and upgrades. (b) The legislature intends to provide for the required investment, and intends transfer of ultimate ownership of and responsibility for the state-owned port and harbor facilities to the municipalities in which they are located.”

TIDSRA/HB528 Municipal Projects	Vetoed FY21	DebtFY20
Mat-Su –port/road upgrade	\$710,563	\$4,972,002
Aleutians East – False Pass harbor	\$168,001	\$2,867,653
City of Valdez - harbor	\$207,500	\$2,730,534
Aleutians East – Akutan harbors	\$212,748	\$3,604,242
Unalaska – harbor improvements	\$366,695	\$6,624,136

Reimbursement not included in Governor’s proposed FY22 Budget.

2011 Regional Ports and Harbor Study

Port and harbor maintenance and development are impeded by several challenges, among them:

- High construction costs and intense competition for limited statewide funding
- Pressure from global trends in shipping and maritime transportation
- Rural population centers with a lack of existing infrastructure due largely to geographic and
- seasonal constraints and small populations and financial bases
- Poor communication among stakeholders; poor alignment of agency policies and priorities
- The absence of a long-term marine and riverine transportation plan

To address challenges, study recommended:

- Interagency Cooperation
- Modification to USACE Cost-Benefit Analysis
- DOT&PF Comprehensive Planning to include coastal infrastructure
- Greater regional planning
- Additional financing mechanisms to be considered

Created and recommended maintenance of a project list

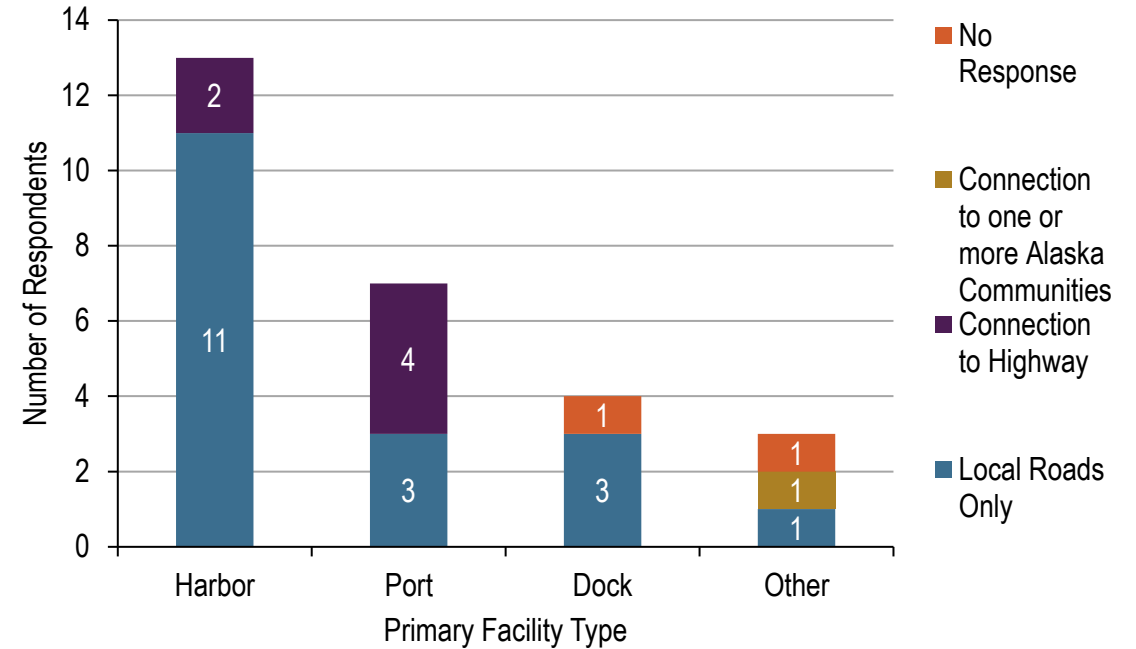


Intermodal Connections – Road Connectivity

Table 5. Intermodal Connections, by Respondent

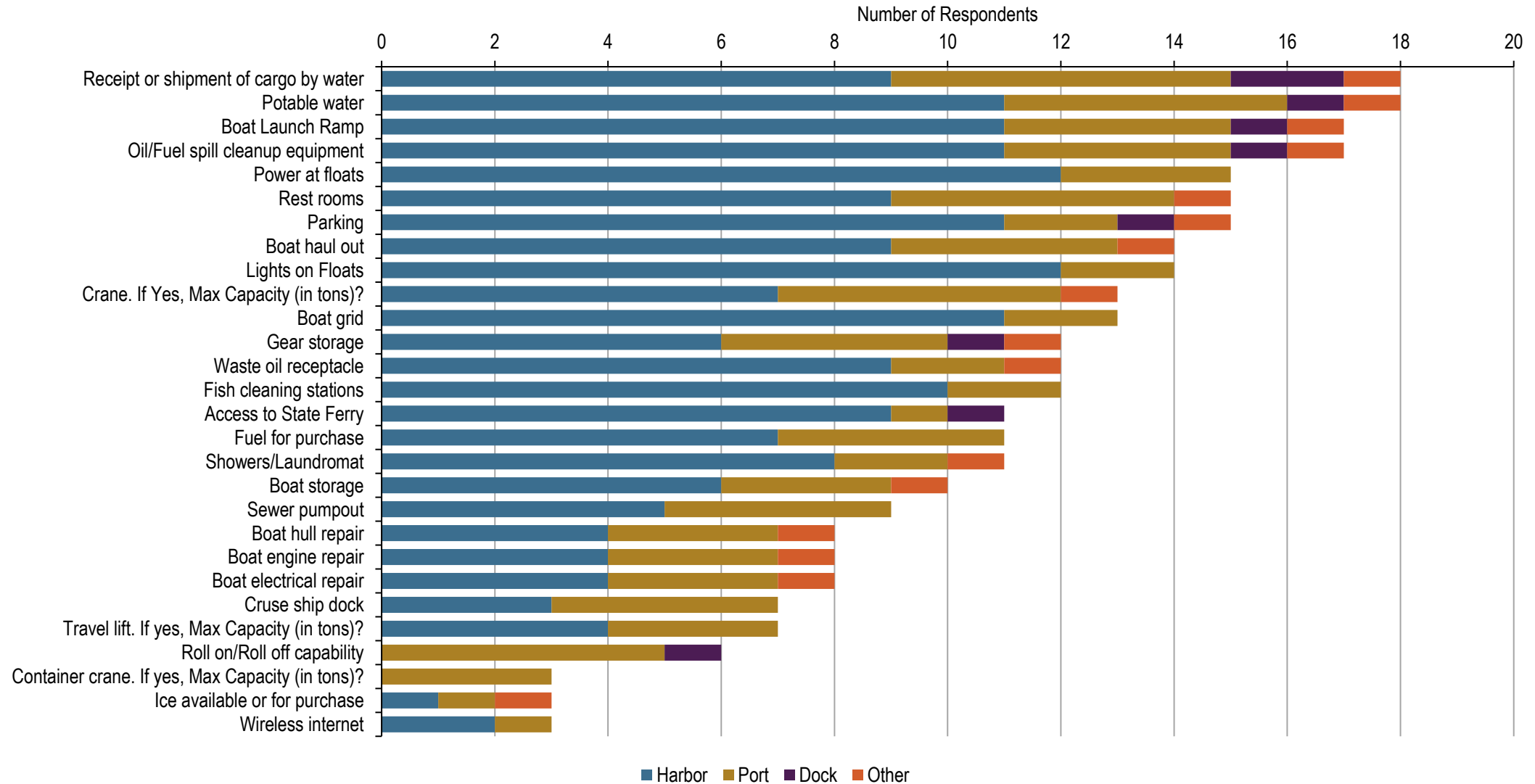
Region	Road Network			Rail Connection	Connected to rail and outside road or highway	Trans-shipment of cargo to alternative transportation mode
	Not connected to outside communities	Directly connects facility to one or more outside communities	Connected to state highway or other major highway system			
Percent of Facilities with Intermodal Connections						
Southeast	58	27	12	2	2	28
Prince William Sound	41	4	52	22	22	30
Southcentral	15	4	59	19	19	44
Southwest	78	8	0	0	0	38
Yukon-Kuskokwim	47	11	0	0	0	32
Northwest	38	0	0	0	0	25
Arctic	100	0	0	0	0	0
Interior	11	0	33	11	0	17

Source: Northern Economics, Inc. using USACE, 2010

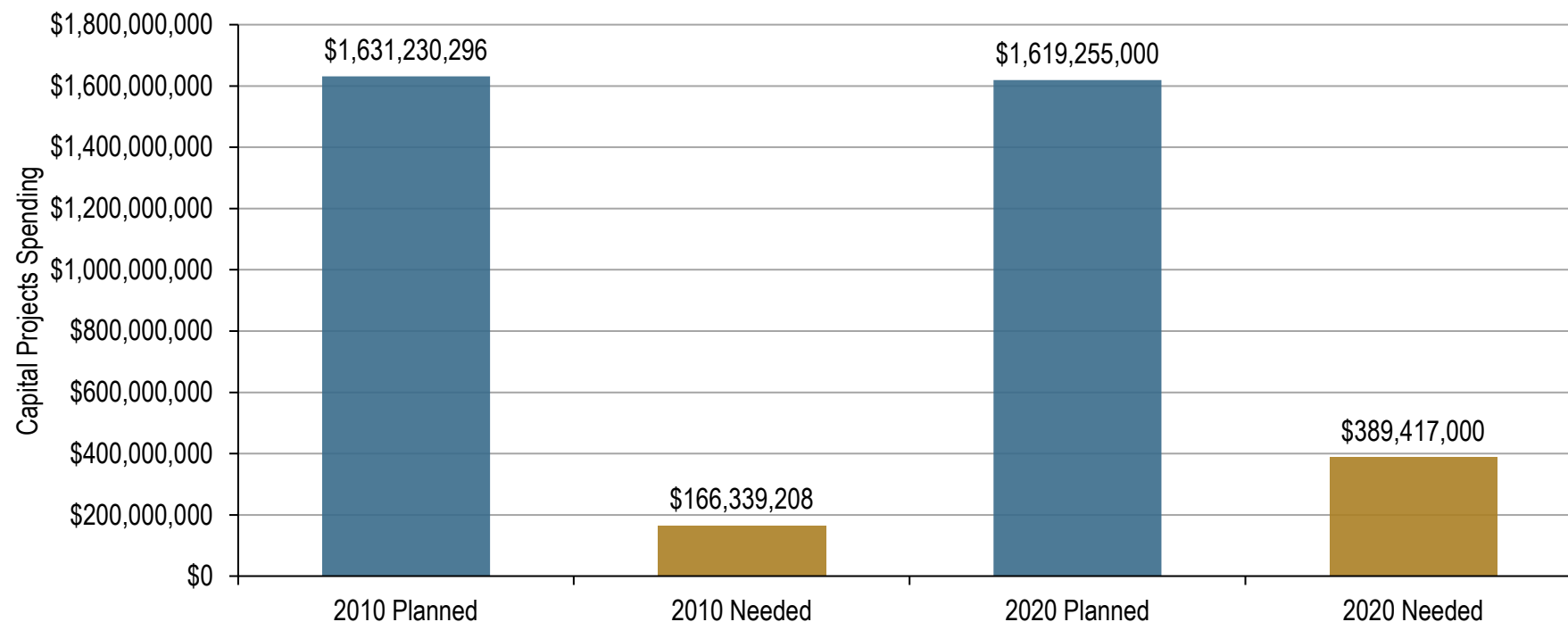


- Follow-up Question: *If the facility is not directly connected by road, how many miles is the facility(s) from the nearest road system?*
- **2** answered less than 1 mile, **11** answered greater than 25 miles

Facility Amenities and Services

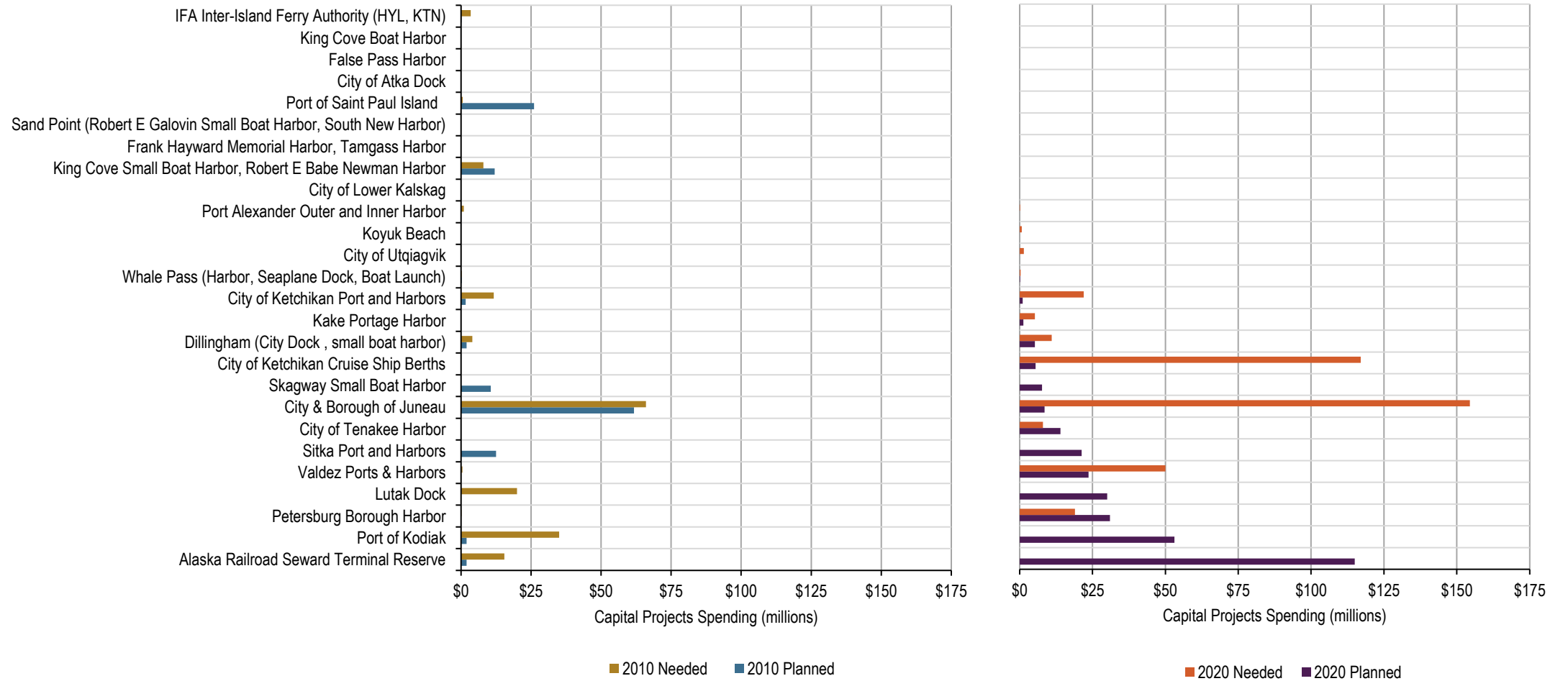


Capital Project Costs



- The survey respondents had \$1.6 billion in planned or underway projects
 - Decreased by 0.7% since 2010 (for those respondents)
- The survey respondents had \$389 million in projects that are needed but not planned
 - Increased by 134.1% since 2010 (for those respondents)

Detailed Capital Project Costs



Not shown in above figure: POA 2010 planned spending \$1.5 billion, 2020 planned spending \$1.3 billion

Facilities Scorecard

Category	GPA	Grade
Capacity to Meet Current and Future Demand How would you rate the capacity of your existing harbor/port facility(s) to meet current and future demand? For example, if you believe your harbor/port is sufficient to meet 20-year demand projections, count 5 stars. If those capabilities (moorage, cranes, loading facilities, etc.) cannot meet even current demand, count 1 star.	2.8	B-
Overall Facility Condition What is your assessment of the overall condition (excellent=5 stars, poor=1 star and, second for your assessment of the level of current problems as exhibited by service disruptions, where the scoring would be 5 stars for zero disruptions per year, 1 star for an "unacceptable" level (by your determination). The overall rating should be an average of the two ratings described above.	2.7	B-
Operations and Maintenance Costs What is the ongoing cost to operate and maintain your harbor/port facility(s)? (Consider future met/unmet dredging needs.) Rate 1-5 stars, 5 representing low and stable cost of maintenance relative to operation, 1 representing high and growing (or unstable) cost of maintenance relative to operations.	2.8	B-
Safety Consider the number of personnel casualties/accidents/near misses due to facility(s) safety. Rate 1-3 stars with 1=monthly, 2=yearly and 3=never.	2.7	B-
Adequacy of Funding 20 Year Investment Shortfalls, Construction Spending (Yearly): How well does current funding meet current needs? Consider local funding sources and dependence upon state/other funding opportunities. Rate 1-5 stars, as 5 being we have all we need, to 1 being not at all.	2.1	C
Available Capacity to Meet Future Demand Projections How well does forecasted funding meet projected future needs? Rate 1-5 stars, 5 stars being we have all we need, to 1 being not at all.	2.3	C+
Natural Disaster Preparedness How well is your facility(s) prepared for natural catastrophes? Rate 1-5 stars, 5 stars being your community provides multi-modal redundancy, 1 star being completely dependent upon port/harbor for goods/material/fuels or just in time delivery.	2.4	C+
Sustainable Practices Is your facility(s) incorporating sustainable practices in design and construction? Rate 1-5 stars (from never given it any thought to being foremost in every project.)	3.4	B+

Alaska Infrastructure Report Card

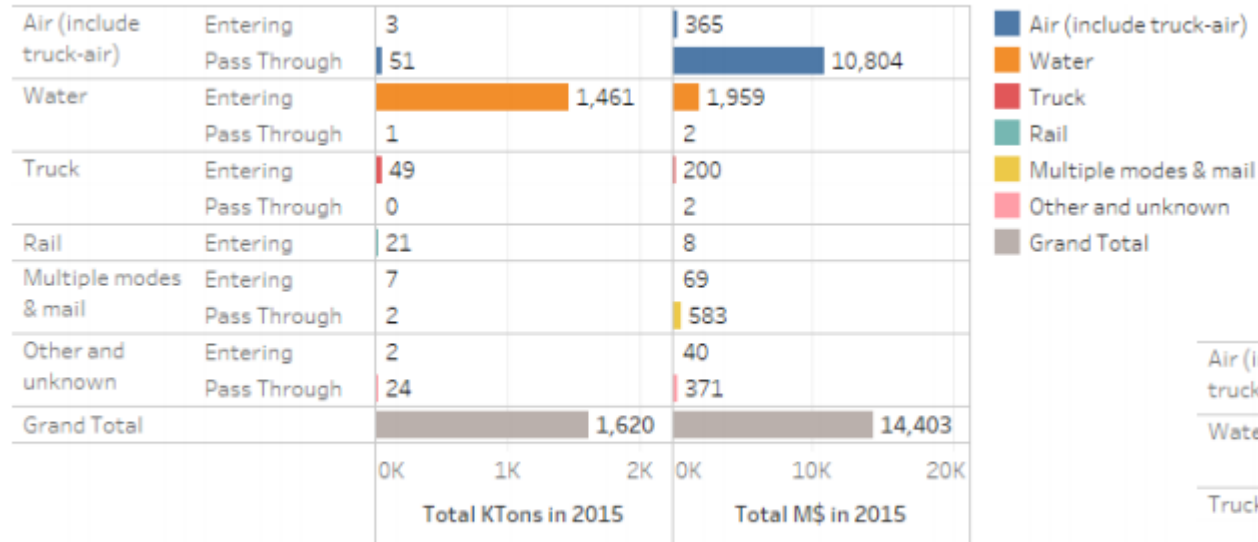


What you need to know about Alaska's Ports and Harbors

Ports & harbors across Alaska provide services that support critical economic activities. These facilities play a vital role in the communities they serve by providing local employment opportunities, promoting economic diversification and meeting cultural and subsistence lifestyles. In 2015, \$28B and 40.8 million tons of goods were moved via marine transport out of state; and, \$4.8B and 3.4 million tons of goods into the state via marine transport. Ports & harbors ensure a thriving commercial fishing industry exist with over \$1.7B of fish product landed in Alaska in 2014, including six of the top ten fishing ports by volume in the US. Tourism plays a significant role in several communities with over 1 million passengers arriving via cruise ships in 2016. Other harbors rely on summer independent travelers who use facilities for recreational or charter fishing and mooring floats necessary to attract yacht cruisers.

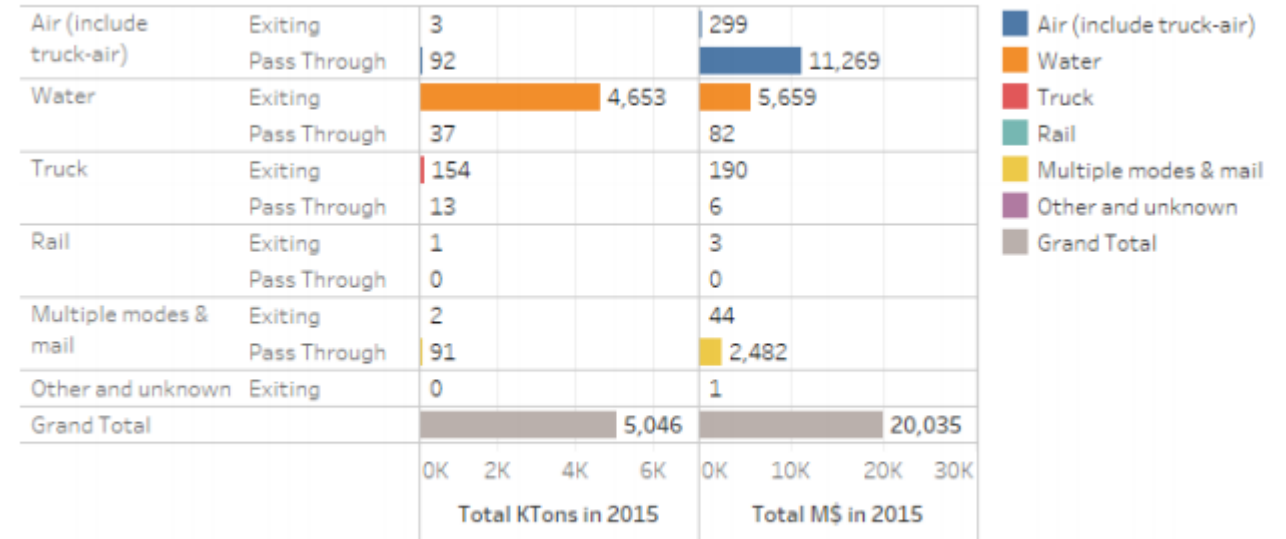
Value of Ports

Exhibit 15: Alaska Import Transportation Mode Tonnage and Value, Year 2015 Estimate



Source: WSP | Parsons Brinckerhoff Analysis of Freight Analysis Framework 4.1 data

Exhibit 16: Alaska Export Transportation Mode Tonnage and Value, Year 2015 Estimate



Source: WSP | Parsons Brinckerhoff Analysis of Freight Analysis Framework 4.1 data

What Choices Will We Make?

Statehood and 1980s investments led to booms
We're due for the next rebuild



How do we invest?

How do we recapitalize?

Do we rebuild what we had?

Do we build new for a different course?

What do we want?

What are we willing to pay for it?

How do we support investment in the Alaska of the future?

Thank you!

Contact Nils Andreassen at nils@akml.org or 907-790-5305

AML is a member-service organization comprised of 165 local governments in Alaska. It is unique in the nation serving both cities and boroughs. Our mission is to strengthen local governments.

More information at www.akml.org, or follow us on Twitter at @alaskamunicipal.

