

**HB**

**478**

**HFIN**

**FILE**



## REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us webpage: www.akrebublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

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### SPONSOR STATEMENT CSHB 478 (CRA)

#### **"An Act relating to the municipal harbor facility grant program"**

For Alaskan coastal communities, harbors are their road to resources. Not only do they protect vessels from the ocean, harbors are critical transportation links and hubs of waterfront commerce that many businesses depend on. Over the past 10 years, the Department of Transportation has transferred ownership of state harbors to 22 municipalities around Alaska's coast. In many instances the state had neglected its responsibility for conducting major preventative maintenance on those harbors. Although funds accompanied the transfers, the funds were insufficient to bring the harbors up to safe and serviceable condition. Accordingly, when local harbormasters took over the budgeting for their facilities they inherited a major financial burden that their local governments could not afford.

In 2005 the Statewide Harbormasters Association met to find a solution to the approximately \$99,858,000 in needed repairs. They brought forward a proposal for a 50/50 matching grant program. That proposal is reflected in House Bill 478.

HB 478 establishes the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The bill sets out strict criteria to determine project eligibility. For example the application must be for a capital improvement project, not routine maintenance, which is considered a local responsibility, and the municipality must have the financial capability to maintain the harbor in the future. The bill prioritizes repair and major maintenance projects above other projects or new construction. Once a harbor facility receives funding under this program it will not be eligible for additional grants.

In order to access resources and continue to stimulate our economy, Alaskan harbors must be in good working order. The proposal brought forth by the harbormasters, embodied in HB 478, will set up a fair and reasonable state/local partnership to ensure that our harbors receive the funding they deserve.

**Contact: Ian Fisk, aide to Rep. Thomas, at (907) 465-3732**

AMENDMENT

OFFERED IN THE HOUSE *FINANCE CMTTE* BY REPRESENTATIVE MOSES  
TO: CSHB 478(CRA)

1 Page 1, line 1, following "relating to":

2 Insert "state reimbursement for certain municipal capital projects and to"

3

4 Page 1, following line 3:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 29.60.700 is amended to read:

7 **Sec. 29.60.700. Reimbursement for costs of municipal capital projects.** (a)

8 Subject to appropriations for the purpose, during each fiscal year, the Department of  
9 Transportation and Public Facilities shall allocate to each municipality an amount to  
10 reimburse the costs paid by the municipality during the immediately preceding fiscal  
11 year for the principal and interest on outstanding debt for projects listed in (b) of this  
12 section. An allocation may be made to a municipality only if

13 (1) the debt was incurred by the municipality before July 1, 2010  
14 [2007]; and

15 (2) the project or facility financed with the debt proceeds is located in  
16 the municipality and the project or facility is operated or controlled by the  
17 municipality.

18 (b) The Department of Transportation and Public Facilities may make an  
19 allocation to a municipality under (a) of this section only for reimbursement of costs  
20 incurred for the following construction and renovation projects and only for  
21 reimbursement of total project costs incurred up to the following amounts:

22 PROJECT

23 Valdez

\$ 3,013,500

1	Nome	1,000,000
2	[ANCHORAGE (PORT OF ANCHORAGE EXPANSION)	15,000,000]
3	Matanuska-Susitna Borough (deep water port	10,000,000
4	and road upgrade)	
5	Unalaska (LSA small boat harbor)	5,000,000
6	Aleutians East Borough/Akutan	4,000,000
7	(small boat harbor)	
8	Lake and Peninsula Borough/Chignik (dock project)	1,000,000
9	Aleutians East Borough/False Pass (small boat harbor)	2,000,000
10	Fairbanks North Star Borough (Eielson AFB schools,	4,500,000
11	major maintenance and upgrades)	
12	City of Fairbanks (fire headquarters station replacement)	7,500,000
13	Saxman (public safety building)	1,500,000"
14		
15	Page I, line 4:	
16	Delete "Section 1"	
17	Insert "Sec. 2"	
18		
19	Renumber the following bill section accordingly.	

*adopted*

24-LS1694V  
Cook  
3/15/06

CS FOR HOUSE BILL NO. 478( )

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Elkins, Wilson, LeDoux

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the municipal harbor facility grant program; and providing for an  
2 effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 29.60 is amended by adding new sections to read:

5 Article 1C. Municipal Harbor Facility Grant Program.

6 Sec. 29.60.800. Municipal harbor facility grant fund. (a) There is  
7 established the municipal harbor facility grant fund consisting of money appropriated  
8 to the fund. Each fiscal year, the legislature may appropriate money to the fund from  
9 the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries business tax  
10 collected under AS 43.75.015 after payments to municipalities are made under  
11 AS 43.75.130. The legislature may make other appropriations to the fund. The  
12 legislature may appropriate to the fund income earned on money in the fund.

13 (b) Money appropriated to the municipal harbor facility grant fund may be  
14 expended by the Department of Transportation and Public Facilities for municipal

1 harbor facility grants without further appropriation. Money in the fund does not lapse  
2 and remains available for expenditure in successive fiscal years.

3 (c) Each fiscal year, the Department of Transportation and Public Facilities  
4 shall use an amount equal to at least 50 percent of the balance of the municipal harbor  
5 facility grant fund on June 30 of the preceding fiscal year for municipal harbor facility  
6 grants.

7 **Sec. 29.60.810. Grant applications.** A municipality that owns a harbor facility  
8 may submit to the Department of Transportation and Public Facilities an application  
9 for a municipal harbor facility grant to be used for construction, expansion, major  
10 repair, or major maintenance of a harbor facility. The application must include  
11 information about the project requested by the department. For a proposed project to  
12 be eligible for a grant, the municipality must provide evidence acceptable to the  
13 department that the

14 (1) proposed project is a capital improvement project and not part of a  
15 preventive maintenance program or regular custodial care program;

16 (2) municipality will provide 50 percent of the total project cost as  
17 matching funds for the state grant and that money received by the municipality from  
18 the state will not be used for the matching funds except money received under

19 (A) AS 29.60.010 - 29.60.080 (municipal tax resource  
20 equalization);

21 (B) AS 29.60.350 - 29.60.375 (safe communities program); and

22 (C) AS 29.60.450, AS 43.75.130, 43.75.137, and AS 43.77.060  
23 (shared fisheries business taxes and fishery resource landing tax);

24 (3) municipality has secured and will maintain adequate property loss  
25 insurance for the replacement cost of the harbor facility or has an adequate program of  
26 insurance;

27 (4) municipality has a preventive maintenance plan for the harbor  
28 facility and will be adequately adhering to the preventive maintenance plan after  
29 completion of the proposed project.

30 **Sec. 29.60.820. Award of grants.** (a) The Department of Transportation and  
31 Public Facilities may award a municipal harbor facility grant during a fiscal year only

1 for a proposed project eligible under AS 29.60.810 based on a grant application filed  
2 during the immediately preceding fiscal year before February 1. The total amount of  
3 grant money made available to a municipality during a fiscal year may not exceed  
4 \$5,000,000.

5 (b) The Department of Transportation and Public Facilities shall award a grant  
6 for every proposed project eligible under AS 29.60.810 that is for repair and major  
7 maintenance of a harbor facility that was transferred by the state to a municipality  
8 before grants may be made for other proposed harbor facility projects during a fiscal  
9 year. However, after the department makes a grant for the repair and major  
10 maintenance of a harbor facility under this subsection, no other grants for the repair  
11 and major maintenance of that facility may be made during the same or any other  
12 fiscal year.

13 (c) The Department of Transportation and Public Facilities shall establish  
14 priorities for the award of grants for proposed municipal harbor facility projects under  
15 (b) of this section and priorities for the award of grants for other proposed harbor  
16 facility projects, with new construction projects having the lowest priority. The  
17 department shall award grants in the order of priority established. In establishing  
18 priorities, the department shall include at least the following, in the order listed:

19 (1) the extent to which the municipality can demonstrate that it will  
20 have sufficient revenue to operate and maintain the harbor facility in the future  
21 without state aid;

22 (2) public safety and emergency factors;

23 (3) the amount spent by the municipality on maintenance of the harbor  
24 facility;

25 (4) other options that would reduce or eliminate the need for the  
26 proposed project; and

27 (5) whether alternative harbor projects would better serve the public  
28 interest.

29 (d) The Department of Transportation and Public Facilities may suggest  
30 modifications to a project request to achieve cost savings or to better serve the public  
31 interest and, if the municipality agrees, award the municipal harbor facility grant for

- 1 the proposed project as modified.
- 2 \* **Sec. 2.** This Act takes effect July 1, 2006.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: CSHB 478(CRA)  
 (H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title Municipal Harbor Facility Grants RDU Administration & Support  
 Component Commissioner's Office  
 Sponsor Rep. Thomas  
 Requester \_\_\_\_\_ Component No. 530

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Based on current information, the Department anticipates it will be able to administer this program with existing staff.

Prepared by: John Manly  
 Division: Commissioner's Office DOT&PF  
 Approved by: Mike Barton, commissioner  
 Agency: DOT&PF

Phone 465-8994  
 Date/Time 2/27/2006 at 10:30 am  
 Date 2/27/06



Alaska Association of Harbormasters  
And Port Administrators  
617 Katlian Ave., Sitka, AK 99835  
Phone: (907) 747-4877 Fax: (907) 747-6278

House Finance Committee  
March 15, 2006  
HB 478  
Testimony by John Stone  
President, AAHPA

Mr. Chair and members of the House Finance Committee, my name is John Stone. I am the president of the Alaska Association of Harbormasters and Port Administrators.

The Alaska Association of Harbormasters is an organization comprised of the senior managers from 27 community harbor systems. These include Anchorage, Bethel, Bristol Bay Borough/Naknek, Cordova, Craig, Dillingham, Haines, Homer, Hoonah, Juneau, Kenai, Ketchikan, King Cove, Kodiak, Nome, Pelican, Petersburg, Port MacKenzie, Sand Point, Seward, Sitka, Skagway, Unalaska/Dutch Harbor, Valdez, Whittier, Wrangell, and Yakutat. The Association's goal is simple: to make Alaska's harbors the best they can be.

First, let me say that the Association fully supports HB 478 and appreciates the Committee taking the lead on this important state and community issue. During the past several years, the Association has attempted to bring the dilapidated condition of Alaska's harbor infrastructure to the attention of the Legislature. We appreciated the opportunity to speak to the Fish Caucus last session to discuss this statewide problem. We are also very encouraged that the Alaska Department of Transportation fully supports this bill.

Most of Alaska's harbor infrastructure was built by the Alaska Department of Transportation and Public Facilities in the 1960's and 1970's. Largely, this infrastructure is at the end its useful life making complete replacement of it necessary. We believe the financial resources needed to replace these facilities before the end of their lives requires the collective effort of the State and local harbor jurisdictions.

**Testimony of John Stone, President of AAHPA, on HB 478**  
**Before the House Finance Committee**  
**March 15, 2006**

The State's policy for many years was to enter into agreements with the cities and municipalities for the operation of the harbor systems with the State retaining title to the physical harbor improvements. The cities and municipalities established enterprise funds and assessed fees to users in an amount necessary to finance the operating cost of the facilities. This arrangement has worked very well from an operations standpoint. Unfortunately, neither party addressed facility replacement; the locals because they did not hold title to the improvements and the State because funding was not available.

In the 1990's, the State developed a new policy whereby the title of the physical improvements would be turned over to the local harbor jurisdictions along with some funding to help with facility replacement. Although the policy is sound, the program suffered from the fact that the funding provided with the transfer of title was only a fraction of the funding needed to replace the infrastructure that was transferred.

As the transfers have gone forward, local harbor jurisdictions developed facility replacement schedules and began looking at fees to cover facility replacement costs. It became clear that harbor fees needed to increase several-fold in short order. It also became clear that fees alone are not sufficient to recapitalize the transferred harbor infrastructure before it is lost.

Local harbor jurisdictions have indeed stepped up to the plate. Many of us are looking to finance revenue bonds with fee increases in order to replace transferred infrastructure. The Association believes this presents a good opportunity for a match funding program with the State. Many local governments, the State Chamber, the Alaska Municipal League, and our Association have adopted resolutions in support of this harbor match funding program.

We ask for this match program because we believe it is a good investment for the State. My colleagues at the Association will expand upon this point. Suffice to say that our harbors substantially contribute to the State's economy and are the lifeblood of many communities.

In summary, we thank the Chair and Committee for its consideration of HB 478. The Alaska Association of Harbormasters and Port Administrators strongly supports this bill. The dilemma facing us is that we have a tremendous amount of harbor

**Testimony of John Stone, President of AAHPA, on HB 478  
Before the House Finance Committee  
March 15, 2006**

infrastructure that is at the end of its useful life. This infrastructure has been put into our hands. We are scrambling to find ways to replace it before it is lost. We are also substantially increasing fees to help with replacement costs. We have learned that fees are not the total answer. This bill provides much needed help with these replacements by matching our local investments. This bill also achieves the policy goal of the harbor transfers, whereby the local communities become responsible for the operation, maintenance, and replacement of the harbor improvements, because it gives us the capability to replace the transferred infrastructure before it is lost.

Thank-you.

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

## CITY OF WRANGELL, ALASKA

RESOLUTION NO. 02-06-1040

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, FOR THE LEGISLATURE TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles; and

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and

WHEREAS, local governments may not be able to implement such dramatic moorage increases without financial assistance; and

WHEREAS, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

WHEREAS, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

ADOPTED: February 14, 2006

*Valery McCordless*  
Valery McCordless, Mayor *-serving as Mayor*

ATTEST: Christie L. Jamieson  
Christie L. Jamieson, City Clerk

Headquarters:  
217 2nd Street, Suite 201  
Juneau, Alaska 99801  
(907) 586-2323 FAX 463-5515  
www.alaskachamber.com



Regional Office:  
601 W. 5th Ave., Suite 700  
Anchorage, Alaska 99501  
(907) 278-2722 FAX 278-6643

ALASKA  
★ STATE ★  
CHAMBER  
OF COMMERCE

March 1, 2006

Representative Bill Thomas Jr.  
State Capital, Room 428  
Juneau Alaska 99801-1182

Representative Thomas,

The Alaska State Chamber of Commerce strongly supports HB 478. Supporting Alaska's Harbor Infrastructure has been one of the State Chamber's legislative priorities for a number of years. Without adequate harbor infrastructure, commercial fishermen and sport fishermen have little opportunity to grow their uniquely Alaskan businesses.

Currently, many of our harbors are in need of repair and expansion, whether to help our commercial fishermen offload their catch, or to provide safe ramping for Alaska's burgeoning tourist activities. The State of Alaska has an obligation to provide adequate harbor facilities in many parts of the state; our harbors are the transportation corridors for Alaska's maritime roadways. Without adequate harbor infrastructure, Alaska will continue to be limited in its growth of maritime commerce.

HB 478 attempts to address many of Alaska's harbor funding problems by creating the municipal harbor grant fund through the collection of fuel tax revenues and fisheries business taxes. While HB 478 makes headway in fixing many of Alaska's harbors, the State Chamber feels that the taxes collected will not provide adequate revenues to address Alaska's aging harbor infrastructure. The Chamber feels that additional appropriations may be necessary or additional bonding utilizing tax revenues might ultimately provide adequate revenues to address the funding necessary to help our harbors.

Yours in economic prosperity,

Wayne A. Stevens  
President/CEO  
Alaska State Chamber of Commerce

ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS

Resolution Number 2005-01

*A resolution of the Alaska Association of Harbormasters and Port Administrators for the Legislature to provide matching maintenance and repair funds to local government owned harbors.*

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

Whereas, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

Whereas, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

Whereas, local governments are willing to assume financial responsibility of their ownership roles;

Whereas, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

Whereas, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

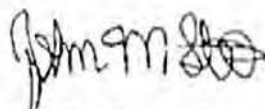
Whereas, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

Whereas, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

**THEREFORE, BE IT RESOLVED** by the Alaska Association of Harbormasters and Port Administrators that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

Section 1. This resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED** by the Alaska Association of Harbormasters and Port Administrators, this 12<sup>nd</sup> day of October, 2005.



John M. Stone, P.E., President  
Alaska Association of Harbormasters and Port Administrators

# CITY OF SKAGWAY, ALASKA

## RESOLUTION NO. 05-27R

**A RESOLUTION OF THE CITY OF SKAGWAY, ALASKA URGING THE LEGISLATURE TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS.**

**WHEREAS**, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and

**WHEREAS**, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and

**WHEREAS**, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

**WHEREAS**, local governments are willing to assume financial responsibility of their ownership roles; and

**WHEREAS**, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and

**WHEREAS**, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

**WHEREAS**, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

**WHEREAS**, local governments request the Legislature to provide 50% match funding program for the maintenance and repairs of the transferred harbors;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Skagway urges the State of Alaska Legislature to provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

**PASSED AND APPROVED** on this 17<sup>th</sup> day of November, 2005 by the City Council of the City of Skagway, Alaska.

\_\_\_\_\_  
Tim Bourcy, Mayor

ATTEST:

\_\_\_\_\_  
Marjorie D. Harris, City Clerk

(SEAL)

Vote: 5 Aye 0 Nay 1 Absent

CITY OF WHITTIER, ALASKA  
RESOLUTION #308-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, REQUESTING THAT THE ALASKA STATE LEGISLATURE PROVIDE STATEWIDE MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENTS THAT HAVE ACCEPTED OWNERSHIP AND MAINTENANCE RESPONSIBILITY OF FORMERLY STATE OWNED HARBOR FACILITIES

WHEREAS, the State of Alaska (State) constructed or improved and owned numerous harbor facilities in communities throughout Alaska; and

WHEREAS, maintenance and repair of the harbor facilities under State ownership was minimal; and

WHEREAS, as part the transfer of ownership of the harbor facilities to local governments, the State provided insufficient funds to restore the harbor facilities to a safe operating condition; and

WHEREAS, even if local governments are willing to assume the financial responsibility of ownership by increasing rates to reflect actual maintenance and operating costs, as well as establishing a long-term, future major repairs, renovations, and replacement fund, the rates simply cannot be increased enough to accomplish all of the above and retroactively address the existing deficiencies inherited from the State; and

WHEREAS, the City of Whittier (City) has increased small boat harbor moorage fees 83 percent over the past three years to cover depreciation, inflation, and increased operating and maintenance costs, the City is in need of an additional \$14 million to bring the existing small boat harbor facility up to a safe and good condition, as well as for minor expansion to accommodate the increased size of the current boat harbor fleet and prevent infilling of the basin due to erosion and sloughing; and

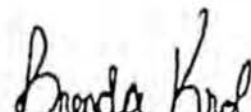
WHEREAS, the majority of local governments that accepted ownership and maintenance responsibilities of harbor facilities from the State are in need of additional financial support from the Alaska State Legislature to help bring Alaska's public harbor facilities to a safe condition.

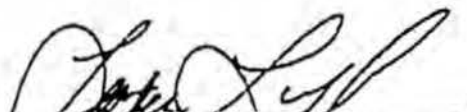
THEREFORE, BE IT RESOLVED that the City Council for the City of Whittier, Alaska, requests that the State of Alaska Legislature appropriate capital funds to local governments that have accepted ownership of the harbors for the purpose of helping local governments transition to their ownership role.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this \_\_\_ day of January 2006.

Introduced by: Mark Earnest  
Introduction date: 16 January 2006

ATTEST:

  
Brenda Krol  
City Clerk

  
Lester Linnocford  
Mayor

Ayes: 7  
Noes: 0  
Absent: 0  
Abstain: 0

# CITY OF CORDOVA



February 27, 2006

Representative Bill Thomas  
State Capital  
Juneau, AK 99811-1182

Re: HB 478

Dear Representative Thomas:

Cordova would like to add their support for HB 478, which would create the municipal harbor facility grant program.

Cordova received transfer of our harbor from the state in 2003. Although this was originally regarded as a positive move, we have not seen a great benefit to our community to date. Unfortunately, adequate funding needed to upgrade the facility was not included with that transfer. The City has a regular maintenance program which is funded through user-fees but the time has come to fund major improvements that can better serve our large commercial fishing fleet and maritime community.

The following are examples of projects needed in Cordova which could be addressed by this legislation:

- |   |           |
|---|-----------|
| 1. Construct and Install Courtesy Float at North Boat Launch Ramp | \$120,000 |
| 2. "G" Float Replacement  | \$600,000 |
| 3. Old Grid Replacement   | \$100,000 |
| 4. Transient Float Gangway Replacement                            | \$100,000 |
| 5. New Harbor Electrical Upgrade                                  | \$500,000 |

As one of Alaska's busiest harbors coastal communities, please let me know what Cordova can to help in passage of this timely and much needed legislation.

Thank you for your attention to this urgent situation which is being faced by many coastal communities throughout Alaska.

Sincerely,

Mayor Tim Joyce  
City of Cordova



## Cordova District Fishermen United

P.O. Box 939  
Cordova, Alaska 99574  
(907) 424-3447 FAX (907) 424-3430

February 22, 2006

Representative Bill Thomas  
Representative Kurt Olson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

RE: Support HB 478- Municipal Harbor Facilities Grant Fund

Dear Representative's Thomas & Olson,

Cordova District Fishermen United (CDFU) supports HB 478 relating to the creation of a program designed to attain capital improvements for harbor facilities through matching fund grants to municipalities.

For Alaska's coastal communities, harbors maintenance & facilities are critical for the fishing industry as well as residents & visitors. It is imperative that these harbors be in a good state of repair, both for functionality & safety of its users.

CDFU supports the creation of a program that will fund capital improvements as well as major maintenance or harbor facilities made possible through HB 478.

Sincerely,

Diane Platt  
Executive Director



# UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110  
Juneau, Alaska 99801-1172  
(907) 586-2820  
(907) 463-2545 Fax  
E-Mail: [ufa@ufa-fish.org](mailto:ufa@ufa-fish.org)  
[www.ufa-fish.org](http://www.ufa-fish.org)

March 8, 2006

Representative Kevin Meyer, Co-Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol (Mail Stop 3100)  
Juneau AK 99801

Dear Representative Meyer,

United Fishermen of Alaska (UFA) supports House Bill 478 and Senate Bill 291, establishing the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The funds are not for routine maintenance, but for capital improvement projects.

Alaska's harbors are the foundation of the transportation infrastructure in many or most coastal communities, serving commercial fishermen as well as other businesses and recreational users. After the transfer from state to local management in recent years, many harbors suffer from deferred maintenance, and efforts to fund the necessary repairs through local taxes and user fees have in many cases not been affordable to users.

An amendment to HB 478 in House Resources Committee has added the fisheries business tax as a potential source for harbor funding, and UFA prefers the original legislation calling for the watercraft fuel tax as the source of funding. The allocation of fisheries business tax brings complications with other uses of these funds, and raises concern that the burden for harbors may fall disproportionately upon commercial fishermen among the many users of the harbors. We prefer the legislation in its original form, but are completely in support of the concept and need for harbor facility funding.

UFA represents thirty-one Alaska commercial fishing groups from fisheries throughout the state, altogether representing thousands of individual Alaska fishermen.

Thank you for your consideration.

Mark Vinsel  
Executive Director



# Alaska State Legislature

Please enter into the record my testimony to the House Finance Committee  
committee name

Committee on HB 478, Municipal Harbor..., dated 3-16-2006  
bill # / subject

As a resident of Sitka and a commercial fisherman I would like to voice my support for HB 478.

Harbors throughout the State need assistance for upkeep, capitol improvements, and safety of the harbor users.

The harbor systems generate much economic benefit to the State. It helps our communities diversify their economies.

In Sitka, the harbor moorage has increased many times in the last five years with no end in sight. It has more than doubled to over \$1000.00 per year for my size boat.

I believe it would be a good use of state revenue to help offset cost to harbor users and our communities for this needed economic drive in the State.

Signed:

JOHN L. MURRAY  
Testifier

John L. Murray, self

Representing (optional)

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907-747-6212

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