

**KODIAK CITY COUNCIL**

**WORK SESSION AGENDA**

**Tuesday, October 23, 2012**

**Kodiak Island Borough Conference Room**

**7:30 p.m.**

*Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

- 1. Public Comments (limited to 3 minutes)
- 2. Report From Intern on Budget Goals Measurement Project
- 3. Discussion of FY2014 State Legislative Priorities .....1
- 4. Discussion of DOT Agreement for Bike Path Project .....7
- 5. Mayor’s Editorial/State GO Bond That Includes Pier 3 Funding.....15
- 6. Holiday Meeting Schedule
- 7. October 25, 2012, Agenda Packet Review

**To Be Scheduled**

- 1. Planning Work Session Date (February 2)
- 2. Baranof Park Re-opening

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniaziowski, City Manager

**Date:** September 11, 2012

**Agenda Item:** Discussion of FY2014 State Legislative Priorities

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*This memo was distributed at the September 11 work session and discussed. Council's discussions indicated they supported some items and wanted to include the Monashka pumphouse upgrades as the number 1 priority in FY2014 rather than use the DEC Municipal Matching Grant program funding (MMPG) and loans available through the state and federal governments as has been done with water and sewer projects in the past. The draft resolution based on the September discussions is attached.*

The City has been very successful in receiving state funds for capital projects in the past two years. This success has allowed us to fund a new library, a new UV water treatment plant, large upgrades to the Baranof Park, the City's matching contribution for a new bike trail from Pier II to Deadman's Curve, phase I of the Shelikof pedestrian pathway project, and the largest and most important project for the City, funding for the replacement of Pier III. These projects are in various stages of design or construction and will replace aging infrastructure, allow us to meet regulatory requirements, and add to the quality of life for Kodiak's residents.

Like all cities that deliver a variety of services and maintain complex infrastructures, equipment and buildings age and infrastructure systems require upgrades. So, even though we've received generous support from the legislature, the needs continue and often the projects or upgrades or replacements are of such magnitude that the City needs funding assistance to be able to afford the improvements. Council reviews and discusses various capital needs each fall and adopts a resolution requesting funding help from the state legislature. The Council and Manager use the list to request support from the Governor's office and to lobby the legislature for funding support each legislative session.

The list below is a working list of City needs to aid the discussion of projects and priorities the City Council may wish to pursue for funding assistance during the 2013 state legislative session. The list is not in priority order.

### **Completion of Pier III Replacement**

**\$15,000,000**

The City was very successful in receiving funding support from the legislature last session for this \$25-\$33 million project. Funding is split between a FY13 legislative grant of \$18.1 and \$15 million included in the statewide transportation bond package which goes on the state's general election ballot in November. If the bond passes in November, the project will be fully funded. If voters don't pass the

bond, I recommend we request funding help due to the importance of the facility, the impact of receiving partial funding and make this project the City's main priority again for FY14.

**E911 Replacement Equipment:**

**\$350,000**

The City completed its new public safety building in 2010. One of the important aspects of the new facility is to continue to provide area-wide dispatch services and enhanced 911 (E911) service to the Kodiak area, including areas outside the City's corporate boundaries. The City completed a study in 2009 which advised replacement of the system. The study indicated that basic upgrades with future expansion capabilities will cost at least \$350,000. The current system is operable but replacement parts and service/maintenance agreements are no longer available due to the age of the system. The City has been unable to find funding through federal or state grant programs to help cover the cost of replacement. I recommend this request be added to the City's FY14 legislative request in the hope that we can receive funding assistance for this important area wide public safety service.

**Phase 3 Pedestrian Improvements from Pier II to Downtown**

**Funding Request: \$5,000,000**

This project was not funded last session because the funding source, the cruise ship excise tax fund, was greatly reduced. The project has merit and Council may wish to pursue full or partial funding through a legislative appropriation in FY14.

The City identified the need for pedestrian improvements from Pier II to downtown Kodiak to accommodate the increasing number of cruise ship passengers arriving annually and to improve facilities for local residents and businesses that use the street and pier year round. The project was started in 2009 and Phase 2 of this project, construction of an ADA accessible sidewalk, improved lighting and parking, and utility relocates is scheduled for completion in 2013. The City has developed a plan for Phase 3 of the project, which will carry pedestrian improvements further along Shelikof Street from Jack Hinkle Way to Marine Way by rehabilitating the sidewalk and associated tasks such as ROW acquisition & mapping, geotechnical investigation, improved lighting, utility relocates, landscaping, benches, signage, a walkway along the harbor side of the street, and additional off street parking to direct pedestrian traffic out of this congested roadway.

**Fire Apparatus Replacement**

**Funding Request: \$400,000**

This project is also a carryover from the City's FY13 list of funding request.

The City must replace its aging Fire Engine 3, a 1986 E-Once Cyclone Pumper that was purchased in 1986. Engine 3 has exceeded its recommended replacement schedule of 20 years by more than 5 years, and is showing problems in multiple areas, including the fire pump, chassis, cab, and motor. Due to its condition and recurring maintenance needs, it must often be taken out of service. The three sided cab is no longer a recommended configuration due to the increased rollover safety standards, and Fire Department personnel cannot ride in the two back positions. When operational, Engine 3 is used as a "third out" response vehicle and may move up in a response category if the first and/or second response vehicles are out of service. The City needs this third engine response capability within the City limits

and in response to local Mutual Aid agreements. The estimated cost to replace this engine is \$450,000, an amount that exceeds the City's resources. The City could request funding in the amount of \$400,000 again for FY14 if Council agrees. The remainder of the funds needed would come from local appropriations.

The City has other infrastructure needs that Council may wish to review or add to the City's formal request later, after staff has completed project scoping and estimates. An example of projects in review and development include, an ambulance replacement (\$250,000), design phase for new fire station (\$1 million), funding for continued phased water, sewer, and storm drain replacements (\$2-\$5 million per phase), St. Herman Harbor electrical upgrades, and Monashka pumphouse refurbishment. However, these projects are in development and details are not available at this time.

Lastly, it's been my philosophy and goal to keep the City's funding request list short to present a reasonable list of the City's major priorities consistent with the capital project plan to the legislature which improves our chance of funding key projects. It also shows the community that the City is successful in completing viable projects by removing them from a short list rather than carrying many projects on the list for multiple years. This is my general recommendation again for this coming legislative session.



**2. E911 Replacement Equipment:**

**Funding Request: \$350,000**

The City completed its new public safety building in 2010. One of the important aspects of the new facility is to continue to provide area-wide dispatch services and enhanced 911 (E911) service to the Kodiak area, including areas outside the City's corporate boundaries. The City completed a study in 2009 which advised replacement of the system. The study indicated that basic upgrades with future expansion capabilities will cost at least \$350,000. The current system is operable but replacement parts and service/maintenance agreements are no longer available due to the age of the system. The City has been unable to afford the full replacement costs or find grant funding to help offset the replacement costs. The City of Kodiak is requesting State funding assistance in the amount of \$350,000 to assist with the upgrade of this important public safety tool.

**3. Phase 3 Pedestrian Improvements**

**Funding Request: \$5,000,000**

**Pedestrian Improvements Pier II to Downtown**

The City identified the need for pedestrian improvements from Pier II to downtown Kodiak to accommodate the increasing number of cruise ship passengers arriving annually and to improve facilities for local residents and businesses that use the street and pier year round. The project was started in 2009 and Phase 2 of this project, construction of an ADA accessible sidewalk, improved lighting and parking, and utility relocates is scheduled to be completed in 2012. The City is now planning Phase 3 of the project, which will carry pedestrian improvements further along Shelikof Street from Jack Hinkle Way to Marine Way by rehabilitating the sidewalk and associated tasks such as ROW acquisition & mapping, geotechnical investigation, improved lighting, utility relocates, landscaping, benches, signage, a walkway along the harbor side of the street, and additional off street parking to direct pedestrian traffic out of this congested roadway. The City of Kodiak is requesting State funding assistance for planning, permitting, design, and construction through the cruise ship excise tax for \$5,000,000 to complete Phase 3 of the project.

**4. Fire Apparatus Replacement**

**Funding Request: \$400,000**

The City of Kodiak must replace its aging Fire Engine 3, a 1986 E-Once Cyclone Pumper that was purchased in 1986. Engine 3 has exceeded its recommended replacement schedule of 20 years by more than 5 years, and is showing problems in multiple areas, including the fire pump, chassis, cab, and motor. Due to its condition and recurring maintenance needs, it must often be taken out of service. The three sided cab is no longer a recommended configuration due to the increased rollover safety standards, and Fire Department personnel cannot ride in the two back positions. When operational, Engine 3 is used as a "third out" response vehicle and may move up in a response category if the first and/or second response vehicles are out of service. The City of Kodiak needs this third engine response capability within the City limits and in response to local Mutual Aid agreements. The estimated cost to replace this engine is \$450,000, an amount that exceeds the City's resources. The City of Kodiak is requesting state funding assistance in the amount of \$400,000 with the remainder of the funds coming from local appropriations.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Adopted:

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniaziowski, City Manager

**Date:** October 9, 2012

**Agenda Item:** **Item 4, Discussion of Draft DOT Memorandum of Agreement for Bike Path Between Pier II to Deadman's Curve**

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In 2011, the City requested and received a state legislative grant in the amount of \$384,000 to fund the required 10% match for construction of a bike path from Pier II to Deadman's Curve. At the time the request was made the ROM project estimate was \$2.9 million. The City, Borough, and interested community members would like to develop a continuous designated pathway system to compliment Kodiak's road system. The City's segment of the pathway would connect Pier II, where cruise ships dock, to the City boundary and the scenic overlook and integrate with the sidewalk and pedestrian improvements now underway from Pier II to downtown Kodiak. The City section of the pathway would benefit bicyclists and pedestrians by improving safety and access and benefit cruise ship passengers who may want to view the Kodiak road system coastline from the Deadman's Curve scenic location.

A planning level scoping document was prepared by DOWL HKM for Island Trails Network with an estimated cost of \$2.9 million. The City's contribution of \$384,000 requested from the state in 2011 met the 10% match for the project and covered engineering, design, environmental, permitting, and right-of-way acquisition.

The project was identified as a priority project in the most current Statewide Transportation Improvement Program (STIP) with funds available through the state and federal funds as well as the City match which was to be funded by our FY12 reimbursable legislative grant of \$384,000.

The State Department of Transportation (DOT) is coordinating the design and construction of the project. They have reviewed the project, visited Kodiak and walked the property, and of course revised the initial construction estimate upwards due to design considerations. They provided me with the attached final draft Memorandum of Agreement (MOA) which indicates the project estimate is now \$4.485 million and the City's match amount is 9.03%, or something between \$404,995 and \$464,593, based on the current project cost estimates.

I reviewed the proposed MOA and asked for insurance and legal review, which recommend changes to the current draft MOA. Mary Munk and I teleconferenced with DOT two weeks ago to discuss our concerns about the increased cost, the need to look at a different approach to the agreement, and the fact that the City's new match at 9.03% is more than what was granted by the state. DOT is open to some

**Memorandum of Agreement  
Between the State of Alaska and The City of Kodiak  
Kodiak Island Pathway  
Project #59761**

The parties to this agreement of the State of Alaska acting through its Department of Transportation and Public Facilities (hereafter DOT&PF) and the city of Kodiak, a city established under Alaska law (hereafter the City):

WHEREAS, DOT&PF has the authority to plan, design, and construct Phase 1 of the Kodiak Island Pathway, identified as Project #59761, located within the boundaries of the City (hereafter the project);

WHEREAS, the Municipality desires that DOT&PF plan, design and construct the project; and

WHEREAS; the DOT&PF owns adequate right-of-way along Rezanof Drive to construct such a pathway; and

IT IS THEREFORE AGREED by the parties, in consideration of the mutual promises contained in this agreement, as set forth below, regarding the planning, design, construction, maintenance, and operation of the project.

**1. PROJECT RANKING**

a. DOT&PF shall, while ranking this project with other projects during the preparation of the State Transportation Improvement Plan (STIP) and capital budgeting process, recognize that the Municipality has agreed to provide a nine point zero three percent (9.03%) match towards the total costs of the project and agrees to maintain the project, commencing upon the substantial completion of the construction project.

b. If the City withdraws its promise to provide the funds listed in 1.a, above, DOT&PF will reevaluate the project nominated by the City without consideration of local contribution. The project will be placed in the Surface Transportation Improvement Plan (STIP) in accordance with the revised score.

**2. FINANCIAL PARTICIPATION**

DOT&PF requires the local government to provide local matching funds necessary to utilize available federal funds.

Based on DOT&PF estimates done prior to design work, the preliminary engineering (design) costs are estimated at \$440,000. Right-Of -Way (ROW) costs, utilities relocation and construction work are estimated at \$2,990,000.

Given the preliminary nature of the estimate, an additional 50% contingency shall be used for this agreement, bringing the total with contingencies to \$660,000 for preliminary engineering (design) costs and \$4,485,000 for Right-Of -Way (ROW) costs, utilities relocation and construction work.

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proposed changes to the MOA, but is limited in what they can do to re-scale the project cost to fit within our grant amount due to the existing terrain. They explained that we would have to commit to the new revised match of \$464,593, given the new engineering estimates. They also suggested the City could be prepared to pay the approximately \$81,000 difference or request additional funding from the legislature for the difference in amount. Either way, they need clear direction from the City so the MOA can be authorized and signed and the initial design payment match of \$59,598 can be approved and issued to DOT as soon as possible.

Given that we do not have an appropriated amount to cover the increase in the project and must sign the agreement which obligates us to the new revised match, and the fact that Council will be discussing the FY14 legislative requests this month, I felt it was important to have this discussion so I can get back to DOT with an answer.

The difference between our existing funding for the project and the increase identified in the MOA is about \$81,000 which is not excessive but is an unplanned cost for a quality of life project. The City could budget for this increase or could agree to return to the legislature for additional funds, though asking for a small amount may not be successful. The caution, which is shared by DOT, is that the complex terrain between Piers II and III require construction of retaining walls, which add to the cost. That overall cost could increase beyond the \$4.485 million now identified in the MOA and obligate the City to a larger match to complete the project.

This project would definitely add to the quality of life in Kodiak, provide a safer bike and walking route for residents and visitors, and fits well into the larger planned bike path complex. However, may not fit with Council's FY2014 plan to return focus to infrastructure needs. It also places an unplanned demand on City resources if the Council wishes to pay for the difference or will impact the FY2014 legislative request list if Council decides to ask the legislature for more funding. I recommend we have a discussion of the issue as outlined in this memo, and based on the outcome, I will come back for formal direction at an upcoming regular Council meeting.

The City hereby agrees to provide the 9.03% matching funds required to utilize federal funding for this project.

The City's initial payment for the project match is therefore \$59,598 and covers the project through Design. This sum is due within 30 days of execution of this agreement.

The City's subsequent matching fund contributions shall be lump sum payments due prior to initiation of each subsequent phase authorizations from the Federal Highway Administration. Currently estimated non-federal matching funds for all subsequent phases (ROW, utilities relocation and construction) that the City hereby agrees to provide is \$ 404,995.

Once the design phase is completed, the agreement shall be amended to revise the cost estimates and schedules for the ROW, utilities relocation and construction phases, and reduce the required contingency from 50% to 15% of the revised estimate for these phases.

Contingency funds collected may be used to offset cost increases in any project phase. Upon project completion and final project closeout, if the final cost is less than the Agreement cost, the local contribution will be recalculated and excess contribution will be refunded to the City.

If the project cost increases beyond the initial 50% contingency for the total project (\$5,145,000), DOT&PF may, at its sole discretion, amend the project scope to decrease costs accordingly.

**3. PLANNING, DESIGN, AND CONSTRUCTION**

DOT&PF shall plan, design, and construct the project within the approved scope and funding.

**4. SCOPE OF WORK**

DOT&PF shall design and construct a 1.3 mile pathway within the existing DOT&PF-owned right-of-way along the ocean side of Rezanof Drive in Kodiak. This 10 foot-wide pathway will be from Pier 2, near Shelikof Street up to the existing Rotary Vista.

**5. MAINTENANCE AND OPERATIONS**

- a. The Municipality agrees to maintain and operate the project in perpetuity commencing upon the substantial completion of the construction of the project.
- b. The Municipality agrees to maintain and operate the project consistent with 23 CFR 81.27 and DOT&PF's Alaska Highway Maintenance and Operations Manual (AHMOM).
- c. The City shall perform its activities under this agreement at its sole cost and expense and without reimbursement from DOT&PF. These maintenance activities include, but are not limited to:
  - a. planning, scheduling, administration, and logistics of maintenance activities,
  - b. traffic control and safety;
  - c. preservation of drainage in an as-built condition, including maintenance of all culverts, ditches, storm sewers, gutters, dry wells, and under-drains;

- d. embankment protection, including erosion control, to as-built conditions;
  - e. guardrails and guardrail end treatments, if applicable;
  - f. snow and ice control, including any plowing, sanding, culvert thawing, snow hauling, ice scraping, drift control, snow slide removal, and associated tasks as may be required for safe public use;
  - g. maintaining signs in an as-built condition and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
  - h. removal of debris, rubbish, and dead animals;
  - i. pothole repair using asphalt products on an as-needed basis;
  - j. crack sealing;
  - k. repairs of minor rutting, waves, sags, humps, corrugations, raveling, alligator cracks, pitting and bleeding on a basis; and
- d. Maintenance staff may be employees of the City, another unit of government, or a contractor under agreement with the City. All maintenance will be performed at regular intervals or as required for efficient operation of the complete project improvements. The City's maintenance responsibilities commence the date of project substantiated completion.

**6. PROPERTY MANAGEMENT**

The right-of-way where the pathway will be constructed is owned by the DOT&PF.

The Municipality agrees that its maintenance activities within the right of way are subject to the provisions of 23 CFR 51.23, in perpetuity commencing upon the substantial completion of the construction of the project.

The Municipality may not allow any encroachment within the right of way of the project without the prior consent of DOT&PF and the Federal Highway Administration. The Municipality may not sell any portion of the right of way without the prior consent from DOT&PF and the Federal Highway Administration. In the event that DOT&PF and the Federal Highway Administration give their consent to the disposal of any portion of the right of way for the project, the municipality shall pay proceeds of the sale to DOT&PF, which DOT&PF will credit to the appropriate federal aid accounts.

**7. BILLING**

DOT&PF will invoice the Municipality for the full amount of the initial matching funds of \$59,598 upon execution of this agreement. The Municipality shall provide the funds within 30 days of receipt of the billing after which DOT&PF work on the project may begin. The DOT&PF design project manager will initiate subsequent billings for the ROW, construction and utility phases as outlined in paragraph 2. Financial Participation.

**5. TERM OF THE AGREEMENT**

The Municipality agrees to perform property management and maintain and operate the project in perpetuity commencing upon the substantial completion of the construction of the project. DOT&PF shall inform Municipality of that date.

**6. DISPUTE RESOLUTION**

- a. If a dispute arises under this agreement between the City and DOT&PF, and the parties cannot resolve the matter between them within 45 days after the notice is given by the aggrieved party to the other party, the aggrieved party may request that the matter be resolved by arbitration.
- b. Each party shall appoint an arbitrator to hear the dispute. The two arbitrators acting together shall select a third arbitrator with all appointments to occur in accordance with State Procurement code, AS 36.50. The three arbitrators shall hear the matter under such rules and procedures, as they deem necessary to conduct the proceedings.
- c. Each party shall pay the expenses of the arbitrator it appoints and shall pay half of the cost of the proceedings and the third arbitrator.
- d. Except when the provisions of this paragraph provide otherwise, an arbitration under this paragraph is subject to AS 09.43.010 – 09.43.180, the Uniform Arbitration Act.

**7. PENALTY FOR BREACH**

- a. Any withdrawal of the City’s promise to maintain and operate the project upon completion, including a withdrawal at any time after construction is completed, shall be considered a breach. If, prior to advertising for construction, the City withdraws its promise to maintain and operate the project upon completion, DOT&PF will reevaluate each project nominated by the City without consideration of Municipal maintenance. If the City withdraws its promise after the advertisement of a project for bid, the DOT&PF may proceed with construction of the project and seek recovery of maintenance costs from the City. In the evaluation of other projects in the City in the succeeding six years after the breach, DOT&PF will not include consideration of Municipal contribution until the City has cured the breach to DOT&PF’s satisfaction.
- b. If notified by DOT&PF in writing that it is in violation of any of the terms, conditions, or provisions of this Agreement, and a default has occurred, the City shall have thirty (30) days from the date of such notification to remedy the default or, if the remedy will take in excess of thirty (30) days to complete, the City shall have thirty (30) days to satisfactorily commence a remedy of the causes preventing its compliance and curing the default situation. Expiration of the thirty (30) days and failure by the City to remedy, or to satisfactorily commence the remedy of, the default shall result in the termination of this Agreement by DOT&PF. If this Agreement is terminated pursuant to this clause, the City shall be liable to repay to DOT&PF all of the Federal Funds disbursed to it under this Agreement.
- c. If the City makes a written request for the cancellation of a federal-aid project, the City shall bear 100 percent of all costs as of the date of cancellation. If DOT&PF was the sole cause of the cancellation, DOT&PF shall bear 100% of all costs incurred. If it is determined that the cancellation was caused by third parties or circumstances beyond the control of DOT&PF or the City, the City shall bear all development costs, whether incurred by DOT&PF or the City, either directly or through contract services, and DOT&PF shall bear any administrative costs incurred. After settlement of payments, DOT&PF shall deliver surveys, maps, field notes, and all other data to the City.

**8. INDEMNIFICATION**

The City shall hold the DOT&PF, its officers, employees, and agents harmless from and defend and indemnify the DOT&PF for liability, claims, or causes of action arising out of this Agreement. Notwithstanding the foregoing, the City shall have no obligation to hold harmless and indemnify the DOT&PF to the extent the DOT&PF is determined to be liable for its own act or omissions, except that:

- A. To the maximum extent allowed by law, the City shall hold the DOT&PF harmless from and indemnify the DOT&PF for liability, claims, or causes of action arising from an alleged defect in the design or construction of facilities existing on the premises at the date of this Agreement or constructed or improved pursuant to this Agreement, regardless of negligence or other fault, if such liability, claim, or cause of action arises out of an incident that occurs more than two years after the City assumes maintenance duties.
- B. The City's duty to defend shall apply regardless of whether it is also alleged that the DOT&PF's acts or omissions contributed to the injury (including injury to personal property, real property or persons, including fatal injury).
- C. Neither liability, claims, or causes of action arising from injuries which occurred prior to the date of this transfer nor liabilities imposed by, or claims or causes of action arising from or asserted under AS 46.03.822 shall be governed by the paragraph.

**9. CONTACTS**

The DOT&PF's contact is Wolfgang Junge, P.E., Design Project Manager (907-269-0608). The City's contact is Aimee Kniazowski, City Manager, or as may be redesignated in writing from time to time.

**9. AMENDMENT OF AGREEMENT**

This agreement may only be modified or amended by written agreement on the prescribed Supplemental Agreement forms signed by both parties.

**10. THE WHOLE AGREEMENT**

This agreement constitutes the entire agreement between the parties. There are no other understandings or agreements between the parties, either oral or memorialized in writing regarding the matters addressed in this agreement. This agreement may not be amended by the parties unless agreed to in writing with both parties signing through their authorized representatives.

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## SIGNATURES

Dated: \_\_\_\_\_

State of Alaska  
Department of Transportation and Public  
Facilities

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Ken Morton, P.E.  
Preconstruction Engineer

Dated: \_\_\_\_\_

Municipality of Kodiak

By: \_\_\_\_\_

Aimee Kniaziowski, City Manager



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Kodiak Daily Mirror  
O-Ed Piece  
By City of Kodiak Mayor Pat Branson

Tuesday, November 6th is a major election day, not only for national and state issues and candidates, but also for a critical transportation infrastructure General Obligation (GO) bond for the State of Alaska.

The Alaska legislature voted to place this bond measure before the people of Alaska as a way to pay for much needed maintenance, replacements, and repairs on important pieces of infrastructure statewide. Projects include ports, roads and railroads, all of which are used to export our resources. For Kodiak, partial funding to replace Pier 3 is on that ballot.

Pier 3 is Kodiak's physical and economic lifeline for receiving all of goods and shipping our goods, especially fish to other parts of the world. The pier has held up for more than 40 years, but its useful life is only 4-5 years and now needs to be replaced. With this November 6th ballot measure, the City of Kodiak would receive funding to complete this \$25-\$33 million project. The Alaska legislature has already committed \$18.1 million for Pier 3 in their capital budget, which passed this last fiscal year. The passing of this bond would pay for the remaining amount of \$15 million to complete this major project.

According to the Alaska Department of Revenue, due to current low interest rates, the cost of these GO bonds will be at an all time low and will not affect the state's bond rating, which is at AAA.

It is vital we replace Pier 3, and this GO bond is a cost efficient way to do so and one which will not cost Kodiak taxpayers. Please consider voting yes on this important bond measure on November 6<sup>th</sup> for Kodiak's economy, stability, and growth.