

**CITY OF CORDOVA, ALASKA
RESOLUTION 11-22-31**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA
COMMITTING \$3,896,575 FOR THE SOUTH HARBOR REBUILD PROJECT**

WHEREAS, the South Harbor Rebuild has been the number one priority for Cordova for over a decade; and

WHEREAS, Cordovans supported the project with a voter-approved ½% local raw-fish tax; and

WHEREAS, the conceptual design for the South Harbor Rebuild was completed in 2020 for grant application purposes and came in at a cost of \$32M; and

WHEREAS, City secured \$35.7M towards the projects as follows: a \$20M Federal Department of Transportation RAISE grant, a State of Alaska Tier 1 Grant of \$5M and voter-approved bond for the \$5M match, \$3M in unrestricted funds from the State of Alaska, a \$2M Clean Water Loan, and \$700K in Pink Salmon Fisheries Disaster money; and

WHEREAS, Harbor has committed to expend \$1,000,000 on contracts for design, engineering and environmental documents required to complete necessary pre-development work; and

WHEREAS, COVID-related price inflation has resulted in a dramatic increase in the project cost; and

WHEREAS, City of Cordova issued a Request for Proposals for which two responses were received; and

WHEREAS, neither proposal completes the project as presented in the RFP with the funding available; and

WHEREAS, certain critical elements of the project are directly tied to the MARAD/RAISE grant (\$20M) and State Tier 1 Grant (\$5M) and matching Harbor Bond (\$5M), and any changes to the project puts those funds in jeopardy; and

WHEREAS, City must sign a contract and commit to funding that contract to keep the project on schedule for construction in fall 2023 or risk loss of some funding; and

WHEREAS, after proposals were reviewed and scored, City determined the submission of Turnagain Marine Construction to be the best value proposal and issued a notice of intent to award; and

WHEREAS, City has negotiated a reduced scope of work with Turnagain Marine Construction at a price of \$39,596,575 which will complete the project *with* required critical elements that ensure compliance with grant agreements; and

WHEREAS, the negotiated reduced scope of work exceeds the available funds by \$3,896,575;
and

WHEREAS, City has identified \$4M in unrestricted general funds that are not needed within the next 12 months for City operation and those funds, if pledged to the project, would give staff time to pursue other funding; and

WHEREAS, those funds are currently invested in an interest-bearing account and would not be tapped until the funds were needed; and

WHEREAS, if additional funds are not raised, City would be contractually liable to provide those funds to the project; and

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Cordova, Alaska, commits \$3,896,575 to the South Harbor Rebuild Project.

PASSED AND APPROVED THIS 30th DAY OF NOVEMBER 2022



David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk