

## MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY  
CITY AND BOROUGH OF WRANGELL**

**FROM: MS. CAROL RUSHMORE  
ECONOMIC DEVELOPMENT DIRECTOR**

**SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)**

**DATE: OCTOBER 5, 2017**

### POTENTIAL PROJECTS FOR CONSIDERATION:

The public hearing for October 10, 2017 is to provide an additional opportunity for the community to comment on potential projects eligible for CDBG funding and specifically on the recommended project. The Public Safety Building Rehabilitation project was added by staff to the list of potential projects shortly after the September 12 hearing, after crews discovered additional structural and construction issues while repairing a leak. Solicitations of the public via radio, facebook, website and the public hearing have not generated any additional project ideas to date.

- 1. RECOMMENDED PROJECT: Public Safety and Fire Department Building Rehabilitation (PSB rehab), specifically all areas affecting the Fire Department facilities. Total building rehabilitation project cost is \$549,633, estimated cost associated with the Fire Department is \$294,273. Estimated minimum match required is \$137,408 (25% of total project costs).** External walls and windows of the PSB have needed replacing since a building assessment 13 years ago. Only a small portion (south wall of the building) of the identified work has been completed to date. Recently, after work crews found carpenter ants, mold, and wood rot as a result of addressing a visual leak, a structure building envelope assessment was completed by Jenson Yorba Lott in September 2017. Their summary is available in a separate report, but they found extensive dry rot, structural failures, leakages, sealants broken, and assembly roof components nonfunctioning. While the CDBG program cannot provide funding for court buildings or public safety buildings, they can fund Fire Department facilities and equipment. The cost estimate (which is still being fine tuned) for the PSB rehab the Borough has received was broken down to identify those items specific to the Fire Department facility for the CDBG grant application.

Staff is recommending this project because 1) the need is immediate and critical for continued occupation; 2) if successful in the CDBG award, it reduces General Fund contribution which has the least ability for dollar replacement; 3) the amount requested is a reasonable amount considering only \$2.4 million available for statewide projects; 4) match funding is available for the project; and 5) the City's share of the total project cost and required match actually shows more local contribution. A resolution will be required of the Assembly to authorize the application submittal, and at that time Staff will provide the best estimated cost components for the full building rehab and specific to the Fire Department.

- 2. Fire Truck Replacement: Estimated cost for a relatively new used pumper truck is \$315,000 to \$450,000.** Wrangell's Firefighting fleet is reaching its useful lifespan and the department is working on vehicle replacements. The emergency safety response priority is for a new pumper. Wrangell's municipal water service terminates at 6 mile Zimovia Highway, leaving an additional 8 miles of structures dependent on a 33 year old pumper truck of the Wrangell Volunteer Fire Department. The current pumper truck, housed at 5.5 mile Zimovia Highway is beginning to show signs of repairs and equipment malfunction, only allows 500GPM, and no longer qualifies under ISO as a pumper. It can only be considered and used as a support vehicle. It is imperative that we have functioning firefighting equipment, not only for the safety of the residents and businesses along Zimovia Highway without municipal water service, but also to protect the safety of the volunteer fire fighters responding to emergencies. The proposed new engine pumper will be a 4 wheel drive, 1000 gallon tank and 60 gallon AFFF holding tank, a 1500GPM pump and CAFS capabilities. In conversations with CDBG officials, there is no actual restriction on whether the acquired vehicle is a "new" used vehicle or a brand new vehicle. For either, justification as to the condition, the type of vehicle and its components must be clearly delineated within the application.
- 3. Water Treatment Facility Construction: Estimated cost \$9,051,000.** The rehabilitation of the Water Treatment Plant is the top priority of the community. The City and Borough of Wrangell (CBW) is pursuing the design and construction of a new water treatment plant and redesign of the existing roughing filter to increase water treatment capacity, improve the quality of drinking water and improve our production capacity to meet the community's growing water demand, as potable water is essential to the health and safety of Wrangell's residents, businesses and visitors and continued economic growth. While either the engineering design of the plant, or construction of the plant (not both) is eligible, because of the time line of the CDBG grant application submittal (due by December 1) and since a final decision on the water treatment plant rehabilitation has not been made, we could not provide a detailed enough description for the CDBG application.
- 4. Shoemaker Bay Harbor Construction: Estimated cost \$11,453,472.** The proposed Shoemaker Bay Harbor Replacement project will replace the existing but aging and failing infrastructure at Shoemaker Bay Harbor in Wrangell, Alaska with a modern facility to meet the current and projected needs of the community and region, specifically the commercial fishing fleet. Shoemaker Bay Harbor was designed and constructed by the State of Alaska Department of Transportation and Public Facilities (ADOT) in 1977. In 2003, the State of Alaska transferred ownership of the facility to the CBW. While Shoemaker Bay Harbor is critical infrastructure supporting the economic stability and growth of the community, a financing plan is in place and funds available. The CBW received \$5million from the State's Harbor Replacement Fund toward the reconstruction. The remainder of the funds will come from the Harbor Reserve Funds, the Harbor Deferred Maintenance funds, and through the sale of revenue bonds.
- 5. Mill Property Acquisition: Estimated cost - still in negotiations.** One of the borough's top priorities is to improve and expand the marine service center. The boat yard has proven to be a bright spot in the community's economic foundation. A property assessment and

feasibility study of the former mill site was completed in June 2016. The recommendation of the analysis was that for the long term redevelopment perspective, it made sense for Wrangell to purchase the property. The purchase and redevelopment is not without challenges and additional costs – extending utility infrastructure and redeveloping water access being two priority capital needs. While this is a future project with potential economic returns to the community, the CBW is still in negotiations and the actual details are not known for a CDBG application at this time.

- 6. Pool Roof Replacement and facility improvements: Estimated \$1,700,000.** An assessment of the pool facility was completed in 2014 identifying key facility improvements and replacements for the facility. Initial cost estimates to replace the flat rubber membrane (EDPM) roofs, upgrade the mechanical system, replace siding, lighting, and repair facility components was just under \$2 million. (Sloped roof above the pool natatorium itself is not leaking). Some of the work identified in the assessment is being addressed as funding becomes available. While the improvements need to take place, they are not as critical as the Public Safety Building rehabilitation issues. With the recent discovery of even more rotting and structural issues at the PSB and the new cost estimate to repair this building, it is Staff's recommendation to redirect the money in the FY2018 budget for the pool roof to the PSB rehabilitation.