

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Skagway****Federal Tax ID: 926000088****Project Title:****Project Type: New Construction and Land Acquisition**

## Skagway - Port of Skagway Gateway Project

**State Funding Requested: \$1,500,000**  
One-Time Need**House District: Juneau Areawide (31-32)****Brief Project Description:**

The project will provide funding for Skagway Ore Terminal ship basin dredging.

**Funding Plan:**

Total Project Cost:	\$1,500,000
Funding Already Secured:	(\$0)
FY2014 State Funding Request:	<u>(\$1,500,000)</u>
Project Deficit:	\$0

*Funding Details:*

*There is no funding yet for this dredging element of the project. The Municipality has a \$10 million state grant and \$5 million municipal bond authorization to construct a new dock adjacent to the dredge area.*

**Detailed Project Description and Justification:**

This project will supplement funding for the Port of Skagway Gateway Project to pay for dredging of the ship basin at the Skagway Ore Terminal. The dredging work will be done in conjunction with the replacement of a portion of the existing ore terminal dock with a new sheet pile cell dock in the northerly end of the ship basin. The Municipality of Skagway has funding in place for dock construction costs, but requires additional funding to cover dredging costs. The dock and ship basin improvement project (the Gateway Project) is in conjunction with the Alaska Industrial Development and Export Authority's upgrade of the ore terminal and ship loader.

**Project Timeline:**

Design and engineering:	Spring 2014
Bid phase:	June 2014
Construction:	October 2014 to April 2015

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

Municipality of Skagway

**Grant Recipient Contact Information:**

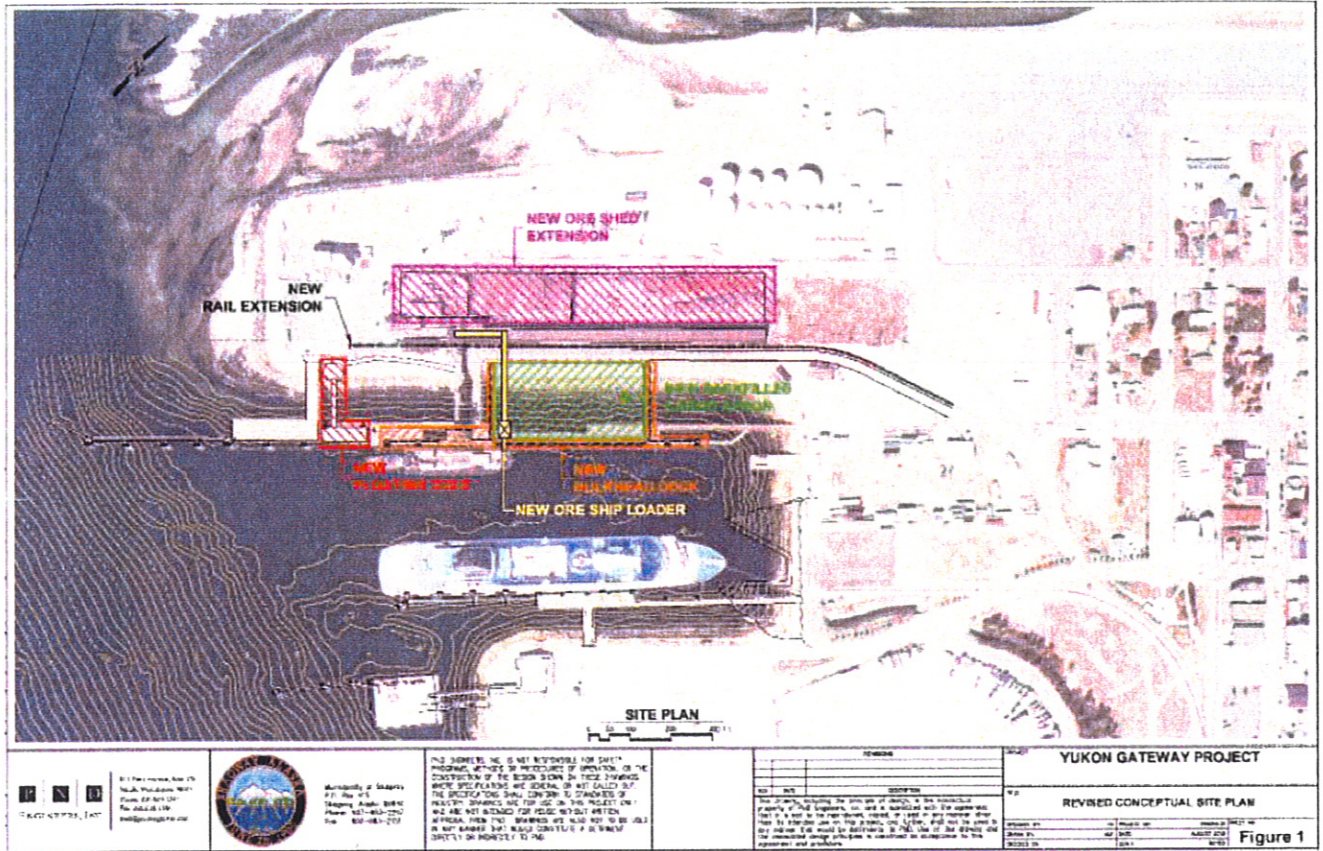
Name:	Tom Healy
Title:	Borough Manager
Address:	P.O. Box 415 Skagway, Alaska 99840
Phone Number:	(907)983-2297
Email:	t.healy@skagway.org

Has this project been through a public review process at the local level and is it a community priority?  Yes  No

# The Municipality of Skagway, Alaska

The Gateway Project will encourage application of the most efficient modes of transportation by gathering freight at coastal seaports, providing barge service to Skagway and truck service northward to the Yukon from Skagway, as well as possible reactivation of rail service into Yukon.

## Yukon Gateway Project – Conceptual Plan



- **Phase I:** Completion of the ore storage facility, the rehabilitation to the feed conveyor, the feed reclamation conveyor, the upgrading of the dust control system and modification to the power supply. This will double capacity, increase efficiency and lower the operating costs at the port.
- **Phase II:** Expansion of port site by creation of uplands with a new bulkhead structure will increase ore dock capacity to accommodate ore vessels and cruise ships at the same time.
- **Phase III:** Replace existing ship ore loader with a new ship ore loader built within the new sheet pile bulkhead area. This will place the loader in a structurally more desirable location for long term support of this essential machine.

The principal benefits of the Gateway Project include a stimulus to economic development in the Yukon, creation of local jobs in Skagway, a reduction of greenhouse gases compared to the movement of goods via other ports and modes

Figure 1



# Municipality of Skagway

GATEWAY TO THE KLONDIKE

P.O. BOX 415 SKAGWAY, ALASKA 99840

(PHONE) 907-983-2297 – Fax 907-983-2151

[WWW.SKAGWAY.ORG](http://WWW.SKAGWAY.ORG)

May 2, 2013

The Honorable Sean Parnell, Governor  
State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

**RE: FY2014 Capital Budget – Port of Skagway Gateway Project**

Dear Governor Parnell:

As you review the FY2014 capital budget presented by the legislature, I wish to take this opportunity, on behalf of the Municipality of Skagway, to speak in *strong* support for the \$1.5 million General Fund request for the Port of Skagway Gateway Project.

The Municipality is actively pursuing multiple aspects of the port development project and expects to announce a request for design engineering very soon.

A recent announcement from AIDEA confirms strong interest in concentrate shipments through the ore terminal facilities at the Port of Skagway. Our meetings during the Vancouver Mineral Round Up corroborate this and we fully expect additional shipping commitments in the near term.

Your consistent support for our efforts to make legacy improvements to our port infrastructure is greatly appreciated. Thank you kindly and our best regards.

Sincerely,

Stan Selmer  
Borough Mayor

cc: Senator Dennis Egan  
Representative Beth Kerttula  
Karen Rehfeld, OMB

Proposed by:	Administration
Vote:	5 Aye 0 Nay 1 Absent

**MUNICIPALITY OF SKAGWAY, ALASKA  
RESOLUTION NO. 12-16R**

**A RESOLUTION OF THE MUNICIPALITY OF SKAGWAY, ALASKA SETTING THE PRIORITY LIST FOR CAPITAL IMPROVEMENT PROJECTS.**

**WHEREAS**, the Municipality of Skagway would like to maintain its capital improvement projects priority list;

**NOW THEREFORE BE IT RESOLVED**, that the Municipality of Skagway establishes the following projects as the Capital Improvement Projects Priority List:

1. Renovation of Small Boat Harbor
2. Port Gateway Project
3. Public Safety Building
4. Liarsville Bike Path
5. Main Street Sidewalk Replacement
6. Main Street Repaving
7. Boat Harbor Storage and Repair

**PASSED AND APPROVED** by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 20<sup>th</sup> day of September, 2012.

  
\_\_\_\_\_  
Stan Selmer, Mayor

ATTEST:

  
\_\_\_\_\_  
Emily A. Deach, Borough Clerk

(SEAL)





**SELWYN CHIHONG  
MINING LTD.**

October 21, 2011

The Honorable Stan Selmer  
Mayor, Municipality of Skagway  
P.O. Box 415  
Skagway, Alaska 99840

Re: Letter of Support  
Gateway Project – Tiger Grant Application

Dear Mayor Selmer:

We write in support of the application of the Municipality of Skagway Borough for the Gateway Project Tiger Grant Application, to enable the Municipality to proceed with its Gateway Project to expand and improve the facilities at the Port of Skagway. We understand that this application is scheduled for delivery in late October.

Selwyn Chihong Mining Ltd. ("SCML") is a Canadian joint venture company. It is beneficially owned in equal parts by Selwyn Resources Ltd., a base metals exploration and development company headquartered in Vancouver, B. C., and Chihong Canada Mining Ltd., a wholly owned subsidiary of Yunnan Chihong Zinc and Germanium Co., Ltd. which is a fully integrated zinc-lead mining and smelting company based in the Yunnan province of southern China. The mission of SCML is to bring the Selwyn Project in east-central Yukon, one of the largest undeveloped zinc-lead resources in the world, into production.

Given its geographic location, business environment and existing infrastructure, the Port of Skagway is viewed as a highly attractive option for the overseas shipment of concentrates from the Selwyn Project site. With this in mind, SCML has engaged in extensive discussions with the Municipality of Skagway ("MOS") and the Alaska Industrial Development and Export Authority ("AIDEA") over the past year, to determine the potential of the Port of Skagway to serve as this essential link in the transportation chain for the Selwyn project.

Our discussions thus far have been encouraging. However, all parties acknowledge that the existing facilities must be expanded and modernized in order to handle the anticipated volumes of concentrates, meet or exceed current environmental and operating standards and ensure harmonious relationships among all port users.

The Gateway Project represents an essential element of this overall initiative. Moreover, it will allow the expansion and upgrades of the AIDEA-owned facilities at the port, which are currently undergoing close consideration, to achieve the full potential of the Port of Skagway.

With these considerations in mind, we respectfully support the Municipality of Skagway's Tiger Grant application.

**M. Paul Taylor, P.E.**

*M. Paul Taylor*

**Manager of Ports and Transportation  
Selwyn Chihong Mining Ltd.**



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August 20, 2010

Municipality of Skagway  
P.O. Box 415  
Skagway, Alaska  
99840

**Re: Support for TIGER II Grant Application**

Dear Mayor Cochran,

The TIGER II Grant is an important opportunity to develop the infrastructure and economy of Skagway and Yukon Zinc Corporation would like to express our support for your Municipality's application.

With an expected increase in exploration and mine development projects in the Yukon, the proposed benefits from the Grant would prove significant to the Municipality of Skagway. The Grant would help strengthen the mineral resource handling and transfer infrastructure and increase the ability to capitalize on the growing mining industry. These additional resources would help the Port of Skagway become a more viable option for Yukon Zinc Corporation to consider transporting incoming and outgoing freight including mining, construction and exploration equipment, as well as metal concentrate shipments. An increased capacity at the Port will help ensure that domestic markets and the growing international markets, in particular Asia, are accessed by Alaska and companies in the Yukon and the rest of Canada.

Yukon Zinc Corporation is in support of the TIGER II Grant application and the opportunities it will create for the economy of Skagway and Alaska, along with the progressive mining and mineral exploration industry in the Yukon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Mah', is written over a faint, larger version of the same signature.

Raymond Mah  
Chief Operating Officer  
Yukon Zinc Corporation



October 11, 2011

Municipality of Skagway  
Gateway to the Klondike  
P.O. Box 415  
Skagway, AK 99840

Dear Mayor and Council,

On behalf of the Yukon Chamber of Mines and myself, I would like to present a letter of support to the Municipality of Skagway for the TIGER grant application of the Ore Dock Improvement initiative: Gateway Project.

The Gateway Project is not only essential in the implementation and growth of intermodal transportation between the Port of Skagway and domestic markets, but it is a key driver to the growth and sustainability of your easterly international markets in the Yukon.

The TIGER grant will help reduce cross-border transportation and operating costs, and diminish greenhouse gas emissions through lower unit-cost marine shipping. Yukon resource industry agrees with the need for this initiative and its objectives.

The Yukon Chamber of Mines and its members freely offer their support in this much needed upgrade and expansion project.

Sincerely,



*Michael Kokiw*  
*Executive Director*  
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Governor Sean Parnell  
STATE OF ALASKA

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Governor@alaska.gov

August 24, 2010

The Honorable Ray LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Alaska TIGER II Discretionary Grant Applications

Dear Mr. Secretary,

I am writing to again express my support for applications submitted by Alaskan entities for a federal Transportation Investment Generating Economic Recovery (TIGER) II Discretionary Grant.

Although Alaskan projects were not successful in the first round, I believe that applicants have refined their projects and will meet the TIGER II selection criteria of positive long term outcomes, economic development, and job growth. These projects will also benefit national and international commerce, as ships and products from other countries will use the facilities.

Transportation projects in Alaska will have immediate and long lasting positive impacts for the community and the region. I appreciate your full consideration of projects submitted by Alaskan sponsors.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell  
Governor