

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Nome****Federal Tax ID: 92-6000084****Project Title:****Project Type: Remodel, Reconstruction and Upgrades****Nome - Port Improvements****State Funding Requested: \$3,000,000****House District: 39 / T**

One-Time Need

**Brief Project Description:**

The City of Nome is requesting \$3,000,000 in additional funds to build the Port Causeway Middle Dock Project.

**Funding Plan:**

Total Project Cost:	\$9,400,000
Funding Already Secured:	(\$6,400,000)
FY2015 State Funding Request:	<u>(\$3,000,000)</u>
Project Deficit:	\$0

*Funding Details:*

The City of Nome has \$4,900,000 in GO Bond, and \$500,000 from Norton Sound Economic Development Corporation (Outside Entity Funding Program), and will have an additional \$1,000,000 from the EDA-Public Works/Economic Development Program once a match is located.

**Detailed Project Description and Justification:**

The City of Nome, Alaska is seeking \$3 million in additional funds necessary to build the Port Causeway Middle Dock Project. The construction of this project, currently estimated at \$9.4 million, will serve as an additional infrastructure component critically needed to meet the rising demand for dock space and alleviate an escalating congestion problem at the Port of Nome.

As identified below, the City has secured \$5.4 million in public and private funds, with the potential for an additional \$1 million in federal monies, if the remaining \$3 million in matching funds can be obtained.

## Secured Funds:

\$4,900,000 State of Alaska General Obligation Bonds -- Voter Approved November 2012  
 \$ 500,000 Norton Sound Economic Development Corp -- Outside Entity Funding Program  
 \$1,000,000 EDA -- Public Works/Economic Development Program -- (once match is located)  
 \$6,400,000

As shown on the attached graph, vessel calls at the Port have increased significantly in the past 5 years, with the growing interest in the Arctic, as well as regional economic development through resource extraction, transportation facility improvements, fisheries expansion and a steady growth in local/regional services. This increased activity consists of; cargo/fuel/gravel barges, USCG fleet, cruise ships, research vessels, offshore oil/gas support vessels, pleasure & adventure craft, and foreign vessels as well as tugs running light boat (no barge) requiring fuel to continue their Arctic missions.

The two existing sheet pile docks at the Port have long served the region as effective transshipping points within this transportation hub for medium draft, ocean-going vessels. However, the limited ice-free shipping timeline in Western Alaska requires all vessel activity to occur within a short 4-5 month window, with the Northern Arctic window being even shorter. The number of vessels working in the area from a wide array of marine industries is increasing each year. They are striving to accomplish more work within the same operating window, thus putting more demand on existing facilities. A good indicator of increased activity is the average volumes of commodities shown below.

## 5 year average:

Average tons of cargo: 122,733

Average gallons of fuel: 13,302,807

## 25 year average:

Average tons of cargo: 59,159

Average gallons of fuel: 12,468,511

The need for this additional dock space became apparent 2 years ago as the demand soared. We simply must address the congestion at the Port of Nome to reduce costly time delays in a region with an already limited operating window and high transportation costs.

## Recommendation:

The City of Nome requests State financial assistance in the amount of \$3,000,000 to repair and expand the infrastructure for the Port of Nome's growing needs.

**Project Timeline:**

Design 95% complete; construction and expenditures will occur in FY2015.

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

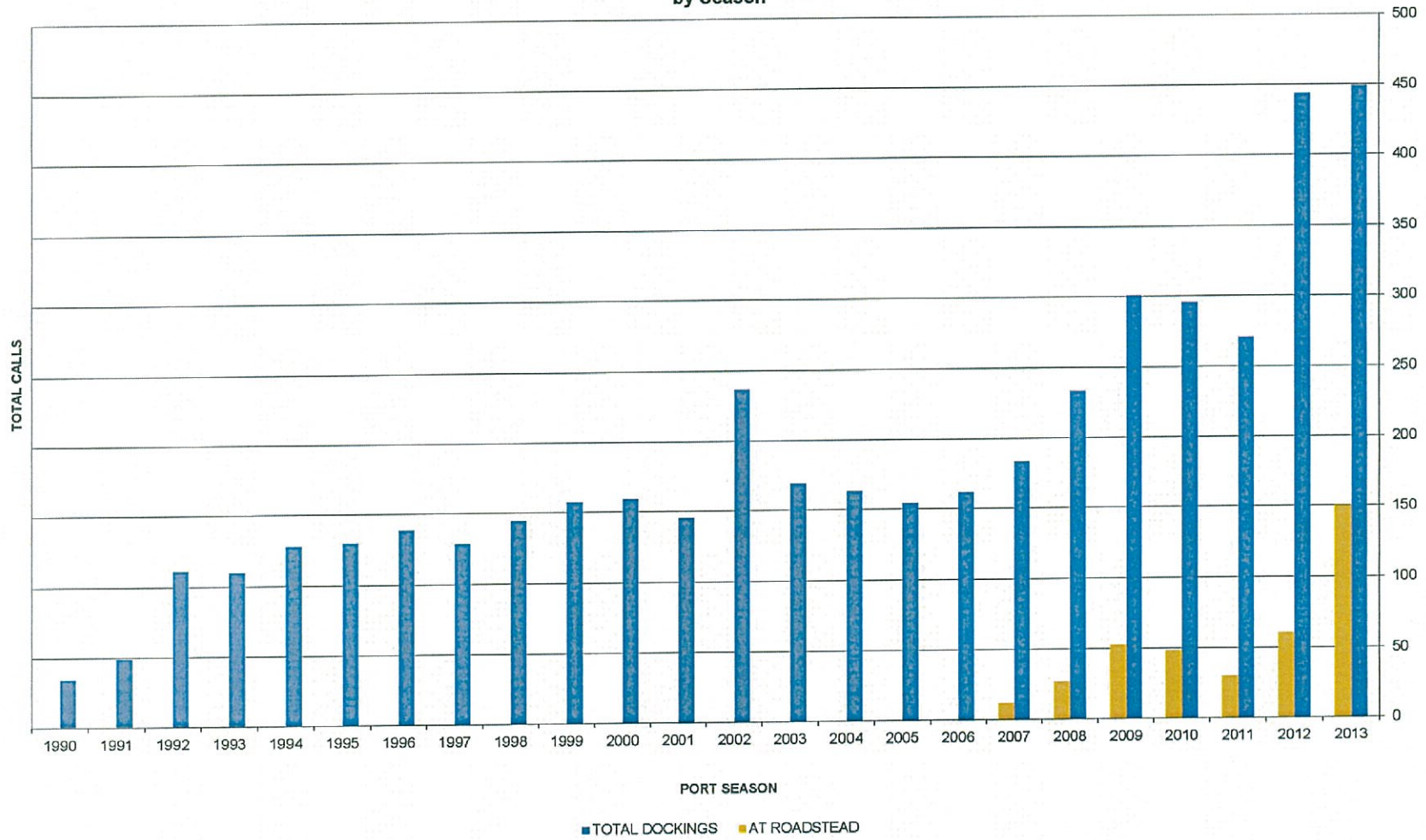
City of Nome

**Grant Recipient Contact Information:**

Name: Denise Michels  
 Title: Mayor  
 Address: P.O. Box 281  
 Nome, Alaska 99762  
 Phone Number: (907)443-6600  
 Email: dmichels@nomealaska.org

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

PORT OF NOME VESSEL TRAFFIC  
by Season



# PORT OF NOME

## Vessel Calls By Season

NOME PORT SEASON	BULK CARGO & FUEL		GRAVEL & EQUIP. BARGES	HARBOR DOCKING PERMITS		MISC. VESSELS	CRUISE SHIPS	GOVT SHIPS	TOTAL DOCKINGS	AT ROADSTEAD
2013	171	#	33	159	***	71	4	11	449 +	150
2012	159	#	33	179	***	62	2	9	444 +	61
2011	112	#	37	86	***	31	2	3	271 +	30
2010	83	#	76	60	***	67	2	8	296 +	49
2009	104	#	95	57	***	37	5	3	301 +	53
2008	91	#	51	52	***	31	4	5	234 +	27
2007	84	#	31	46	***	12	3	8	184 +	12
2006	89	#	15	44	***	6	3	5	162 +	
2005	78	#	21	37	***	13	3	3	155 +	
2004	88	#	32	28	***	5	4	7	164 +	
2003	65	#	25	65	***	4	5	6	170 +	
2002	79	#	61	55	***	26	8	8	237 +	
2001	53	#	34	43	***	13	1	2	146 +	
2000	54	#	38	26	***	40	0	2	160 +	
1999	62	#	40	25	***	30	0	1	158 +	
1998	42	#	60	19	***	18	4	2	145 +	
1997	51	#	32	23	***	20	2	1	129 +	
1996	19	*	30	43	***	43	4	0	139 +	
1995	22	*	24	45	***	36	3	0	130 +	
1994	35	*	24	41	***	23	2	3	128 +	
1993	56		18	0		32	4	0	110 +	
1992	67		20	0		21	1	2	111 +	
1991	18	**	14	0		14	2	1	49 +	
1990	18	**	5	0		10	0	1	34 +	

The total dockings number indicates how many vessels called at the port during the season, but does not depict how many days each vessel stayed. Vessels typically stay 2 to 3 days. Occasionally, a vessel may stay in port for up to 7 days or more due to weather, operational scheduling, or to layup for repairs.

"AT ROADSTEAD" indicates vessels that anchored off harbor entrance due to draft restrictions, weather, or waiting in queue. This number is not included as part of "TOTAL DOCKINGS"

**Increase in permits in 2012 due to increased number of offshore gold dredges.**

**Increase in calls in 2008 due to oil exploration in the Chukchi Sea and a rise in gravel/rock exports.**

**Increase in calls in 2002 due to rise in gravel/rock exports.**

# Increased quantity represents more vessels hauling village freight & gravel.

+ Denotes closed season

\* Village cargo barges issued docking permits for these seasons.

\*\* Village barges not tracked these seasons, just linehaul.

\*\*\* Total docking permits issued each season for home-ported vessels working out of the Small Boat Harbor. Mostly small fishing vessels, but an occasional small tug/barge or sailing craft. (Hence, permits reflect only how many vessels received permits, not how many calls they made.)

Note: CMS village barges were counted in 1992 & 1993 each time they docked to load for next trip.



**Nome Eskimo Community**

Box 1090  
Nome, Alaska 99762  
Phone (907) 443-2246  
Fax (907) 443-3539



September 19, 2013

Josie Bahnke, City Manager  
City of Nome  
P.O. Box 281  
Nome, AK 99762

**RE: Letter of Support**

Dear Ms. Bahnke:

The Nome Eskimo Community would like to express support for the City of Nome's 2013 Outside Entity Funding proposal for the Causeway Mid-Dock Project.

The City of Nome has taken significant measures to improve our ports that not only serve the community of Nome but commercial and subsistence needs as well. The Mid-Dock Project would address the growing backlog of large ship and barge traffic that must wait for space at the causeway. The increase in traffic, with limited dockage space, has resulted in lengthy delays that continue to impact a vessels ability to get dockside to conduct operations in a timely manner. The construction of a 3<sup>rd</sup> cell mid-dock will not only alleviate vessel congestion but allow vessels to enter and depart our port in a more expedient manner.

The City of Nome has already invested substantial funds for harbor projects and is seeking additional funds for this project that will help to fulfill our communities growing port needs. Nome Eskimo Community understands the importance of this project and fully supports the City of Nome's proposal.

Respectfully,

**NOME ESKIMO COMMUNITY**

A handwritten signature in cursive script that reads "Denise Barengo".

Denise Barengo, Executive Director

Cc: 2013 Letters of Support - file



September 27<sup>th</sup> 2013

Joy L. Baker

Projects – Port Expansion & Development

Port of Nome

907-443-6602

[www.nomealaska.org](http://www.nomealaska.org)

Dear Joy Baker,

This letter is in response to the potential Mid Dock Project regarding the causeway expansion to the existing dock in Nome, Alaska. You have our full support in trying to make this project happen as the causeway addition will have many benefits to our scheduled marine transportation company. We would like to help the process in whatever way we can. The volume and activity in Nome, Alaska has grown considerably in the last few years and needs to have more capacity.

Alaska Logistics, LLC will be going into our 12<sup>th</sup> season of shipping in and out of Nome. Over the past five years we have seen the volume of the dock usage increase dramatically. In 2012 it was our largest season of shipping freight out to Nome. On one voyage we had over 130 different projects passing over the Nome docks. We also have 5 scheduled voyages to Nome every sailing season.

Our company has been impacted by not having enough causeway space to come in quickly and depart in a timely manner on more than one occasion this year. This holds up our turnover time and causes delays in scheduling for other villages. Building the additional causeway will make it more efficient for our company with the loading and offloading of cargo to our vessels.

It would be beneficial to have and form a second causeway in Nome for operational purposes and convenience for more than just Alaska Logistics, but also other logistics companies and people with operations taking place down at the dock. Since there is currently one causeway, only one vehicle or piece of equipment is able to drive on the causeway, it can get congested down at the dock which can slow down operations of companies working. If there were two causeways this could potentially cause a better operational flow with all of the different people going back and forth from the city dock since there could now be two or more vehicles with the space of two causeways.

A new causeway without the extremely low weight limitations or the current causeway would also help our operations. Let us know if there is anything that we can do to help the process. We have tugs and barges that could be used to bring up materials from Seward, Alaska or Seattle, Washington to help with the Mid Dock Project.

Respectfully,

Allyn Long  
General Manager

P.O. BOX 3512 • SEATTLE, WA 98124-3512  
PHONE: (206) 767-2555 • FAX: (206) 767-5222  
EMAIL: [INFO@ALASKA-LOGISTICS.COM](mailto:INFO@ALASKA-LOGISTICS.COM)  
WEBSITE: [WWW.ALASKA-LOGISTICS.COM](http://WWW.ALASKA-LOGISTICS.COM)



## BERING STRAITS NATIVE CORPORATION

City of Nome  
PO Box 281  
Nome, AK 99762

December 12, 2013

To whom it may concern:

This letter is in support of the EDA Investment Assistance application submitted by the City of Nome for port/harbor enhancements, specifically for the middle dock project. This addition to the City's facilities will greatly improve the ability to export sand, rock and gravel, which is one of the business lines that Bering Straits Native Corp and it's wholly owned subsidiary Stampede Ventures Trucking is involved with. Currently, there is insufficient room at the dock to stage materials for export and there are frequently no berths available for the gravel transport barges to tie up because of other traffic. I believe the addition of the middle dock will allow an expansion of our business, resulting in at least five good paying jobs in the community.

Thank you,

Jerald Brown, VP  
Bering Straits Native Corp  
PO Box 1008  
Nome, AK 99762  
907-443-4307



P.O. Box 905 • Nome, Alaska 99762  
(907) 387-1200 • Fax (907) 443-3063

December 12, 2013

Josie Bahnke, City Manager  
City of Nome  
P.O. Box 281 Nome, Alaska 99762

Ref: Letter of Support for EDA funding.

Dear Ms. Bahnke

Sitnasuak Native Corporation (SNC) strongly and whole heartily supports the City of Nome's request to seek EDA funds to assist in building the Middle Dock Project at the Port of Nome.

SNC's subsidiary Bonanza Fuel (BF) recently increased its fuel storage capacity from 3.6 million gallons to close to 6 million gallons. BF will also have the capacity to provide large volumes of fuel quickly to any size vessel. This will require additional staff.

SNC is a the major supplier of Heating Oil, ULSD#1, ULSD#2 and Gasoline in the Nome area.

BF has delivered thousands of gallons of marine fuel to a variety of marine vessels moored at the Nome Port for many years.

The City of Nome needs a marine facility that can meet the increasing demands for additional mooring space for the unloading and loading of a variety of cargo being delivered by many marine vessels. The number of vessels utilizing the Nome Port is increasing.

The addition of the middle dock will allow vessels to quickly discharge or receive

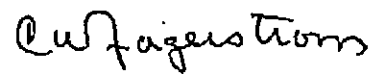


cargo, hopefully lowering the cost of living for all of us in the Bering Straits Region. Not only lowering the cost of living but also provide job opportunities.

Again SNC respectfully request EDA to provide funds to assist the City of Nome to construct the Middle Dock at the Port of Nome.

Respectfully submitted,

Sitnasuak Native Corporation

A handwritten signature in black ink, appearing to read "C W Fagerstrom". The signature is written in a cursive, slightly slanted style.

Charles w. Fagerstrom, President



September 25, 2013

Josie Bahnke  
City of Nome Manager  
PO BOX 281  
Nome, AK 99762

re: Additional Offload Berth in Nome Harbor

Ms. Bahnke,

The Port of Nome plays a critical role as our nation's only "Gateway to the Arctic". In the span of my career, I've seen the port grow substantially, but not enough to keep pace with the rapid increase in Arctic shipping.

Vitus Marine support the construction of any additional mooring space. As a frequent user for critical fuel deliveries, Vitus has first-hand knowledge of the costly delays related to port congestion.

Efficient port operations are vital to commerce and ultimately a savings to regional consumers. Every day lost to port congestion will ultimately mean additional costs passed on to consumers.

Vitus stands behind any efforts by the City of Nome to secure funding for harbor expansions and improvements.

Sincerely,

Mark Smith,  
CEO Vitus Marine



Knik Construction Co., Inc.  
P.O. Box 3757  
Seattle, Washington 98124-3757  
(206) 439-5525  
(800) 426-3201  
Fax: (206) 243-8415

December 30, 2013

Ms. Joy Baker  
Projects-Port Expansion & Development  
Port Of Nome  
P.O. Box 281  
Nome, Alaska 99762

Re: Nome Mid Dock Project

Dear Ms. Baker:

Knik Construction Co., Inc. strongly supports the construction of additional docking capacity for large ships and barges at the Nome Port.

Knik does work for the State of Alaska Department of Transportation and Public Facilities as well as other Federal and State agencies that involves the exporting; via barge, of local Nome aggregates to various construction projects throughout the region. This is done with marine gear that can cost over \$25,000 per day; so delays can add significant costs to these projects. With the growing amount of vessel traffic we have seen into and out of Nome we are concerned that the cost of these delays will make the local Nome aggregates non-competitive for export compared to other aggregate sources.

We have enjoyed a long term relationship working with the local Nome land owners to assist them in the development and marketing of their aggregate resources for export. It would be ashamed to see these resources become unfeasible for export.

If you have any questions you can contact me at (206)439-5560.

Sincerely,

A handwritten signature in black ink, appearing to read "Parry Rekers", written over a large, stylized flourish.

Parry Rekers  
Vice President

12/26/13



Joy L. Baker  
Projects – Port Expansion & Development  
Port of Nome  
P.O. Box 281  
Nome, AK 99762

Bering Marine Corporation  
6400 South Airpark Place, Suite #1  
Anchorage, AK 99502  
(907) 245-1544  
Fax: (907) 245-1744

**RE: NOME MID DOCK**

Dear Joy

Bering Marine is pleased to learn that the Port of Nome is planning on building a mid-dock to provide docking of three vessels at one time at the Nome Outer Harbor. We have noticed an increase in traffic at your facility in the past few years. Lately it seems that each time we plan to use the Nome Outer Harbor there is a conflict with other vessels.

In 2008 - 2010 we barged the following quantities from West Dock at Nome:

**2008**

44,192 tons of 3" minus

**2009**

54,258 tons of 3" minus

**2010**

30,671 tons of 3" minus

13,929 tons of D1

The above tonnage was hauled from Nome with 44 different voyages. As busy as the Nome docks are today we would have had to bid delay days into the job which could have cost us and the State of Alaska between \$300,000 and \$600,000.

We have been using Nome for the past 30 years as one of our primary aggregate sources and would like to continue to use it as long as we can be efficient loading and unloading barges.

We strongly support Nome's expansion work at the Nome outer Harbor.

Thanks Rick Gray

President

Bering Marine Corporation