

City of Kotzebue - Cape Blossom Port Authority and Development

FY2024 Request: \$500,000
Reference No: AMD 65100

AP/AL: Appropriation

Category: Transportation

Location: Kotzebue

Impact House District: Arctic (HD 40)

Estimated Project Dates: 07/01/2023 - 06/30/2028

Project Type: Life / Health / Safety

Recipient: City of Kotzebue

House District: Arctic (HD 40)

Contact: Catherine Reardon

Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

Senate Special Session Add for the House.

Development of the port authority for a regional deep-water port at Cape Blossom - a first phase of the planning and design process for the port.

Funding:	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>Total</u>
1004 Gen Fund	\$500,000						\$500,000
Total:	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

The City of Kotzebue is requesting funding for the development of the Cape Blossom Port and Port Authority. While the City of Kotzebue is taking the lead on this project, the Northwest Arctic Leadership Team (NWALT), a team of regional executives and elected officials, outlined Cape Blossom Port development as a priority for all Northwest Alaska. Cape Blossom Port Development will be a partnership between the Northwest Arctic Borough, the City of Kotzebue and several other local and regional entities to ensure its completion.

A regional deep-water port located at Cape Blossom will eliminate the expense of barge lighterage services and reduce the overall cost of transporting goods and services to the Northwest Arctic Borough which in turn will lower the cost of living for fuel, goods and other products to be shipped into the region. This funding request would allow the City of Kotzebue to establish a port authority and determine a location, and design of the Cape Blossom Port.

The city has been studying the development of a port site in the area since 1973, when the USACE recommended against siting a port at Kotzebue and suggested Cape Blossom, 11 miles south of the city. Phase I of Cape Blossom Road is nearly complete. The building of Cape Blossom Road to Sadie

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Creek will be complete in 2023. In addition, Governor Dunleavy funded Phase II of Cape Blossom Road at \$27 million dollars to build the need infrastructure to reach the anticipated port location.

In addition to completing and securing funding for Phase I and Phase II, local entities have partnered to study Cape Blossom to further the development of this much needed port. Qikiktagruk IRA (the local tribe), the City of Kotzebue and the US Army Corps of Engineers conducted a site conditions technical report for Cape Blossom. This report outlined 3 additional port sites for Cape Blossom Port as the original location was identified as a high erosion area. This funding request would allow the City of Kotzebue and regional entities to create a port authority to review all port locations identified in the review from the US Army Corps and establish a location. In addition, the funding would allow for the further development of the port by developing a design, location and needed infrastructure for an Arctic Port.

The following State CAPSIS request for the Cape Blossom Port Authority and Development project is as followed:

Establishment of Port Authority: \$500,000

Additionally needed is:

Planning and Development of Cape Blossom Port: \$9,500,000

Project Timeline:

July 1, 2023: Meet with regional entities to establish port authority.

January 1, 2024: Begin project

July 1, 2024: Begin feasibility study with USACE for alternate site locations: Complete by June 30, 2025. Previous work would allow for a compressed timeline for the feasibility study.