

**APRIL 3, 2024
CITY COUNCIL MEETING
ADDITIONAL MATERIAL/REVISIONS**

REQUESTED ADDITIONS TO THE PACKET

<u>ACTION</u>	<u>ITEM</u>	<u>REQUESTED BY</u>
Add to Item E. 3.	Ordinance No. 3406-2024 <ul style="list-style-type: none">• Amendment Memo	Administration
Add to Item H. 5.	Action/Approval - Community Purpose Exemption to Donate Sand <ul style="list-style-type: none">• Public Comment	Administration



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Gabriel and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Scott Curtin, Public Works Director
DATE: April 3, 2024
SUBJECT: **Ordinance 3406-2024 Requested Amendment**

The following amendment is respectfully requested.

Motion

Amend the title by removing "Airport Special Revenue Fund and" then changing the word "Funds" to "Fund".

To read as follows:

Increasing Estimated Revenues and Appropriations in the ~~Airport Special Revenue and~~ Airport Improvement Capital Project Funds and Authorizing a Final Adjusting Contract Amendment to the Professional Services Agreement with HDL Engineering for Construction Administration Services for the 2020 Kenai Municipal Airport Sand Storage Facility Project. (Administration)

Thank you for your consideration.

March 29, 2024

Dear Council Members:

I am requesting that the city of Kenai ask FAA to donate sand from the airport for Triumvirate Theatre to use as fill for the new children's theater. I appreciate your consideration on this matter.

We greatly appreciate the city's wiliness and commitment to this project. The donation of land to build this new facility is a great blessing. Unfortunately, it is going to cost a great deal to develop this property because the water table is so high. Originally, the cost of developing the property was over \$800,000, a staggering sum especially for us. Thanks to our architect and the city's administration, we were able to reduce parking, utilizing street parking to meet the requirement. This greatly reduced the area that had to be developed. However, the estimated cost of developing the lot is still \$468,000. I am looking for anyway to reduce that amount.

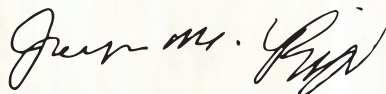
About a year ago, trying to help us with development costs, the city manager, Terry Eubank, suggested we buy sand from the airport. The cost was determined to be \$6.50 a cubic yard. We need 5,000 cubic yards of sand for fill. To be clear, even if we have to purchase it, it's still more economical than buying 5,000 cubic feet of gravel from a pit. Just the fact that the airport is a much shorter distance than the nearest gravel pit is a tremendous savings. So why ask for the sand to be donated? We need to save as much money as we can on this project. Here is why:

In order to pay for the construction of the \$3.3 million dollar building that is schedule to begin in May, we are going to have to borrow up to \$500,000 from the Rasmuson Foundation's PRI program. Although this loan program has an incredibly favorable rate over a 12-year period, it still is going to necessitate a monthly payment. The less Triumvirate has to borrow from this program, the more sustainable our operations in Kenai will be after the building is complete early next year. I don't want to build a \$3.3 million building in Kenai, just to struggle to keep the doors open and provide theater programs for the kids here and the surrounding area. In spite of investing millions of dollars in this new facility in the community of Kenai, we are still trying to save two nickels and a length a pipe because in the long run, a lower mortgage payment on the building will make all the difference in how well we can serve kids and fulfill our mission.

The FAA is willing to consider donating this sand, which, incidentally, isn't any good to them because it doesn't meet FAA specification for use on the runway. They require the city to request the donation as a community benefit, which it most certainly is.

Thank you for considering helping us make our operations in Kenai as sustainable as possible. Every little bit helps and will make a measurable difference in providing the best service to kids here in our community.

Best,
Joe



Joe Rizzo
Executive Director
Triumvirate Theatre