



September 2, 2021

Alaska District, U.S. Army Corps of Engineers  
ATTN: CEPOA-PM-C  
P.O. Box 6898  
Joint Base Elmendorf-Richardson, AK 99506-0898

To Whom It May Concern:

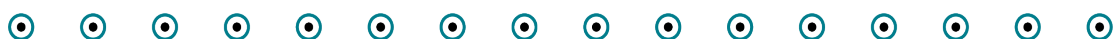
This is in reference to the U.S. Army Corps of Engineers' Planning Assistance to States Program. We understand that the provisions of Section 22 of the Water Resources Development Act of 1974, as amended, provides authority for the Corps to assist in the development, use, and conservation of water and related resources.

The City of Saint Paul requests planning assistance from the Corps - Alaska District to provide data collection, planning, and study services, and to provide recommendations related to the Saint Paul Harbor Improvement and Expansion Project.

Saint Paul Island is accessible only by sea and air, with most fuel and freight arriving by barge. Saint Paul Harbor has a breakwater, 600' of dock space split between three docks, a barge off-loading area, and a small boat harbor. Harbor facilities are capable of handling fishing vessels, small rescue boats, small cruise ships, and fuel and cargo barges, and is a key port for the Central Bering Sea fishing fleet. A variety of fisheries-related businesses and services exist on Saint Paul Island, including the one of the world's largest crab processing facilities owned by Trident Seafoods.

Located in the middle of the Bering Sea, Saint Paul Island is exposed, often annually, to numerous storms of hurricane-force strength. The outer breakwater was originally designed in 1982 by the US Army Corps of Engineers for a design wave height of 16.5 feet for a fifty-year storm. A reassessment conducted in 2006 noted maximum wave height near the harbor entrance at 27 feet. Waves routinely overtop the breakwater and did extensive damage to the existing harbormaster building in 2019. Wave surges in the harbor basin combined with strong winds often result in vessels being slammed against mooring infrastructure. During winter, the ocean and harbor water occasionally ice over and impede safe moorage at the city south dock. Most years the harbor is closed for several days due to rough weather which makes entry or exit too dangerous. The harbor is difficult to enter or exit during rough weather conditions. This is due to entry breakers, the necessity of a hard 90-degree turn at the entrance placing the entering vessel "in the trough", uneven bathymetry within the harbor, and surge action and long period waves within the harbor. Several wrecks along the island's coast remind mariners of the risks.

The main economic activity on Saint Paul Island is the winter snow crab fishery. Approximately half of all snow crab harvested in the United States, nearly 21 million pounds annually, is delivered by



fishing vessels to the sole processor in Saint Paul Island. The fishery takes place from January into April depending on allowable harvest levels and catch rates. Over the past few years, snow crab harvests have been increasing with corresponding increases in deliveries to Saint Paul and demand on services there. It is primarily this activity, and past and future harvests of other crab species, that have been the impetus for the harbor. Without crab harvests there would be little port traffic other than small, local fishing vessels.

According to Les Hodges Seafood Consulting, market prices in 2021 for king and snow crab have increased almost every week with demand outpacing the ability to supply. The consumer demand during the pandemic resulted in strong sales of overall fresh and frozen seafood at retail. New markets were created for premium items that were seen in the past mainly in foodservice. Now, in order to maintain their gains, retailers must compete with the rapid opening of the food service sector in addition to a strong international demand for a resource that is limited in supply. Prices have been driven to all-time highs with more increases coming in the future for crab. The Standing Fish Price Setting Panel announced the 2021 price for snow crab at \$5.73 per pound, up considerably from last year's price of \$3.50 per pound. Based on SFPSP, the added value of the approximately 22,000,000 pounds of snow crab processed in Saint Paul Island in 2021 is expected to contribute approximately \$126,060,000 to the US economy, according to Trident Seafoods.

The US Army Corps of Engineers (USACE) has spent significant time and resources studying, planning, designing and constructing the breakwaters, entrance channel, and turning basin. The original design of the harbor was predicated on providing moorage for a fleet of 36 crab and bottom fish vessels with lengths up to 120 feet and an unladen draft of 12 feet. This provided access for refrigerated cargo vessel lengths in excess of 300 feet and an entrance channel maintained to -30 feet MLLW. The current inner harbor facilities can only accommodate a fraction of this original design fleet.

In December 2020, the City of Saint Paul authorized the Saint Paul Harbor Improvement and Expansion Feasibility Study project, funded by a grant from the Economic Development Administration. The purpose of the project was to outline alternatives, options, phases, and costs to replace, upgrade, and expand the community's harbor over three phases to meet current and future needs. Input from city staff, industry stakeholders, and the community was collected, and key issues identified. The City expects to receive the final Feasibility Study by the end of September 2021.

This project will improve the existing Saint Paul harbor to dramatically reduce damage to property and infrastructure, significantly protect human life and reduce risk of injury, improve overall operational harbor transportation efficiency, and directly benefits local, regional, and national economies. The Saint Paul Harbor is a valuable land asset to the region's fishing fleets as well as the entire nation of seafood consumers, and its role in marine and fishing commerce, transportation, and the support of the vessels and businesses that provide both must be protected.

Two broad phases of improvements have been identified including:

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| <u>Phase 2</u> | Expand the breakwater and revise the entrance channel. This is estimated to cost between \$200 million. <ul style="list-style-type: none"><li>• This would include a Federal / U.S. Army Corps of Engineers-led rubble mound breakwater expansion.</li><li>• The addition of a new entrance channel with jetties to improve the wave climate and reduce shoaling and subsequent maintenance dredging.</li></ul> |
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Phase 3

Relocate the exit to the Salt Lagoon, expand the upland, and expand the inner harbor. This is estimated to cost around \$25 million.

- This would allow the beneficial use of dredge material to create uplands with additional moorage.

The City of Saint Paul's dedication to a long-term improvement and expansion plan for the Saint Paul Harbor is directly tied to protecting the harbor's role in marine and fishing commerce, transportation, and the support of the vessels and businesses that provide both. The Saint Paul Harbor is a valuable land asset to both the region's fishing fleets as well as the entire nation of seafood consumers.

We would like to discuss the availability of information, required schedule, and level of effort required to negotiate a cost-sharing agreement to initiate a Section 22 study. We understand that such a study is estimated to cost \$200,000 and that based on the 50/50 cost-share, the City's portion would be \$100,000. Our staff would work with the Corps to develop the detailed scope, schedule, and budget for the study. The budget developed would be the basis for entering into an agreement between the City of Saint Paul and the Corps of Engineers. We further understand our non-Federal 50% share can be met either in cash or in-kind services, or a combination of both, as long as said services occur after the agreement is signed.

Please contact me at your earliest convenience to arrange a further discussion of this request.

Sincerely,

Phillip A. Zavadil, City Manager