

RESOLUTION NO. 5202

A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO APPLY FOR FUNDS FROM THE UNITED STATES DEPARTMENT OF TRANSPORTATION FOR THE FY2026 BETTER UTILIZING INVESTMENTS TO LEVERAGE DEVELOPMENT (BUILD) GRANT PROGRAM FOR ISLAND HOMES SUBDIVISION RECONSTRUCTION

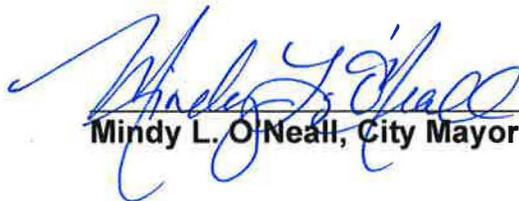
WHEREAS, the Better Utilizing Investments to Leverage Development (BUILD) Grant program provides the United States Department of Transportation a unique opportunity to invest in projects that will have a significant local or regional impact and improve transportation infrastructure; and

WHEREAS, the City of Fairbanks plans to apply for funds to reconstruct roads, sidewalks, and improve drainage in the Island Homes subdivision; and

WHEREAS, the City of Fairbanks plans to request \$21,000,000 and a match is not required. Contingency funds are required in the amount of \$2,300,000; and

WHEREAS, the City of Fairbanks will provide contingency funds in the amount of \$1,500,000 and Golden Heart Utilities intends to provide contingency funds in the amount of \$800,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor or her designee is authorized to execute any and all documents required for requesting funds on behalf of the City for the Better Utilizing Investments to Leverage Development (BUILD) grant.


Mindy L. O'Neall, City Mayor

AYES: PASSED on the CONSENT AGENDA
NAYS: None
ABSENT: None
ADOPTED: February 9, 2026

ATTEST:


D. Danyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:


Thomas A. Chard II, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 5202

Abbreviated Title: BUILD Grant Program - Island Homes Reconstruction

Department(s): Engineering

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No X

2) additional support or maintenance costs? Yes _____ No X

If yes, what is the estimate? _____

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

| PROJECTS: | Total |
|---|---------------------|
| Island Home Subdivision Reconstruction (Roads, Sidewalks, Drainage and Utilities) | \$21,000,000 |
| Island Home Subdivision Reconstruction (Contingency Fund) | \$2,300,000 |
| | |
| | |
| | |
| TOTAL | \$23,300,000 |

| FUNDING SOURCE: | Total |
|----------------------|---------------------|
| Grant Fund (Federal) | \$21,000,000 |
| Capital Fund | \$1,500,000 |
| Grant Fund (GHU) | \$800,000 |
| TOTAL | \$23,300,000 |

The total project cost is estimated at \$21,000,000. The City will use \$1,500,000 from the Capital Fund designated as a grant match for contingency funds, these funds are for potential cost overruns that may be experienced during the project. Golden Heart Utilities will provide \$800,000 in contingency funds for utility work included in the project.

Reviewed by Finance Department: Initial SF Date 1/7/2026

BUILD 2026 Grant – Island Homes Reconstruction

Funding

- Requesting: \$21 million
- No match required
- 10% Contingency funding required
 - City to provide \$1.5 million
 - GHU to provide \$800,000

Scope of Work

- Asphalt roadway replacement,
- Installation and replacement of sidewalk within the subdivision,
- Installation of traffic calming devices such as speed humps and speed radar signs
- Installation of new storm drain on the west side of the neighborhood that does not currently have storm drains,
- Replacement of existing steel water mains with ductile iron pipe, including replacement of water services to ROW,
- Replacement of existing wood stave sewer mains with ductile iron pipe, including replacement of sewer services to ROW,
- Installation of inlaid MMA pavement markings,
- Replacement of street light poles and luminaires, and
- Installation of wayfinding elements such as neighborhood gateway signage





January 8, 2026

Margarita Bell, Chief Financial Officer *(via electronic transmittal)*
City of Fairbanks
Finance Department
800 Cushman St.
Fairbanks AK 99701

Re: Golden Heart Utilities, Inc. Contingency Commitment, City of Fairbanks 2026 BUILD Grant Program Application – Island Home Reconstruction Project.

Dear Ms. Bell:

I write on behalf of Golden Heart Utilities, Inc. (GHU) to affirm GHU's conditional commitment to make available \$800,000 to back up potential cost overrun contingency expenses that may arise in connection with the 2026 Island Home Reconstruction Project, the subject of that grant application being made by the City of Fairbanks under the Infrastructure Investment and Jobs Act (Pub. L. 117-58, Nov. 15, 2021 "Bipartisan Infrastructure Law," or "BIL").

It is GHU's understanding that the City of Fairbanks has included the relocation of water and wastewater infrastructure within the project area as necessary to the project and part of the project cost, and that the estimated cost of that work is \$8 million USD.

If the City's 2026 application is approved, and the water and wastewater relocation components are funded as part of the grant, then GHU will make available funds in the amount of 10% of the grant funds allocated for the construction of those components, up to \$800,000, to pay for cost overruns connected with those services on that project.

We look forward to participating in this exciting project.

Regards,

Oran Paul
President

CC: Bob Pristash
Kirsten Loaiza
Sarah Fuerst