

Thursday, June 4, 2009

MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)

From: Garry White, Director

Subject: Stores Building Request for Proposal (RFP)

Introduction

At the March 23, 2009 SCIP meeting the SCIP Board approved the release of a RFP for the long term lease or sale of Lot 22 otherwise known as the Store Building. The CBS Assembly at their April 14, 2009 meeting approved the RFP. CBS Administrator signed the RFP on April 22, 2009 for release to the public.

The RFP has been advertised numerous times in the Sitka Sentinel, Juneau Empire, Raven Radio, SEDA's website, Sawmill Cove Industrial Park website, CBS website, Chamber of Commerce meetings, and SCIP meetings.

The deadline to submit proposals was May 28, 2009. The CBS received two responses to the RFP. SCIP Board members and CBS staff were giving copies of the responses by May 29, 2009 for review.

Background

The Stores Building located at the SCIP was constructed by Alaska Pulp Corporation (APC) some time in the late 1950's. The building has had minimal rental use due to lack of proper fire protection and other building deficiencies.

In October, 2007 the CBS Sprinkler Waiver Committee (member Police & Fire Commission, Fire Chief, Building Official) granted a 2 year waiver on the Stores Building sprinkler system with conditions.

The FY2009 CBS capital budget included \$30,000 to rehabilitate the sprinkler system in the building. Bids were requested to complete the project in the summer of 2008. Based on the one bid received, the total project cost came in close to \$45,000.

In lieu of the increased cost of the sprinkler project, the SCIP Board at their 09/25/08 meeting move to request CBS staff to prepare a conditional assessment and estimated cost to cure life, safety, and property preservation issues in the building.

The SCIP Board at their 11/24/08 meeting moved to request that the Assembly reallocate priorities for repair to the Stores Building to include enclosing the north wall, fixing the rain leaders, and other measures to keep the building dry.

In early January 2009, additional rain leaders in the building failed causing the building to flood.

At the 01/22/09 SCIP Board meeting, the CBS Building Official informed the board that CBS would be issuing a "Notice and Order", which prohibited the use of the building until proper, functional fire suppression was installed. At this meeting the SCIP Board directed the SCIP Director to conduct research on preparing a RFP for the sale or long term lease of the building.

Action

Evaluation and Selection of proposals for recommendation to the CBS Assembly.

Request for Proposals
By the City and Borough of Sitka, Alaska and
The Sawmill Cove Industrial Park Board of Directors
Selection of a private entity(s) to purchase or lease Lot 22 otherwise known as the Stores
Building located at the Sawmill Cove Industrial Park.

Proposals will be received at the Office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 until 2:00 P.M., May 28, 2009. The time of receipt will be determined by the Municipal Clerk's time stamp. Proposals received after the time fixed for the receipt of the bids may not be considered.

For Proposal Specifications and Evaluation Criteria contact:

City and Borough of Sitka
Sawmill Cove Industrial Park Director
329 Harbor Drive, Suite 212
100 Lincoln Street, Sitka, Alaska 99835
(907) 747-2660
garrywhite@gci.net

The project consists of selecting an entity(s) to purchase Lot 22 otherwise known as the Stores Building located at the Sawmill Cove Industrial Park with the intent to develop business opportunities and provide jobs.

Please direct all questions regarding this project to:

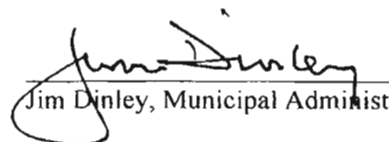
Garry White
Sawmill Cove Industrial Park Director
907-747-2660
garrywhite@gci.net

Additional information regarding Lot 22 otherwise known as the Stores Building is available upon request.

The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.

Dated this 22 day of April, 2009.

CITY AND BOROUGH OF SITKA


Jim Dinley, Municipal Administrator

EPA and the Alaska Department of Environmental Conservation (ADEC) regarding future uses of the site. Attached to this RFP is an overview of the environmental restrictions and agreements between CBS and ADEC and the Park management plan.

II. Preferred Outcome:

The Sawmill Cove Board of Director's preferred outcome from this RFP is the selection of an experienced and well-financed entity(s) to purchase or enter into a long net lease on Lot 22 of the Sawmill Cove Industrial Park to establish a business operation(s) and create jobs in Sitka. Once that selection is made, the Board may carry out further negotiations as might be necessary. The Sawmill Cove Board will make its determination of the ideal business operation(s) and forward that recommendation to the City & Borough of Sitka Assembly who has final authority in these matters.

Retail Development: The City and Borough of Sitka has set guidelines for retail and business use for the Park. Please see attached Table.

Additional: The City and Borough of Sitka reserves the right to negotiate with the finalist(s). The City and Borough of Sitka retains the right to refuse or accept any and/or all proposals.

III. Relationship with City and Borough of Sitka / Sawmill Cove Industrial Park

- a. Selected entity(s) and CBS shall enter into a Buy/Sell or long-term lease agreement.
- b. CBS will charge Entity(s) property tax on the real property, the assessed value of facilities constructed by Entity(s) and upon the assessed value of the possessory interest.
- c. Entity(s) shall collect and remit CBS sales tax for services or sales the Entity(s) provides at the Sawmill Cove site.
- d. Entity(s) will follow all CBS zoning and building codes.

IV. Proposal Format and Content

Direct questions regarding this proposal to Garry White, Director, Sawmill Cove Industrial Park, (907) 747-2660.

Proposals, which do not address the items listed in this section, may be considered incomplete and may be deemed non-responsive by the City and Borough of Sitka.

PROPOSAL FORMAT

- A. Letter of Transmittal

B. Narrative

1. Brief description of the entity including its legal structure, experience, and the experience of its key individuals. Brief resumes of the managers.
2. Provide a concept level operations plan for the facility. Describe the estimated number of employees and how operation(s) would benefit Sitka. At a minimum include:
 - A) Estimated number of new (net increase of) full-time equivalent jobs and describe how employment may fluctuate through the year.
 - B) Estimate net increase in sales tax, fish tax or similar taxes to the CBS. Net increase would be additional from sales not already taking place in Sitka.
3. Provide proposed purchase price offer and terms, or long term lease terms.
4. Provide a schedule for start of business operation(s).
5. Provide estimated environmental impact to the location and surrounding community.

Submit six (6) copies of the completed Proposal in a sealed, secure envelope marked as follows:

**SAWMILL COVE INDUSTRIAL PARK
Proposals for Lot 22 (Stores Building)**

PROPOSAL DATED: _____, 20__

The Proposals shall be addressed to:

Municipal Clerk
City & Borough of Sitka
Office of the Municipal Clerk
City and Borough of Sitka
100 Lincoln Street; Sitka, Alaska 99835

Proposals shall be received at the office of the City Clerk until 2:00 PM, May 28, 2009.

V. Evaluation Criteria and Selection Process

A selection committee consisting of the Sawmill Cove Board of Directors and the CBS Public Works Department will evaluate the proposals and make a recommendation to the City and Borough Assembly.

The committee will use the following criteria in deriving a numerical score for each proposal:

- a. Qualifications & Experience of the Entity(s). From the proposal and from your own knowledge of this entity, give from 1 to 20 points with the best score as 20.
- b. Concept Plan. Does the concept plan express an understanding of the Request for Proposals? Does the plan accommodate other uses of the Sawmill Cove waterfront and uplands? Does the plan provide jobs to the community? How many? Does the plan increase net business activity in Sitka through sales, fish tax, etc.? Score from 1 to 30 points.
- c. Purchase or Lease Price. Do the proposal purchase or lease price and terms adequately compensate the CBS and/or help fulfill the mission of the SCIP? Score from 1 to 25 points with higher purchase price receiving a higher score.
- d. Start up Schedule. What is the time frame for business start up to provide jobs? Score from 1 to 10.
- e. Environmental Impact. Does the proposal address environmental concerns with this project? Total of 15 points available with points lost for larger environmental impacts.
- f. Confidence in Developer(s). This is a judgment call based upon the subjective experience of the evaluator. Score from 1 to 5 points.

TOTAL POSSIBLE POINTS = 105

VI. SCHEDULE

SAWMILL COVE INDUSTRIAL PARK SALE OF LEASE OF LOT 22

- Proposals due 2:00 PM Date: 05/28/09
- Sawmill Cove Board Selection June 2009
- Assembly Approval of Development Agreement July 2009
- Operational Goal Jan. 2010