



BOARD OF DIRECTOR'S MEETING

**WEDNESDAY, APRIL 21, 2021 - AGENDA
3:00 PM**

Room 6 Harrigan Centennial Hall/Zoom Meeting

Regular Meeting

3:00 PM

<u>Item</u>	<u>Action</u>
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
MARCH 25TH, 2021	
D. Correspondence & Other Information	Acknowledge/Questions
E. Changes/Additions/Deletions to Agenda	Change/Add/Delete
F. Reports	
G. Persons To Be Heard	
H. Unfinished Business	
A. New Business	
1. GPIP Dock Improvements	Discussion/Recommendations
2. GPIP Haul out and Shipyard Proposals	Discussion/Recommendations
3. GPIP Strategic Plan	Discussion/Recommendations
B. Adjournment	

EXECUTIVE SESSION

The Mission

It is the mission of the Gary Paxton Industrial Park Board and management, by direction of the Sitka Assembly, to strategically develop the park in a fiscally responsible manner that maximizes its economic benefit to the community through creation of meaningful jobs in conformance with established community plans and policies.

Gary Paxton Industrial Park – Board of Directors Meeting
Thursday March 25, 2021 3:00pm – Harrigan Centennial Hall
DRAFT Meeting Minutes

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 3:00pm

B. ROLL CALL

Members Present: Scott Wagner, Mike Johnson, Chris Ystad, Lauren Mitchell

Members Absent: Vaughn Morrison

Staff Present: Garry White, Makena Hardwick

City Representatives: John Leach (Administrator), Brian Hanson (Municipal Attorney), Jay Sweeney (Finance Compliance Officer)

Others Present: None

C. Review of Minutes – March 1, 2021

Motion: M/S Johnson/Ystad to approve the minutes of March 1, 2021

Action: Motion Passed 4/0 on a voice vote

D. Correspondence & Other Information-

The newest member Lauren Mitchell introduced herself and gave a brief background on her professional career. All other members also introduced themselves.

E. Changes/Additions/ Deletions to Agenda- None

F. Reports –

Garry White said that assembly approved the new GPIIP tariff. The RFP is due April 8th, the board will act as the selection committee. The water purchase agreement between the City and Artic Blue Waters was approved. The City is working on a contract with NSRAA to repair the raw a water line. Mr. White is working with the harbor department to get a permanent water hook up at the dock to sell water down there.

Mr. Wagner asked John Leach what stage they are in for the contracts for the NSRAA repair of the raw water line.

Mr. Leach stated that he put the draft together. There are laws involved with the state of Alaska that any contract over \$25,000 requires prevailing wages be paid. The Dept. of Labor has been contacted to make sure that the contract meets all state requirements. They will move forward once they hear back from the Dept. of Labor.

G. Persons to Be Heard- None

H. Unfinished Business- None

I. New Business-

1. K&E Alaska, Inc. Lot 15 Lease Request

Mr. White gave a brief introduction for this item. K&E would like to lease space to stage equipment. Lot 15 has a value of \$0.40 per square foot per year. That would bring in \$842 per month. They plan on leasing this space for 4 months. We do not see this getting in the way of the haul out development.

Discussion from Board:

All members agree that this is a straight forward lease and they see no downsides to approving it.

Motion: M/S Johnson/Ystad move to approve the proposed lease from K&E for Lot 15 for a period of 4 months for \$842 per month.

Action: Passed (4/0) on a voice vote

J. Adjournment: The Chair, Scott Wagner, adjourned the meeting at 3:11 pm

Monday, April 19, 2021

MEMORANDUM

TO: GPIP Board of Directors
FROM: Garry White, Director
SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. GPIP Dock

The GPIP Dock is open for business. The dock had a lot of traffic during the spring of 2019. Most use was related to the commercial fishing fleet with vessel moving nets and other fishing gear across the dock.

Security cameras were installed in April, which allows for better management and tracking of use.

Next steps are to continue to monitor uses and adjust the Port Tariff to accommodate users of the facility. Additionally, prepayment or pay for use electric meters are being investigating to allow for better management of electric use. **(05/06/2019)**

The GPIP Dock continues to see a lot of use this summer. **(09/15/2020)**

The GPIP Director has received a request from the cruise ship industry for 7-8 port of calls for a 300 foot cruise ship at the GPIP Dock in 2021 and the potential for additional port of calls for the 2022 season. The cruise ship would be turning passengers while in port in Sitka. The GPIP Director and CBS Harbor Master are working cruise line officials to determine infrastructure needs, develop a Facility Security Plan, and work out logistics to accommodate cruise passengers. **(10/27/2020)**

GPIP Dock Revenues have increased each fiscal year. FY18 - \$689, FY19 - \$14,643, FY20 - \$37,462, FY21 YTD - \$32,955. **(11/25/2020)**

The GPIP Port Tariff #4 was approved by the Assembly in February 2021. The dock is starting to see an increase in use due to the fishing season starting. **(03/22/2021)**

2. Marine Services Industries at the GPIP.

The CBS received a proposal from the owners of Halibut Point Marina (HPM) stating that it will be reducing service within the next two years. HPM additionally submitted a proposal to the CBS to construct marine haul out infrastructure to include; haul out piers,

an EPA approved wash down pad with a water treatment facility, and a 100 ton lift. HPM is requesting a trade of other CBS property to offset the cost of construction. The GPIIP Board has been unable to secure funding for the construction of haul out infrastructure to date.

The GPIIP Board held a meeting on December 4th to discuss the proposed haul out infrastructure. Discussion from the public and board focused on travel lift capacity, pier width, upland improvements needed, access, and future management. The Board recommended the Assembly move forward with negotiations with HPM for a facility that has a new 100 tons lift, piers that are 26' apart, infrastructure to include a float to help vessel navigate into the lift, a larger or additional wash down pad be included, and that infrastructure is added to allow people to exit vessels before being lifted.

(12/9/2019)

Halibut Point Marina has withdrew with its proposal to construct a vessel haul out at the GPIIP in exchange for other CBS property due the CBS general code that requires CBS property to be disposed of via competitive bid. The CBS Assembly and GPIIP Board held a joint work session on January 30th to discuss next steps. The CBS Assembly directed the CBS Administrator to prepare and release a RFP for private sector development of vessel haul out at the GPIIP. **(02/10/2020)**

The GPIIP Board met on Feb. 28th and approved a draft RFP for CBS Administration approval to be release to the public for private sector development of a vessel haul out at the GPIIP. **(03/09/2020)**

The CBS received two proposals for development of a vessel haul out at the GPIIP. The GPIIP Board met via Zoom on April 27th and vetted the proposals as part of a selection committee, containing the 5 members of the Board, the CBS Administrator and Public Works Director. The Selection Committee scored a proposal from WC Enterprises as the best proposal. The RFP Scoring results were presented to the Assembly on May 12th. The Assembly gave direction to the CBS Administrator to work with WC Enterprises to develop a detailed agreement to move forward with the development of the haul out. The CBS Administrator, Public Works Director, and the GPIIP Director have been meeting twice a week with WC Enterprises on the agreement. **(06/01/2020)**

The CBS Assembly rejected the proposal by WC Enterprises due to substantial changes to WC request for financial support. The CBS is working on conceptual plans and design for a haul out at the GPIIP. **(09/15/2020)**

The CBS was unsuccessful in obtaining grant funds for the development of a CBS owned marine haul out facility. The GPIIP Board met in September and provided direction that another RFP be developed for private sector development of the haul out. The CBS Assembly met in October and gave direction that they wished to see a partial private sector development of a haul out with the CBS retaining ownership of its property. **(10/27/2020)**

The GPIIP Board met at its October 29th meeting and approved another RFP for private sector development of a haul out. The draft RFP was presented and approved by the CBS Ports and Harbors Commission at its November 23rd meeting. The RFP was approved by the Assembly at its January 26th, 2021 meeting and released to the public on February 2nd.

The public can find the RFP on the CBS Bid Express website. Proposals are due on April 8th, 2021. **(2/8/2021)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to delivery water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIIP Director to continue to work with potential investors and exports to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The Director continues to receive inquiries from entities wishes to export Sitka's water. **(09/15/2020)**

The GPIIP Board recommended approval of a new water purchase agreement between the CBS and Arctic Blue Waters Alaska Inc. at its October 29th meeting. The Agreement will go to the CBS Assembly for approval on February 23rd. **(02/08/2021)**

The CBS Assembly met on March 9th and approved the water purchase agreement between the CBS and Arctic Blue Water. The GPIIP Director has received call from other potential exporters of Sitka's water. **(03/22/2021)**

4. Bottled Water

The Director continues to receive inquires for bottled water. The Director has recently had conversations with entities from China, Costa Rica, and South Korea. **(11/12/2019)**

5. Blue Lake Dam Expansion Project

The Assembly has approved a MOA between the GPIIP and Electric Department to allow the GPIIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since the Blue Lake Dam Expansion project. **(06/03/2019)**

The GPIIP Director has met with the CBS Electric Director regarding leveling out the above lots for future leases or sales at the GPIIP. **(03/22/2021)**

6. GPIIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. **(07/03/2019)**

Delta Western has completed its fuel delivery infrastructure on the GPIIP dock. **(11/12/2019)**

Delta Western is in the process of installing a second fuel tank at the GPIIP for fuel delivery off the GPIIP Dock. **(03/22/2021)**

7.



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Friday, April 16, 2021

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: GPIP Dock Improvements

Introduction

Since acquiring the industrial site in 1999, the CBS has considered the potential for development of a deep-water port at the Industrial Park. The CBS took a step forward in this vision in 2018 with the opening of the GPIP Dock.

During the planning phase of the GPIP Dock, the Director and Board heard multiple comments requesting that the dock have access to potable water.

The CBS Harbor Master has additionally heard comments about the request for fresh water at the dock and has installed a temporary line from the fire line to allow the dock to have raw, non-potable water. The temporary “jumper” line current sits on top of the ground.

Estimate costs to install an underground waterline with a meter is \$24,999.

Action

- GPIP Board discussion on adding a capital budget request for \$24,999 to support the installation of an underground water line with a meter.



329 Harbor Drive, Suite 202
Sitka, AK 99835
Phone: 907-747-2660

Wednesday, April 14, 2021

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors
From: Garry White, GPIIP Director
Subject: GPIIP Haul Out and Shipyard Proposals

Introduction

On February 1st, 2021, the City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for private sector development and operation of a Marine Haul Out and Shipyard at the Gary Paxton Industrial Park (GPIIP). The RFP was open until April 8th, 2021. The CBS received one proposals from the RFP process.

A proposal was received from Jeremy Serka, Sitka Custom Marine, Linda Benken, ASFT Board President. The GPIIP Board will act as the Selection Committee in Executive Session to score the proposal.

Background

The GPIIP Board has long recognized the importance of the fishing and maritime industry to the community of Sitka.

The GPIIP Board and CBS have been working on vessel haul out development concepts since the GPIIP properties were acquired. The CBS has repeatedly included marine haul out infrastructure requests in both its Federal and State Legislative Priorities. The CBS most recently applied for a USDOT Build Grant in May 2020 and has been preparing for the upcoming 2021 grant opportunities.

In 2009, the CBS released a RFP for private sector development of a vessel haul at the GPIIP. The GPIIP Director met with various marine service providers throughout the state and in the Puget Sound area that were interested in operating a marine haul out, but many were not interested in providing the funding for the base infrastructure needed for a haul out operations. The CBS received one proposal to the RFP from Puglia Engineering Inc. out of Bellingham, WA. Puglia and the CBS could not come to terms on the proposal and investment, due to large capital requirement (~\$21 million) requested to be funded by the CBS.

In 2014, Silver Bay Seafoods proposed to construct a haul out at the GPIIP properties. After months of negotiations the venture did not move forward due to multiple reasons, including lack of waterfront ownership, infrastructure funding, and having other GPIIP lots being leased to other ventures in GPIIP.

In the spring of 2020, the CBS released another RFP for private sector development of a haul out. The RFP was structured for long term leases only.

The CBS received two proposals from the RFP process. The GPIIP Board met on April 27th to discuss and score both proposal as part of the CBS RFP Selection Committee. The CBS Selection Committee scored the proposal from WC Enterprises/SIMS with the highest score. The CBS Assembly accepted the GPIIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIIP with WC/SIMS at its May 12th, 2020 meeting.

The CBS negotiation team consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director met multiple times in May and June with the WC/SIMS' principal owners. After considering all available information, listening to public stakeholder comments, and investigating more in-depth on the financial costs to move forward with a proposal; WC/SIMS concluded that the associated costs to complete a haul would require a larger financial subsidy from the CBS. A modified proposal was brought to the Assembly. The CBS Assembly rejected the modified proposal by WC Enterprises due to substantial changes to WC request for financial support.

The Assembly gave direction to continue to work on basis of design of a haul out and to wait for the USDOT Build Grant funding decisions. The CBS was informed in early fall 2020 that it was not successful in obtaining any grant funding for the haul out development.

The GPIIP Board met in September 2020 to discuss next paths forward and recommended that another RFP be issued for private sector development. The new RFP should be clear that the CBS did not have funding for the development of a haul out. The Assembly met in October 2020 and directed the GPIIP Board to draft and release another RFP for partial private sector development of the haul out and ship yard. The GPIIP Board met in late October to discuss a new RFP and recommended Assembly approval of the new RFP. The RFP was forwarded to the Ports and Harbors Commission and was further approved by a haul out working committee developed by the CBS Administrator. The Assembly gave final approval to release the RFP in late January 2021.

Action

- CBS Selection Committee evaluation and selection of proposal. (Executive Session)
- GPIIP Board announcement of selection.



**Request for Proposal (RFP)
Private Sector Development of Marine
Service Industry**



REQUEST FOR PROPOSALS (RFP)
by
THE CITY AND BOROUGH OF SITKA, ALASKA
for
THE CONSTRUCTION AND OPERATION OF A MARINE HAULOUT AND SHIPYARD

Overview

The project consists of selecting a private entity(s) (developer or developers) willing and able to privately fund and operate a marine haul out and ship yard, furnishing all financing, labor, materials, equipment, tools, supervision, and other facilities necessary to create and manage the marine facility(s).

The City and Borough of Sitka (CBS) is requesting proposals from qualified entities for the project described herein. The following subjects are discussed in this RFP to assist you in preparing your proposal.

Table of Contents

- A. Introduction and Additional Information
- B. Preferred Outcome
- C. Scope of Services
- D. G Requirements
- E. Facility Operations
- F. Relationship with the City and Borough of Sitka
- G. Proposal Format and Content
- H. Evaluation Criteria and Selection Process
- I. Schedule

A. Introduction and Additional Information

The Gary Paxton Industrial Park (GPIP) Board of Directors, through the City and Borough of Sitka (CBS), desires to select a private entity(s) to fund, construct, and operate marine facilities to form a marine service sector. The site is located at the Gary Paxton Industrial Park, the site of the former Alaska Pulp Company (APC) pulp mill located five miles southeast of downtown Sitka. The site is on the road system.

In 1999 the Gary Paxton Industrial Park (GPIP) property was transferred from Alaska Pulp Corporation to the City and Borough of Sitka. (CBS).

The property and the near-shore, submerged tidelands were extensively studied, and an

environmental Memorandum of Understanding was concluded between CBS and the State of Alaska. Details of that memorandum are included in the Appendices.

GPIP is managed by a five-member Board of Directors (GPIP Board) who are appointed by the CBS Assembly.

During the ensuing years some of the original GPIP property has been sold and leased, and portions of the GPIP infrastructure have been improved. In 2018 the GPIP Board began actively planning for a private entity to fund, construct and operate a marine vessel haulout and related marine shipyard services.

Sitka has a substantial marine customer base. All developers are encouraged to complete their own due diligence of proposed customer base.

B. Preferred Outcome

The CBS' preferred outcome from this RFP is the selection of an experienced and well financed private sector Developer(s) is to create a privately funded and managed marine services shipyard at the GPIP. Specifically, CBS is seeking a private sector Developer(s) to construct and operate a marine vessel haul out facility and an EPA approved boat washdown area(s).

Developers are expected to finance the full project development. Qualification packages must demonstrate the team's ability to finance the project without CBS funds.

CBS desires that Developer have a functional vessel haul out system in place as soon as possible.

Additionally, CBS has available for long-term lease up to 6.8 acres of GPIP uplands for the Developer to create opportunities for marine tradesmen and support businesses that support Sitka's commercial and sport fishing fleets. GPIP uplands may be possibly purchased by Developer. Any consideration by the Sitka Assembly to sell uplands will be based upon a successful record of marine haul out and shipyard management by the Developer.

A map and a listing of the GPIP uplands that are available under this RFP are included in the Appendices.

Developer will be able to sublease the GPIP parcels and set its own haul out service fees and sublease rates for the GPIP uplands.

Any long-term lease or sale of GPIP property to the Developer will have use restrictions consistent with the preferred outcome as negotiated with CBS. All use of any GPIP property will be subject to regulatory action by federal, state, and municipal regulators, which is the sole responsibility of the selected Developer to determine.

Access to the existing waterfront ramp by the public must be maintained to assure access to the GPIP uplands for those entities who have existing businesses at the Park. However, the Developer will be authorized to schedule and manage third party access to the ramp if Developer elects to use the ramp in its boat haul out operations.

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.

C. Scope of Services

The project consists of furnishing all funds, labor, materials, equipment, tools, supervision, and other facilities necessary to perform the design, construction and operation of the proposed marine facility(s) in accordance with the standards and criteria of the City and Borough of Sitka and State and Federal agencies.

Sitka has a substantial marine customer base. Approximately 665 vessels between 32 feet and 86 feet are permanently moored in the Sitka harbor system. Of those 665 vessels about 97% are 58 feet or less. Developer is expected to provide vessel haul out equipment and services that will support the Sitka fleet.

This work includes, but is not limited to the following:

Task 1: Ownership Criteria

The CBS Assembly's prefers long term leases that match the anticipated life of the proposed marine facility(s), but will accept all proposals including ownership options, for submerged and uplands. Any consideration by the Sitka Assembly to sell uplands will be based upon a successful record of marine haul out and shipyard management by the Developer. Public access to and from the waterfront is an essential element of the anticipated development plan. Business entity type must be included in proposal. Proposal should include lease rate or purchase amount desired.

Long term leases or purchase options should include a schedule of development benchmarks. The CBS will negotiate performance benchmark development criteria, including infrastructure construction and operational performance, to ensure the haul out will meet the needs of the community and fleet. Purchase options should expect to enter into a lease and meet performance benchmarks before execution of a sale. Purchase proposals should include assurances and/or terms and conditions, along with support for their legal enforceability, that the facility will remain a marine service facility in perpetuity or, at least, in the long term

Task 2: Location Analysis

In the proposal, discuss various marine facility(s) alignment alternatives and the budget costs for each alignment. The selected Developer(s) shall provide a marine facility(s) design survey and a tidelands boundary survey for CBS use in developing a tidelands lease.

Task 3: Geotechnical Investigation, Facility Design and Permits.

a. The project site is known to have pulp mill debris offshore. Substantial subsurface (surface of ocean floor) information has been developed in the past by APC and CBS. This information is available.

b. Upland work within the Industrial Park will involve excavation in areas with abandoned structures remaining from the APC pulp mill. Developer(s) should expect to encounter concrete foundations and other difficult excavation conditions.

c. The selected Developer(s) shall acquire permits from State and Federal agencies necessary to construct the project. Uplands infrastructure will require approval from CBS Public Works Department, CBS Electric Department and CBS Building Official.

Task 4: Scope of Project

CBS requests that Respondents describe their qualifications to perform planning, financing, permitting, engineering, procurement, construction, operations and maintenance of the major infrastructure proposed to be constructed during the duration of the contractual term.

The following items are the required components of the project scope:

- Operate, manage and maintain the Haul-out and Shipyard for the duration of the agreement.
- Maintain and incorporate access to the current GPIIP ramp for vendors to haul large vessels for repair such as barges. Plan for areas to install anchors and cable systems to pull vessels up the ramp.

The aspirational project scope includes the following components:

- Provided haul-out and vessel washdown system for the next 20 years.
- Provide float for passengers to safely get off a vessel prior to being lifted out of the water.
- Consider commercial vendors and subleasing in other available lease areas.
- Consider providing available areas for public use.
- Consider improved covered areas for working on boats
- Consider long term storage of boats
- Consider installation of utilities for vendors and boat repair areas.

Permitting

The Developer shall prepare permit applications and obtain all permits necessary for the proposed construction activities and operations at the GPIIP. CBS will review all documents prior to agency submittal and support this effort as necessary and to the extent it is reasonably able to do so.

Construction

The Developer is expected to provide for design, construction and construction management services to deliver a quality Project. The Project Team is expected to have experience and qualifications to deliver the proposed development vision. CBS project management may periodically review the project delivery status and adherence to the contractual performance requirements.

D. Insurance Requirements

The Developer shall provide the following types of insurance:

1. Worker’s Compensation at the limits required by the Alaska State Worker’s Compensation Statues.

2. Comprehensive General Liability	Minimum Limits
Single Limit	\$1,000,000
General Aggregate	\$2,000,000

- *premises operations
- *products/completed operations
- *blanket contractual
- *broad form property damage
- *personal injury
- *independent contractors

3. Comprehensive Automobile Liability	\$1,000,000
• Including all owned, hired and non-owned vehicles	

The City and Borough of Sitka shall be named as an additional named insured on all insurance policies. Sitka shall also be granted a full waiver of any rights of subrogation. These requirements extend to all sub-contractors.

E. Facility Operations

Developer shall be responsible for the day to day operation of the marine haul out and marine shipyard sublease areas. Developer is expected to work closely with the CBS and the GPIIP Board to create a fully functional marine haul out service sector at GPIIP.

CBS has an established a retail and business use zoning code for the GPIIP. This information is included in the Appendices.

F. Relationship with CBS

Developer shall be an independent contractor who has the exclusive right to operate a marine haul out and shipyard at GPIIP. Developer shall lease upland areas from CBS and Developer shall have the right to sublease those lands.

Developer shall be responsible for operating in accordance with all codes and laws and for enforcing the same requirements with any subleases that Developer may create.

CBS will operate all municipal utility systems such as electricity, water and sewer. Developer will be expected to connect to CBS utilities at Developer's expense.

Developer will also be required to pay all applicable CBS utility fees and charges.

Developer shall collect and remit CBS sales tax for services or sales that Developer provides at GPIIP.

Developer is responsible for the safety of persons using Developer's facilities.

Developer shall provide a port security plan, if required in the future.

G. Proposal Format and Content

Please direct questions regarding this RFP to:

Garry White – GPIIP Director
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835
907-747-2660

Proposal Format

1. Letter of Transmittal

2. Narrative
 - a. Brief description of the company including its experience, the experience of its key individuals and a financial statement to prove its ability to finance this project. Brief resumes of the Developer(s), managers and lead design engineers and of the key technical and operational personnel to be assigned to this project. Discuss the experience of these persons and relate that experience to this project.
 - b. Provide a list of other marine facilities owned and/or operated.
 - c. Include a plan/program that is designed to satisfy the requirements listed in the "Scope of Project." Describe your understanding of the project, the proposed work plan, and the schedule you intend to follow in order to complete the project in a timely manner.
 - d. Provide a schedule for completion of the project.
 - e. Provide a concept level layout of proposed marine facility(s) and uplands facilities and identify what concept the facility(s) includes as identified in the Preferred Outcome.
 - f. Provide proposed submerged and upland lease rates and/or purchase prices offers.
 - g. Provide a concept level operations plan for the facility(s). Describe the estimated number of employees and how operation would benefit the Sitka and Southeast marine industry.

Submit three (3) copies of your Proposal in a sealed, secure envelope marked as follow:

Gary Paxton Industrial Park
Proposal to Fund, Construct and Operate a Marine Haul Out and Shipyard
Proposal Dated: _____, 2021

Proposals shall be addressed to:
Municipal Clerk
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Proposals shall be received until 2:00 PM on April 8th, 2021.

H. Evaluation Criteria and Selection Process

A selection committee consisting of the GPIP Board of Directors and the CBS Public Works Department will evaluate the proposals and make a recommendation of award to the CBS Assembly.

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

1. Qualifications, Financial Ability & Experience of the Developer(s) and the Design Engineer. From the proposal and from your own knowledge of this firm, give from 1 to 30 points with the best score as 30.
2. Concept Plan. Does the concept plan express and understanding of the Request for Proposals? Does the plan accommodate other users of the marine facilities? Does the plan accommodate other uses of the Gary Paxton waterfront and uplands? Does the plan provide jobs to the community? Does the plan support the marine industry? Score from 1 to 30 points.
3. Rates & Fees Bid. Does the proposal define what size of land and at what rate the Developer(s) is willing to lease both submerged and uplands or purchase uplands? What is the offered rate? Does it define a fee for the use of marine facility? The CBS Assembly prefers long term leases that match the anticipated life of the proposed marine facility(s), but will accept all proposals including ownership options. Scoring will be weighted towards lease rates or purchase prices that provide the best long term benefits to the community. Score from 1 to 30 points with higher lease rates or purchase price receiving a higher score.
4. Operations Plan. Does the proposal provide for adequate management and maintenance of the facilities? Will other users of the marine facilities be accommodated? Score from 1 to 30 points.
5. Ability to Meet Project Schedule. Should the proposal clearly reflect that the Developer(s) could meet the design, permitting and construction schedule identified in this request for proposals; the firm shall be awarded 20 points. Otherwise, the firm shall be awarded less than 20 points.

The total maximum number of points = 140

CBS reserves the right to negotiate with any proposer, to waive informalities in any of the proposals and to award the marine shipyard development contract to whichever proposer is deemed to provide the best value for the Municipality at the sole discretion of CBS. CBS will notify the selected proposer and work with that selected proposer to draft and enter into an exclusive agreement that best satisfies the preferred outcome of this RFP.

I. Schedule

Advertise Request for Proposals	February 1, 2021 to April 1th, 2021
Proposals Due	April 8th, 2021
Internal Review and Negotiations	April 12, 2021 to May 7th, 2021
Possible CBS Assembly Award	June 2021

I. Appendices

Appendix A Environmental MOU between the State of Alaska and CBS

Appendix B GPIIP Uplands Lease Lots and Their Areas

Appendix C GPIIP Uplands Parcel Map of Potential Lease Lots

Appendix D GPIIP Zoning Code Table of Permitted Uses

Appendix E GPIIP Utilities

Dates of Publication:

Sitka Daily Sentinel:

1. Letter of Transmittal

To: Garry White – GPIIP Director

From: Jeremy Serka, Sitka Custom Marine, Linda Behnken, ASFT Board President

Date: April 7, 2021

Subject: Sitka Boatyard RFP Transmittal Letter

Thank you for the opportunity to submit this response to the City of Sitka's request for proposals for the construction and operation of a marine haul out and shipyard. In preparing this proposal, we have worked closely with Sitka's marine service community to create a common vision of a boatyard that will function as a facilitator for commerce, generating modest returns through the haul out operations but substantial economic activity and job creation for the community. Our goal is to build a boatyard that serves the needs of the local fleet at competitive prices while incorporating a phased development approach to attract new marine service business and vessels to Sitka.

The initial phase of development will focus on building a travel lift slip, retaining wall, washdown pad, and staging or queuing dock, then purchasing a 150-ton travel-lift and yard supplies in order to begin hauling vessels in 2022. This will allow the boatyard to meet the immediate needs of most Sitka vessels. We estimate the cost of this stage, from design to operation, to be \$2.9 million. Future stages include upgrading the pier and yard area to allow operation of a 300-ton lift, upgrading the ramp to allow trailer and barge use, and subleasing parcels to marine service businesses interested in operating within the yard. These stages will be undertaken as future funding becomes available.

During the development of this proposal, we have conducted two separate financial analyses of the boatyard operation using expert advice from local shipwrights, investment managers, and public sources on cost structures of other Alaska boatyards, including Homer, Wrangell and Hoonah. Our conclusion is that a marine haul out and shipyard that generates sufficient income to maintain operations and equipment is feasible in Sitka, but only if low interest loans or grants can be secured to finance the necessary site improvements and equipment capital costs. In response to this fact, our proposal integrates private sector investment from local marine service businesses and commercial fishermen, and relies on: 1) grants and low interest loans secured by the Alaska Sustainable Fisheries Trust (a Sitka based 501c3 non-profit); 2) City of Sitka participation through a Sitka Economic Development Fund loan; and, 3) direct investment by the Gary Paxton Industrial Park (GPIP) in the washdown pad and electrical infrastructure. This innovative example of public, private, and nonprofit entities working together to foster community supported economic development and retain a skilled workforce through investment in essential working waterfront infrastructure will provide the necessary foundation to establish the haul out and boatyard Sitka needs now, while working with the CBS and GPIIP to secure additional funding to build the boatyard Sitka deserves.

Below is a summary of the information and assumptions we used in developing this proposal.

Background

In 2018, Sitka ranked 16th among all US ports in terms of total landed fishery value (US \$65 million)^[1] despite a population size under 9,000. Over 600 commercial fishing vessels are homeported in Sitka, and close to 1900 people work on fishing boats or in Sitka's processing sector each year.^[2] In fact, Sitka has more active commercial fishing vessels and more residents who hold federal and state fishing permits than any other Southeast community.^[3] Sitka's commercial fleet also includes tugs, landing craft and other work boats, all of which depend on working waterfront infrastructure. Liveaboards, a growing number of yachts, pleasure boats and charter fishing boats also fill Sitka's harbors and rely on local marine services, as do vessels moored in Sitka but outside the City harbor system (i.e., at the Quay, Cove Marina, float houses or other private property).

Sitka's large fleet supports a talented marine service sector that includes shipwrights, welders, metal fabricators, mechanics, electronic experts, and surveyors. The support sector provides high paying jobs, generates substantial economic activity, and has historically served the local fleet and attracted non-local boat owners to the community. The working waterfront infrastructure to support this work is crucial to the viability of Sitka's fleet and to the economy of Sitka. In particular, the Sitka fleet depends on access to an efficient haul out and boatyard where annually required maintenance can be performed along with urgent repairs or scheduled upgrades.



The Problem

Sitka has experienced a sequence of privately owned boatyards converting to other land uses, which parallels a national loss of working waterfront capacity that is widely recognized as a threat to coastal economies and cultures.^[4] Most recently, Halibut Point Marine, the owner/operator of the last private haul-out, informed the City that the business would cease hauling boats to transition the yard space into a cruise ship dock and storefronts. No other private land or yard operators are available to replace this loss of service and the closest alternative haul-out facilities are more than 100 water miles away. Additionally, no boatyard within 500 miles can accommodate the Sitka fleet during the annual maintenance cycle when good weather allows essential work.

The additional cost and travel time for resident fishing operations to perform annual maintenance will displace entry level and economically marginal fishing operations, force some boat-owners to homeport their vessels in other towns and cripple Sitka marine service sector. The loss of economic activity, jobs and sales revenue to Sitka will undermine economic, social and cultural stability. Because many major vessel repair jobs happen in the winter, the boatyard loss will especially impact the critical cash flow from a stable year-round workforce essential to balance other more seasonal jobs. These workers are highly skilled and once gone this workforce is hard to replace, hence the urgency to develop an immediate long-term solution.

Our Solution

To support Sitka's fleet, the community's economic stability, and to retain essential jobs, the Alaska Sustainable Fisheries Trust (ASFT), a Sitka-based 501c3 organization, and Sitka Custom Marine have worked for the past year with local Sitka marine tradesmen to develop this proposal for a sustainable marine services center at the GPIP site. We share a common vision to construct a state-of-the-art facility that provides affordable and efficient services to the local fleet, attracts additional boats to Sitka, and promotes opportunity in the marine trades.



PhotoScan by Google Photos

that

Sitka Custom Marine, ASFT and project partners are applying for a 50-year long-term lease of approximately 6.8 acres at the GPIP site to ensure the property remains working waterfront for the long-term and serves as an economic driver for the community. Our goal is to foster the haul out and boatyard Sitka needs while working with the City and Borough of Sitka, GPIP, and local businesses to build the boatyard Sitka deserves. Our long-term vision includes workforce development, education, and fleet innovation to increase long-term economic viability while safeguarding the environment.

As envisioned, the Sitka Community Boatyard will function as a facilitator for commerce, generating modest returns through the haul out operations but substantial economic activity and job creation for the community. We support the City in creating a structure that encourages investment while retaining land ownership as a community asset. Leasing land at reasonable prices to qualified vendors will attract a robust marine service sector and fishing fleet. The benefit to the City of Sitka is job creation, sales tax revenue, and year-round employment.



The Structure

If our bid is adopted by the City, project partners will create the Sitka Community Boatyard LLC, (SCB) which will be a new for-profit LLC, registered in the State of Alaska, with ASFT, Sitka Custom Marine, and 2-4 mission aligned investors as the managing members. The Sitka Community Boatyard LLC will be guided by a five, to seven-member board that includes people with business and shipyard experience. ASFT will guide the mission-related aspects such as job creation, economic development, and educational and workforce development. The SCB will contract with Sitka Custom Marine to oversee yard construction and operation.

By partnering with experienced marine tradesmen, commercial fishermen, and investors with business experience, the Sitka Community Boatyard LLC will be managed to ensure economic success. The 50-year lease of the property will ensure long-term stability and a business environment conducive to infrastructure and capacity investment. Haul out and yard rates will

be commensurate with rates charged at comparable and relatively proximate yards to maintain affordability while still servicing debt and, eventually, generating modest profit.

Our Funding Plan

The projected capital cost to launch the Sitka Community Boatyard is \$2.9 million. ASFT has been invited by the Rasmuson Foundation to apply for a \$1 million capital investment contribution structured as a combination of a grant and a program related investment loan. If awarded, this investment will allow ASFT to finance a travel lift, staging dock, and yard equipment. As back up to Rasmuson Foundation funding, the Sitka Community Boatyard has discussed the project and been encouraged to apply for a US Department of Commerce Small Business Economic Development Loan. ASFT has also described this project and discussed funding needs with The Nature Conservancy and the Denali Commission staff and received positive initial responses. ASFT will actively pursue these funding opportunities and continue to invite charitable, state and federal entities to provide support for the Sitka boatyard. Other private equity partners will invest approximately \$250,000 in risk capital for start-up costs, including operating capital and lease site improvements.

The Sitka Community Boatyard LLC will also apply to the City for a \$1.25 million loan from the City of Sitka's Economic Development Fund at low interest terms similar to the program related investment funding. These funds will be used to build the travel lift slip and piers as an essential site improvement. Finally, we will request \$400,000 in project investment from the GPIIP to contract with SCB to install an EPA approved vessel wash-down pad and to perform site electrical and road upgrades.

We will continue to pursue additional economic development funds to add yard capacity as we build toward the yard Sitka deserves. We look forward to working with the City of Sitka and GPIIP to foster economic development, retain a skilled workforce and essential services, and promote education and workforce development through investment in essential working waterfront infrastructure.

Responses to specific elements of the RFP are described in detail in the attached proposal.

Thank you for considering this proposal.

[1] <http://www.st.nmfs.noaa.gov/commercial-fisheries/commercial-landings/index>.

[2] <http://live.laborstats.alaska.gov/seafood/seafoodstatewide.cfm>.

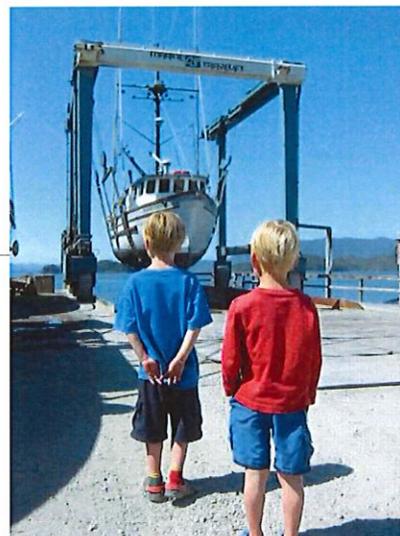
[3] Fey et al., 2016

[4] <http://www.workingwaterfrontarchives.org/2012/05/22/the-value-of-working-waterfronts/>

Sincerely,



Linda Behnken, ASFT President



2. Narrative

a. Brief description of the company including its experience, the experience of its key individuals and a financial statement to prove its ability to finance this project. Brief resumes of the Developer(s), managers and lead design engineers and of the key technical and operational personnel to be assigned to this project. Discuss the experience of these persons and relate that experience to this project.

Sitka Custom Marine, the Alaska Sustainable Fisheries Trust (ASFT), and project partners are applying for a 50-year long-term lease of approximately 6.8 acres at the GPIIP site to develop and operate a marine haul out facility and shipyard. If our bid is accepted by the City, project partners will create the Sitka Community Boatyard LLC (SCB), which will be a new for-profit LLC, registered in the State of Alaska, with ASFT, Sitka Custom Marine, and 2-4 mission aligned investors as the managing members. The SCB will contract with Sitka Custom Marine to oversee yard construction and operation.

Sitka Custom Marine (SCM) is an established, locally owned and operated marine service business with skilled year-round staff who are qualified, licensed and insured to oversee boatyard construction, operate the travel hoist, block boats for dry dock work, and manage the boatyard. Business owner Jeremy Serka has been a driving force behind the SCB concept and shares a common vision for a full-service marine center that also promotes education and service sector opportunity through intern- and apprenticeships. SCM will operate a welding, metal fabrication and repair shop at the GPIIP site, and will encourage other marine service sector businesses to operate on the premises. When not hauling boats, SCM employees will work in the welding and fabrication shop, securing high paying, year-round employment.

ASFT is a Sitka-based 501c3 non-profit founded in 2012 that works to strengthen fishing communities and marine resources through education, research and economic opportunity. ASFT's Board President Linda Behnken has extensive experience in non-profit fundraising and program development. For example, ASFT recently secured \$1.5 million in program related investment loans from charitable foundations to provide low-cost funding to entry level fishermen. As a managing member, ASFT will guide mission-related objectives, such as job creation, economic development, and educational and workforce development. As a non-profit, ASFT will also serve as a conduit for grants and low interest loans to support high construction costs and facilitate workforce development and job retention.

The projected capital cost to launch the Sitka Community Boatyard is \$2.9 million. Individuals in the marine service business and commercial fishermen have agreed to provide \$250,000 in capital for SCB. These funds will be used to cover start-up costs during construction and operation. SCB will also apply to the City of Sitka for a \$1.25 million Sitka Economic Development loan to fund construction of the travel lift slip, piers and retaining wall. Project partners have preliminary estimates from Turnagain Marine and Western Marine for a design/build contract to perform the construction. The estimates include engineering and design, environmental permit procurement, environmental monitoring during construction, mobilization of equipment, construction materials and labor. Once the loan is secured, SCB will finalize a contract with Turnagain Marine or Western Marine and initiate application for the necessary permits and approval to construct and operate the yard. The design and permit approval stage is

estimated to take 5-6 months. The travel lift slip will have capacity to safely operate a 150-ton hoist to haul boats up to 300,000 pounds and 65 feet in length. The 150-ton Travelift will accommodate more of Sitka's fleet than the 120 ton lift currently owned by HPM. The travel lift slip will be constructed on the southern corner of lot 9A, next to the bulk water outflow. Construction will entail driving piling and building a travel lift slip with two piers and an estimated overall size of 50' by 80'; a 40' by 10' (approximately) staging/queuing dock will also be constructed and located proximate to the travel lift slip. Sitka Custom Marine will oversee the construction of the travel lift slip, piers, retaining wall and staging dock.

Cost estimates for the Travelift, which include shipping and assembly in Sitka, have also been researched and defined. Turnagain and Western Marine have provided estimates for the proposed staging dock with 4 creosote pilings. Cost estimates for the remaining haul-out equipment have been developed and reviewed by project partners with experience operating shipyards.

ASFT has been invited by the Rasmuson Foundation to apply for \$1 million in a combination of grant and PRI loan to fund purchase of the Travelift, staging dock, and other haul-out equipment. As back up to Rasmuson Foundation funding, the Sitka Community Boatyard has discussed the project and been encouraged to apply for a US Department of Commerce Small Business Economic Development Loan. ASFT has also discussed the SCB project and funding needs with The Nature Conservancy and the Denali Commission staff and received positive responses. ASFT will actively pursue these funding opportunities and continue to solicit support from other charitable, state and federal entities to secure full funding for the boatyard as proposed.

Finally, SCB requests GPIP provide SCB with the \$100,000 in infrastructure funds approved for boatyard site improvements at GPIP. These funds will be used to install electrical infrastructure and upgrade the road in preparation for haul out operations. SCB also requests GPIP provide \$300,000 in contract funds to construct an EPA approved washdown pad on lot 9B or a portion of lot 9C. The washdown pad will be constructed by local contractors using existing engineered drawings. Project partners have also received quotes for a prefabricated waste-water treatment plant. These are ready-to-go systems designed specifically for boatyards.

Haul out operations will begin in Spring 2022. Once on dry land, each boat will be moved to a wash down pad where pressure washers will be available. Boats will then be moved to yard space and blocked or cradled. A per day rate for storage will be charged along with the round-trip haul fee. Boat owners will be allowed to work on their own boats or to hire contractors approved with the necessary insurance to operate on the premises. Electrical outlets will be provided at each dry dock space. Boats will be required to hold haul out insurance or to sign a waiver against City or Boatyard liability. As the boatyard gains capacity, we anticipate covered workspace to allow efficient and high-quality repairs or upgrades.

List of key principals contributing to proposal development

- Sitka Custom Marine, Jeremy Serka, owner Sitka Custom Marine
- Alaska Sustainable Fisheries Trust- Linda Behnken, president, and Dan Falvey, vice-president
- Ben Blakey- Co-owner of Northline Seafoods

- Jeff Farvour- local fisherman, shipwright and board member of Sitka Salmon Shares and the Alaska Longline Fishermen's Association (ALFA)
- Terry Perensovich- local fisherman, shipwright and board member of ALFA
- Justus Raeppe, The Nature Conservancy (financial model assistance)
- Marc Wheeler, business owner (business plan assistance)
- Sam Skaggs, Verdant Money (project guidance)

b. Provide a list of other marine facilities owned and/or operated.

Sitka Custom Marine (SCM) will be contracted to oversee construction and operate the yard. SCM is a trade name for Serka's Welding and Fabrication LLC. Jeremy Serka has been in business continually for 20 years and annually services over 150 vessels and other customers in Sitka. Jeremy Serka, the owner of SCM, and his staff collectively have 50 plus years in the marine trades, with extensive experience in vessel construction and maintenance. SCM has on staff a highly experienced Travelift and boatyard operator. SCM carries Marine Shipyard General Liability Insurance, Workers Compensation Insurance, and because of attention to safety, SCM has never filed an insurance claim in over 20 years of business.

c. Include a plan/program that is designed to satisfy the requirements listed in the "Scope of Project." Describe your understanding of the project, the proposed work plan, and the schedule you intend to follow in order to complete the project in a timely manner.

Project as we understand it is described above; work plan and timeline outlined in ".d" below.

Ownership Criteria

The GPIIP Strategic Plan identifies the importance of preserving public access, creating family-wage jobs for Sitka residents and setting aside remaining GPIIP land for a much-needed boatyard. We strongly support these goals and priorities. SCB is requesting a long-term lease as described under section "F" below and does not intend to purchase the land. We strongly believe the City of Sitka should retain ownership of the 6.8 acres of GPIIP land to ensure the land continues to meet the needs of the Sitka community and the local fleet for the long-term. The SCB will support the economic success of Sitka's fishing fleet and marine trades while generating substantial economic activity for the community.

Insurance Requirements

Sitka Custom Marine will carry all comprehensive general liability insurance, equipment and vehicle insurance and all workers compensation insurance to satisfy the City of Sitka and State of Alaska requirements. Once SCB LLC is formed, we will consult with insurance specialists to ensure adequate coverage for SCB to meet City of Sitka requirements as specified in the RFP.

Location Analysis

SCB considered multiple configurations for developing the marine haul out and shipyard. The first configuration considered was a self-propelled trailer to operate on the existing ramp off lot 9A. The trailer/ramp configuration was estimated to cost \$1.3 million but would only have serviced a small percentage of Sitka's fleet. We also considered including a 300-ton hoist in this project, but upland improvement and hoist costs would have approximately doubled the start-up

costs for the boatyard. Based on this review, we identified the 150-ton Travelift as the appropriate equipment for Phase 1.

Our analysis concludes that, based on the limited options for a travel lift slip due to significant GPIIP land use and distribution fragmentation, the best option for construction of a travel lift slip is off the southern corner of lot 9A as shown below. The travel lift slip consists of two piers with an overall estimated size of 50' wide by 80' long and a queuing dock approx. 40' long by 10' wide. The overall tideland area occupied by the combined Travelift and queuing dock is estimated to be 110' wide by 50' long. The estimated extra width of the tidelands needed is due to pier construction that includes batter piling necessary to reinforce the vertical piling. A more precise estimate of tideland area use will be known once the engineered design is finalized.

Aerial perspective showing bathymetrics, retaining wall, location of Travelift slip extending approximately 80' from southern corner of Lot 9A and associated queuing dock



Incorporate access to the current GPIIP ramp

As noted in the transmittal letter, upgrades to the ramp area to allow trailer hauling and further use by barges are part of future development plans that depend on securing additional funding. The added capacity and uses fit within the management and design structure of this proposal but are not included in our current budget. The public will be allowed to utilize the ramp for a fee as specified in GPIIP's tariff schedule. The fee will be passed through to GPIIP minus the cost of processing.

Aspirational project scope components:

With respect to upland sub-lease to other marine service businesses, SCB is fully committed to providing workspace for Sitka’s talented marine service businesses and encourages additional uplands investment in working waterfronts infrastructure. We would like to negotiate the City’s share of those sub-leases once the details of the lease agreement and debt structure are finalized.

Permitting

The Developer is expected to provide for design, construction and construction management services to deliver a quality Project. The Project Team is expected to have experience and qualifications to deliver the proposed development vision.

As noted previously, project partners have preliminary estimates from Turnagain Marine and Western Marine for a design/build contract to perform the proposed construction. The estimates include engineering and design, environmental permit procurement, environmental monitoring during construction, mobilization of equipment, construction materials and labor. SCB will work with the contractors to ensure the necessary permits are obtained. SCM, the operator and yard manager, shall acquire and maintain all necessary stormwater and environmental permits necessary for EPA approved boat yards.

d. Provide a schedule for completion of the project.

Anticipated schedule for boat yard construction

Upon approval of this proposal, project partners will form the Sitka Community Boatyard LLC, secure start-up funding (2-4 weeks) and initiate the following process:

2 weeks: Solicit bids for design, permitting and construction of marine travel lift piers, washdown pad and provide down payment on travel lift. We have secured preliminary estimates from design/build contractors Western Marine Construction and Turnagain Marine which provide estimated details of all components of pier construction costs, timing and understanding of project scope. Geotechnical assessments of the proposed sites were concluded during the preliminary construction phase of the GPIP multi-use dock. SCB has secured three quotes for travel lifts as well as cost estimates for the washdown pad and related filtration system.

Once a design/construction bid is accepted, estimated timeline would commence as follows:

6-7 months: Haul out pier design, engineering, environmental and core permits, procurement of materials and mobilization of equipment.

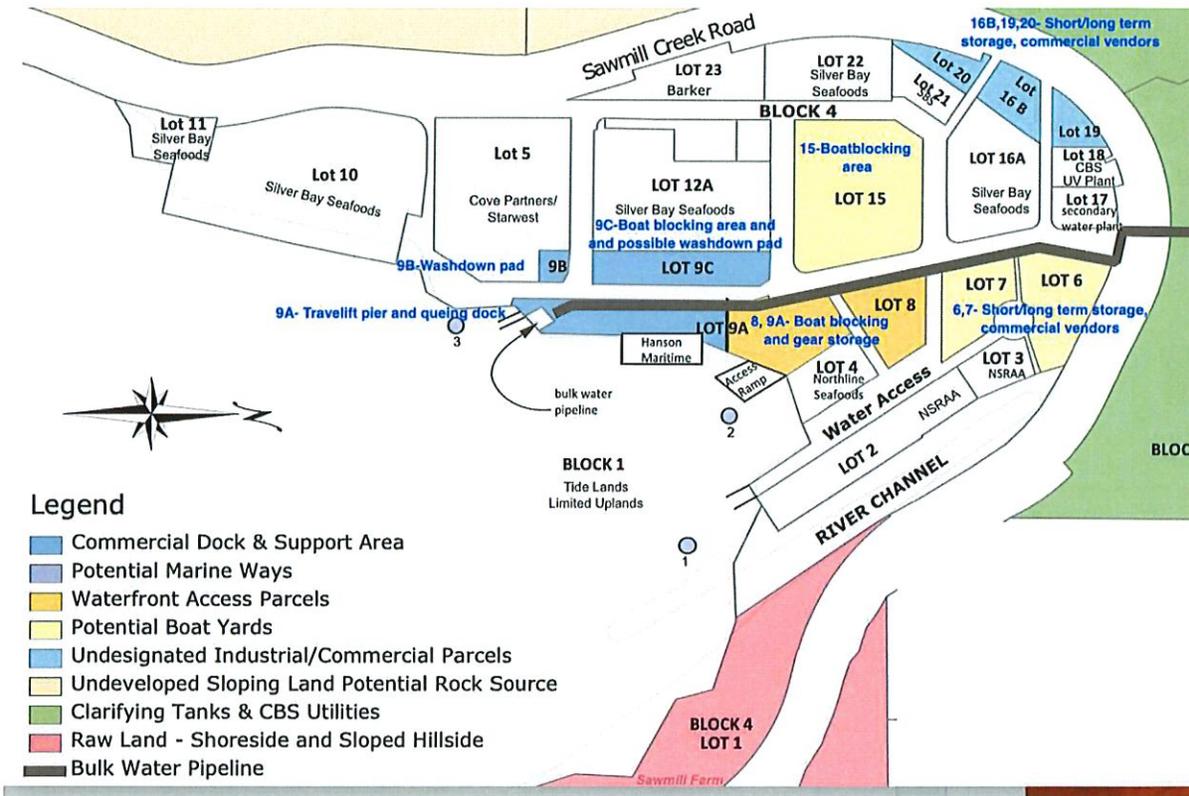
- Remove junk in GPIP boatyard areas (2 weeks)
- Local contractors build washdown pad (3- 4 weeks)
- Local contractors build retaining wall to engineered drawings supplied by pier design/build contractor (4 weeks)
- Local contractors build wood staging/queuing float (3-4 weeks)
- Travelift arrives, local contractors are used for assembly (2 cranes required) (4-month delivery, 1 week assembly)
- City grades yard and installs electrical and water as needed (3 – 4 weeks)

3-4 weeks: Once materials are on location, the marine pile driving company can construct the haul out pier, drive pilings for support float, and install support float and associated gangway.

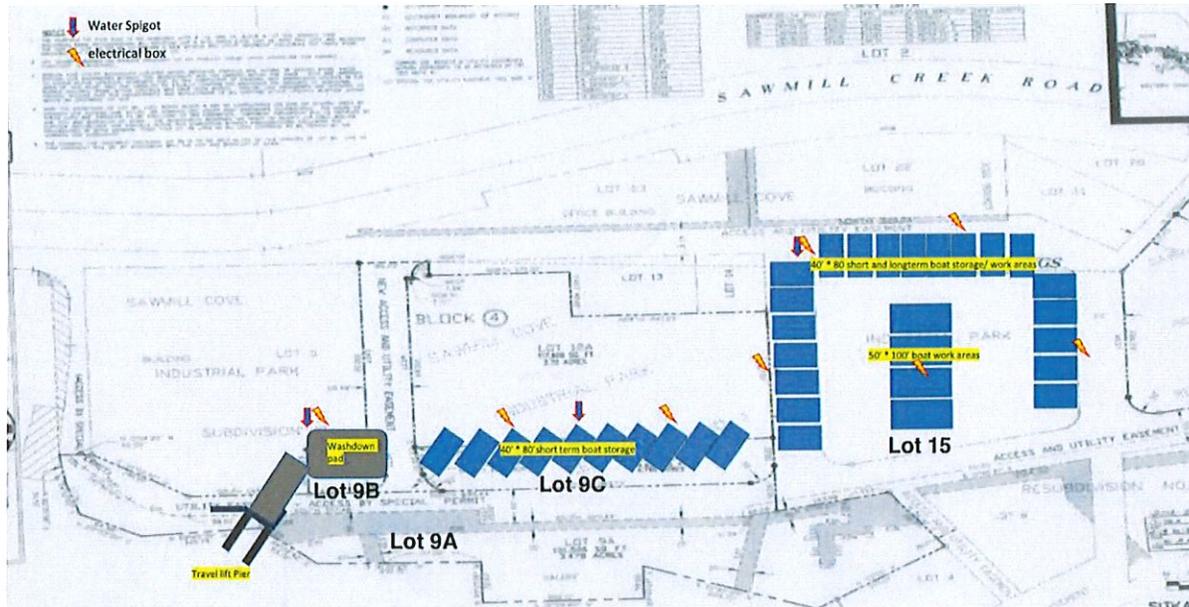
Total Build time: Approximately 8 – 9 months

e. Provide a concept level layout of proposed marine facility(s) and uplands facilities and identify what concept the facility(s) includes as identified in the Preferred Outcome.

Map of proposed boatyard layout with lot numbers and corresponding uses



Map showing proposed layout of Travelift pier slip off lot 9A, washdown pad on lot 9B, short term boat blocking areas on lots 9C and 15 and related utilities



Phased project priorities

Priority 1- Tasks necessary to begin successfully hauling vessels within 10-12 months after approval and funding

- Remove junk in yard
- Construction of retaining wall, pier and queuing dock off lot 9A
- Construction of washdown pad and related utility services on either 9B or 9C.
- Preparation and utility installments for short- and long-term boat blocking on lots 9C and 15
 - Lot 9C can accommodate approximately 10 vessel spaces measuring 40 feet by 80 ft. Lot 9C will have 1 hose barb and 2 electric meters, each with electrical cord plug outlets.
 - Lot 15 will be used for overflow short-term vessel work areas as well as long-term vessel storage and work areas. Lot 15 can accommodate approximately 22 - 30 vessel spaces of 40 feet by 80 ft with ample room for a forty-foot wide Travelift. Lot 15 will have 7 electrical meters and 2 water spigots; each meter will have 4 plug outlets.
- Upgrades to GPI road areas identified for Travelift use

Priority 2- Provides additional boat/gear storage and room for services

- Preparation and utility installments on lots 9A, 8, 7 and 6 for short- and long-term boat blocking and gear storage
 - Lots 9A and 8 will be used when lots 9C and 15 have reached capacity.
 - Preparation on lots 6 and 7 for gear storage and marine related services

- Lots 9A, 8, 7 and 6 will be used as public storage areas, commercial vendor areas and available for short and long-term leases for mission related businesses. Utilities will be provided in these areas as demand and revenues progress.

Priority 3- Provides additional service area

- Prep of lots 16B, 19 and 20 for marine related services

All effort will be taken to work with and around the multi-use dock, SBS, Hansen Marine, Northline Seafoods and any future landowners and renters to ensure these landowners or renters continue to have access to their property and equipment. We will also protect Northline's view of Silver Bay.

f. Provide proposed submerged and upland lease rates and/or purchase prices offers.

The 6.8 acres of GPIIP land identified for the Sitka Community Boatyard includes Lots 6-8, 9A, 9B, 9C, 15 and the smaller outlying lots 16B, 19, and 20. While this area is irregular in shape, with careful planning it can be used efficiently as a haul out and boatyard, with room for a washdown pad and boat dry dock. Upon approval of this proposal and LLC formation, Sitka Community Boatyard will apply to the City of Sitka for long-term tideland lease of lot 9A (pier site), upland leases for lots 9B or a portion of 9C for the washdown pad, lots 9C and 15 for short term boat storage, and lots 6, 7, 8, 16B, 19, and 20 for longer term boat storage, gear storage and business lease areas. The request will be for a 50-year lease with performance metrics and lease fees reviewable every 5 years. For the first five years, a lease fee of \$1/foot for each vessel hauled will be applied, with the tariff reviewed every 5 years after initiation. This amount is slightly below the \$1.50/ft tariff applied in Homer but will allow SCB to maintain competitive haul out fees and reduce financial risk during the initial years of operation. After year five of operation, the lease fee will be reviewed review and SCB can consider additional lease fees for upland storage of vessels during haul out, washdown pad use, and sub-lease of lots 6, 7, 8, 16B, 19 and 20.

g. Provide a concept level operations plan for the facility(s). Describe the estimated number of employees and how operation would benefit the Sitka and Southeast marine industry.

The Sitka Community Boatyard is open to future partnerships with businesses that contribute additional hoist capacity or other marine services to the yard. SCB envisions an additional haul out pier and 3000-ton marine Travelift will be the next major phase of development once the yard is returning profit or additional capital is secured.

The value of the SCB is first and foremost due to its proximity to Sitka and the fishing grounds. Second, provided the City retains land ownership and continues to invest in haul out use of the land, the boatyard will provide economic activity in Sitka, generating tax revenue and supporting year- round jobs. By providing affordable workspace proximate to dry-docked boats, the City will support efficient and high-quality workmanship by the marine service sector, increasing the success of the fleet and drawing more boat owners to Sitka for similar work. Finally, by providing a convenient, well run, efficient and high-quality yard, the SCB will support the

economic success of Sitka's fishing fleet, which in turn supports Sitka's economy and generates revenue.

The SCB will contract with Sitka Custom Marine (SCM) to oversee pier construction, manage all business aspects of the boatyard and work directly with boat owners to schedule and perform haul outs. The SCB board will provide regular reports to the City on operations relative to projected metrics and costs.

Sitka Custom Marine is owned and operated by Jeremy Serka. SCM employs an average of two full time and two part time employees. SCM anticipates hiring another 2-3 full time employees and a part time bookkeeper if awarded this contract.

Personnel or Contract

- Yard manager --operates equipment and supervises yard activities
- Part-time yard assistant-- assists with haul out/launch process
- Business manager- books haul outs/launches, manages books and administrative details; guides yard development and commitment to mission.
- Part-time bookkeeper

Sitka Custom Marine is currently in negotiations with Starwest and the Cove Partners to own and manage the old water bottling plant on lot 5 at GPIP. The Cove building will be used as an office and maintenance facility while contracting boat yard services for SCB. Sitka Custom Marine will manage the building as a center to expand and facilitate new and existing marine related businesses. The building will be available for all new and existing businesses that may want to conduct sandblasting, fiberglass and painting, welding and fabrication, machining, wood shipwrighting and milling, diesel mechanic repairs or upgrades, electrical, marine engineering and design, and logistic support for vessel owners. All existing vessel repair businesses will have an opportunity to rent space in the building or work collectively on projects while using the building's space and resources. Sitka Custom Marine will also use the building to develop and expand full time and seasonal job opportunities by helping to teach and sustain new and entry level tradesmen. Internship and apprenticeship programs, seasonal employment for fishermen, and community structured projects will all be used to promote and sustain the stable workforce critical to a successful boatyard.

Sitka Custom Marine has plans to build a covered boat shed to accommodate two 50-foot vessels under a climate controlled and sealed environment for year-around wood boat repair, painting, and other exterior work. In addition, lots 6 and 7 will be available for affordable subleases for businesses looking to build additional covered boat areas.

Thank you for the opportunity to submit a proposal to the City of Sitka for an innovative public: private partnership in the Sitka Community Boatyard. We are excited to be part of meeting the City's long term economic development and job retention goals while also supporting Sitka's fishing fleet.



Gary Paxton Industrial Park (GPIP)

Strategic Plan

Adopted by the GPIP Board
July 31, 2017

Introduction

The GPIP Board developed this Strategic Plan at planning sessions held in Winter/Spring of 2017. The GPIP Board recognizes that multi-purpose dock and future infrastructure improvements within the park will influence the future development of the site.

Guiding principles

1. Preserve public access and marshalling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and create a positive cash flows to the City from the operation of the Park.

Plan Priority Items

The GPIP Board plans to address the following items. (Items are listed in random order)

❖ **Develop a Port Facility to accommodate the Maritime Industry.**

- Continue with development of multi-purpose dock.
- Develop a water access ramp in the northern portion of Lot 9A.
- Develop a tariff schedule to include fees for tideland and upland use.
- Designate and retain Lots 3, 7, 8, 9a, 9C, & 15 in public ownership, to be developed as uplands to support marine services sector and multi-purpose dock.
- Designate and promote Lot 6 for future private or public development to support maritime industry.
- Designate and utilize Lot 9b to support management of port facility.
- Research Utility Dock and adjacent uplands for further re-purpose or sale.
- Research additional development opportunities for tidelands seaward of GPIIP Uplands.
- Research if existing dolphins in the tidelands can be useful or need to be removed.
- Develop a marketing plan that presents the park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.
- Determine the MARSEC rules for fencing at the GPIIP.

❖ **Develop and Market remaining uplands outside of Port Facility**

- Advertise to sell or lease Lots 17, 16b, 19 and 20 in the industrial park.
- Establish access point for Lots 19 and 20.
- Release RFP for sale of the Administration Building lot.
- Remove area of GPIIP sign from Administration Building lot.
- Dispose of remaining rock at GPIIP by bringing interested parties together for discussion.

❖ **Market Sitka's Water Export Asset to the world**

- Continue to work with potential partners in exporting Sitka's water in Bulk.
- Continue to work with potential partners that wish to establish water bottling facilities in Sitka.
 - Identify property in vicinity of the park to locate water bottling facilities.
- Continue to research and track water export ventures around the globe.

- Investigate alternative methods of marketing water and water purchase agreements.
- Investigate additional infrastructure needed to transport, load, and off load water.

❖ **Research the development of a rock quarry in the Sawmill Cove vicinity.**

This quarry would generate revenue for the City as well as provide less expensive rock for use on Park projects.

- Market Lot 1 / blk 2 as a rock source and Lot 3 / blk3 as possible rock source.

❖ **Continue to pursue the development of a private marina in Herring Cove.**

❖ **Develop Exit Strategy for existing GPIIP Development Board.**

- Research different management concepts and entities.