



**BOARD OF DIRECTOR'S MEETING**

**WEDNESDAY, MAY 12TH, 2021 - AGENDA  
3:00 PM**

**Room 6 Harrigan Centennial Hall/Zoom Meeting**

**Regular Meeting**

**3:00 PM**

<b><u>Item</u></b>	<b><u>Action</u></b>
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
<b>APRIL 21ST, 2021</b>	
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	
1. GPIP Haul out and Shipyard Proposals	Discussion/Recommendations
I. New Business	
1. Eckert Fine Beverages Funding Request	Discussion/Recommendations
2. GPIP Strategic Plan	Discussion/Recommendations
J. Adjournment	

**EXECUTIVE SESSION – Expected**

**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  
April 21, 2021 3:00pm – Harrigan Centennial Hall**

**DRAFT Meeting Minutes**

- A. CALL TO ORDER:** The Chair, Scott Wagner, called the meeting to order at 3:04pm
- B. ROLL CALL**
- Members Present:** Scott Wagner, Vaughn Morrison, Mike Johnson, Chris Ystad, Lauren Mitchell
- Members Absent:** None
- Staff Present:** Garry White, Makena Hardwick
- City Representatives:** John Leach (Administrator), Brian Hanson (Municipal Attorney), Thor Christianson (Assembly Liaison), Michael Harmon (Public Works Director)
- Others Present:** Jeremy Serka, Linda Behnken, Jeff Farvour and Robert Woolsey via Zoom

**C. Review of Minutes – March 25, 2021**

**Motion:** M/S Johnson/Ystad to approve the minutes of March 25, 2021

**Action:** Motion Passed 5/0 on a voice vote

**D. Correspondence & Other Information-**

Tomorrow, April 22<sup>nd</sup> at 2pm SEDA will be hosting the State of the Sitka's Economy event. Jim Calvin from the McKinley Research Group, Southeast Conference and others will present on economic indicators for Sitka and Southeast Alaska.

**E. Changes/Additions/ Deletions to Agenda- None**

**F. Reports –**

Garry White presented the GPIIP Management Report. Port Tariff number 4 was approved by assembly. Herring season has increased dock usage. Artic Blue Waters made their payment to the city, their contract is currently in good standing. Three other groups have contacted Mr. White for contracts to export water. City officials and Mr. White recently visited the site, the group noticed that used cars have been dumped at the park. They are working on a plan to mitigate that issue.

**G. Persons to Be Heard-** None

**H. Unfinished Business-** None

**I. New Business-**

**1. GPIIP Dock Improvements**

Mr. White introduced this item. A lot of requests for water to be added to the dock so that fresh water can be used to hose off boats. Estimate of permanent underground potable water pipe to be run to the dock with a meter has been received. With a meter, use can be measured and cruise ships could be charged for the water. The cruise ship that was going to make 6 stops at the GPIIP dock is no longer coming this summer.

**Discussion from Board:**

City code says GPIIP will pay \$157.71 per month to the water dept. Per the code it will cost users \$3.50 per thousand gallons for treated water. The board can adjust the tariff to add a gallon limit. To make up for the cost to the water dept. 45,000 gallons would need to be sold per month. Therefore, this might be made up by adjusted moorage rates and this could be made into a free service for the dock users.

**Motion:** **M/S Johnson/Morrison** move to establish a capital budget of \$24,999 to install an underground potable water line to the dock.

**Action:** **Passed (5/0)** on a voice vote

**2. GPIIP Haul Out and Shipyard Proposals**

Mr. White gave a brief overview of the goal to establish a marine haul out at the park.

**Public Comment:**

The three contributors to the proposal that was submitted came up as a group to discuss their proposal. Linda Behnken introduced herself to the board. She gave the board an overview of the proposal that they submitted in response to the RFP. A commitment of the City holding ownership of the land. Looking to SEDA to provide a loan to establish the haul out. Jeremy Serka would oversee the construction of the yard and the management of the yard once it is up and running. Mr. Serka gave a brief overview of his position and goals for the haul out as well as the amount of work that has gone into creating this proposal. The goal is for this to be a community boat yard. Jeff Farvour stated that the proposal has responded to the RFP well and that Sitka has a need for a boat yard.

Mr. Christianson asked what the timeline is like between approval and obtaining the funding listed.

Ms. Behnken stated that they have several sources of funding listed that will supply the funding immediately after approval and that many of the other sources have said that the process should be quick once approval is received.

Mr. Leach stated that the funding for this project seems to be coming from many different sources. And asked what money the group has without the funding listed. Mr. Leach also asked what the difference is between their operation plan and others.

Ms. Behnken states that the size of the hoist would be smaller with potential for an upgrade to a larger hoist later. Ms. Behnken also specified that they have commitments around \$400,000 from local fisherman. They also have a fair bit of confidence that the other money will become available after this proposal receives approval.

**Motion:** M/S Johnson/Ystad Move to enter executive session at 3:35pm and invite John Leach, Thor Christianson, Brian Hanson, Michael Harmon and Garry White as technical advisors.

**Action:** Passed (5/0) on a voice vote

**Motion:** M/S Johnson/Ystad Move to exit executive session at 5:04 pm and resume the regular GPIIP board meeting.

**Action:** Passed (5/0) on a voice vote

GPIIP board was unable to reach a decision. The board would like some clarification on certain items. Mr. White will draft a list of issues that came up during the executive session and will send that list to the proposers. Once those questions are answered the board will meet again to score the proposal and come up with a decision.

### **3. GPIIP Strategic Plan**

Mr. White introduced the strategic plan item. As this item is contingent upon the result of the haul out proposal this item will be tabled until the next board meeting.

**J. Adjournment:** The Chair, Scott Wagner, adjourned the meeting at 5:08 pm



4639 Sawmill Creek Road. Sitka, Alaska 99835  
907.747.3550 [info@fortressofthebear.org](mailto:info@fortressofthebear.org)  
*For protection and positive solutions through education*

May 10, 2021  
Garry. White  
Executive Director  
SEDA/GPIP

Dear Garry,

We are requesting continued access to Lot 19 for our visitors and staff to park their vehicles.

We have been utilizing that site for the at least the past 8 years.during the visitor season.  
It is an essential part of our operation.

We are proud to report that we are the top attraction for visitors to Sitka and generate income for the city, tour companies, taxis, and car rental companies. As you know, prior to COVID, we were on an upward trajectory in terms of growth. We completed our new Visitor Center in February of 2020 to accommodate our visitor needs.

We added large areas for indoor viewing, restrooms, and an expanded gift shop. We are now able to at least double our guest capacity.

As we anticipate a huge jump in tourism next year and possibly late this summer, the number of buses and tour vans that will come through will not allow for much more than handicapped parking. This of course, necessitates off-site parking and the only space we have is directly across from our site, Lot 19 There is no street parking, and we cannot foresee any other location that wouldn't be an inconvenience to any independent traveler, local members, or staff. Historically, there have been several times that lot was full on busier days.

We are asking the board to allow for continued access to Lot 19.  
We thank you for your consideration.

Best,  
Evy & Les Kinnear  
Co-Founders



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

Monday, May 10th, 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 (attached) was received from Jeremy Serka, Sitka Custom Marine, Linda Benken, ASFT Board President, on behalf of a newly proposed entity, The Sitka Community Boatyard (SCB).

The GPIIP Board met on April 21<sup>st</sup> as the RFP Selection Committee to evaluate and score the proposal in executive session. The Board was unable to make a decision during the executive session and requested SCB provide some clarification to some of the Selection Committee's questions (attached).

SCB provided a response to the RFP clarification questions (attached). Some of the information provided was deemed to be proprietary/confidential.

The GPIIP Board will continue to act as the Selection Committee in Executive Session to score the proposal, including the confidential information.

**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.

### **SCB Proposal**

*(Please see attached proposal and the response to GPIIP RFP clarification questions for more details)*

Sitka Community Boatyard (SCB) proposes to lease a majority of the uncommitted parcels of property available at the GPIIP, totaling approximately 8.3 acres of uplands and 8,000 SF of tidelands at the GPIIP to develop a marine haul out and shipyard. SCB would like to establish a 50 year lease of the properties.

SCB, in its initial development phase, proposes to construct a travel lift pier slip, a retaining wall, wash down pad, staging dock, and improve GPIP uplands for boat blocking and storage. SCB additionally plan to purchase a 150 ton marine travel lift. SCB estimates the cost of the development to be \$2.9 million dollars.

SCB has identified its financing for the project as follows:

- SCB will acquire \$250,000 in private capital.
- SCB will apply for a \$1 million Rasmuson Foundation grant/loan.
- SCB will apply for a \$1.25 million loan from the CBS.
- SCB requests a \$400,000 grant from GPIP/CBS.

### **Proposed Lease Area**

Sitka Community Boatyard (SCB) is requesting to lease the following properties:

Each parcel will be discussed in relation to the lease proposal by SCB. Please see the attached SCB proposal for further details on use of the property.

*\*Note: The GPIP/CBS has traditionally charged a 9% return annually on the value of the property/asset*

*\*Note: SCB is requesting to lease all of the properties below for a rate of \$1/Ft for each vessel that is hauled for an initial 5 year term. Estimate lease revenue is discussed below.*

### **Travel Lift Piers and Staging Dock Area**

SCB proposes to lease ~10,000 SF of uplands and 8,000 SF of tidelands in the southern portion of Lot 9a for constructing marine haul out piers to haul vessels out of the water and a staging dock for vessels using the facility.

~10,000 SF of the Southern portion of 9A - Lot 9a is valued at \$8/SF

- $10,000 \text{ SF} \times \$8/\text{SF} = \$80,000 * 9\% = \$7,200$  annually

~8,000 SF of Tidelands – GPIP Tidelands are valued at \$2/SF

- $8,000 \text{ SF} \times \$2/\text{SF} = \$16,000 * 9\% = \$1,440$  annually

### **Wash down Pad Area**

SCB proposes to lease Lot 9b for the construction of an EPA approved wash down facility.

Lot 9b is a 7,583 SF lot valued at \$5.74/SF

- $7,583 \text{ SF} \times \$5.74/\text{SF} = \$43,527 * 9\% = \$3,917$  annually

### **Boat Blocking Area**

SCB proposes to lease lots 9c and 15 as a shipyard to conduct vessel work.

Lot 9c is a 34,636 SF lot valued at \$5.25/SF.

- $34,636 \text{ SF} \times \$5.25 = \$181,839 * 9\% = \$16,366$  annually

Lot 15 is an 113,369 SF lot valued at \$4.50/SF

- $113,369 \times \$4.50 = \$510,161 * 9\% = \$45,914$  annually

### **Boat Blocking and Gear Storage Area**



SCB proposes leasing Lot 8 and a portion of the northern portion of Lot 9a for boat blocking, gear storage, and future improvements to the GPIIP ramp.

~43,634 SF of the Northern portion of Lot 9A is valued at \$8/SF

- $43,634 \text{ SF} \times \$8/\text{SF} = \$349,072 * 9\% = \$31,416$  annually

Lot 8 is a 32,362 SF lot valued at \$6.16/SF

- $32,362 \times \$6.16 = \$199,350 * 9\% = \$17,942$  annually

### **Short/long Term Storage and Commercial Vendors Area**

SCB proposes leasing Lots 6, 7, 16b, 19, and 20 for storage and potential area for commercial vendors to locate.

Lot 6 is a 41,028 SF lot valued at \$6.22/SF

- $41,028 \text{ SF} \times \$6.22 = \$255,194 * 9\% = \$22,968$  annually

Lot 7 is a 32,879 SF lot valued at \$5.72/SF

- $32,879 \text{ SF} \times \$5.72 = \$188,068 * 9\% = \$16,926$  annually

Lot 16b is a 20,135 SF lot valued at \$4.02/SF

- $20,135 \text{ SF} \times \$4.02/\text{SF} = \$80,943 * 9\% = \$7,285$  annually

Lot 19 is a 12,669 SF lot valued at \$4.03/SF

- $12,669 \text{ SF} \times \$4.03 = \$51,177 * 9\% = \$4,606$  annually

Lot 20 is a 13,088 SF lot value at \$4.16/SF

- $13,088 \text{ SF} \times \$4.16 = \$54,446 * 9\% = \$4,902$  annually

**Total annually value of proposed lease property at 9% ROA = \$180,885 annually**

### **Proposed Lease Rate**

SCB is proposing to lease the above properties for \$1/ft of vessels hauled for an initial 5 year period with the ability to renegotiated lease after the first 60 months.

Estimated lease rates are as follows:

- 250 vessels hauled annually with an average length of 43' = \$10,750
- 400 vessels hauled annually with an average length of 43' = \$17,200
- 550 vessels hauled annually with an average length of 43' = \$23,650

### **Additional Considerations**

- The CBS hired PND Engineers in 2019 to provide a Preliminary Design Summary and cost estimate for the development of a marine haul out at the GPIIP. Estimate cost estimates totaled ~\$7.5 million dollars. (See Attached)
  - This preliminary design estimate considered improving the existing GPIIP ramp and did not include marine haul out piers.
- The CBS applied for a ~8.2 million dollar USDOT Build Grant to develop a marine haul out and shipyard in 2020. The CBS grant was scored high, but was not successful in

being awarded the grant. The CBS plans to apply for a USDOT Raise Grant (formerly building grant) again in 2021.

- The USDOT Grant is an 80/20% match grant. The CBS allocated ~1.6 million dollars from the Southeast Economic Development Fund for its 20% match during the 2020 grant process and is planning on using the same for the 2021 grant application.
- SCB proposes that future development of the site will include; upgrading haul out piers and shipyard area to accommodate a 300 ton marine lift, upgrading the existing GPIIP ramp to allow trailer and barge use, and subleasing parcels to marine services businesses.
  - No funding for these future developments have been identified in the proposal.
  - Per the RFP, public access to the GPIIP ramp must be made available to other existing business of the GPIIP
- The SCB proposal suggests that the CBS will do the following: “City grades yard and installs electrical and water as needed” on the site. CBS preliminary estimate for this cost is ~\$2.5 million dollars.
  - The \$2.5 million dollars includes water service, yard pedestals, lighting, etc... (See attached PND estimate).
  - SCB proposal cost estimate appears to only bring water and electric service to Lot 15.
- The GPIIP current working capital position is roughly \$450k. This amount does not include putting funds aside for GPIIP Dock maintenance.
- Lot 16b, 19, and 20 were not offered for lease in the RFP.
  - Lot 19 has been request for long term use by Fortress of the Bear (See attached letter).
  - Lot 20 is currently leased on a month to month basis.
- Access to CBS utilities and utility easements must be preserved as a majority of utilities were established with federal grant funds.
- The GPIIP is one of the last available developable properties in the immediate Sitka area without topographical constraints and with utilities available on site.

### **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 GPIIP 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 GPIIP 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 – GPIP 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 GPIP 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)<sup>[1]</sup> 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.<sup>[2]</sup> In fact, Sitka has more active commercial fishing vessels and more residents who hold federal and state fishing permits than any other Southeast community.<sup>[3]</sup> 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.<sup>[4]</sup> 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.

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[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.

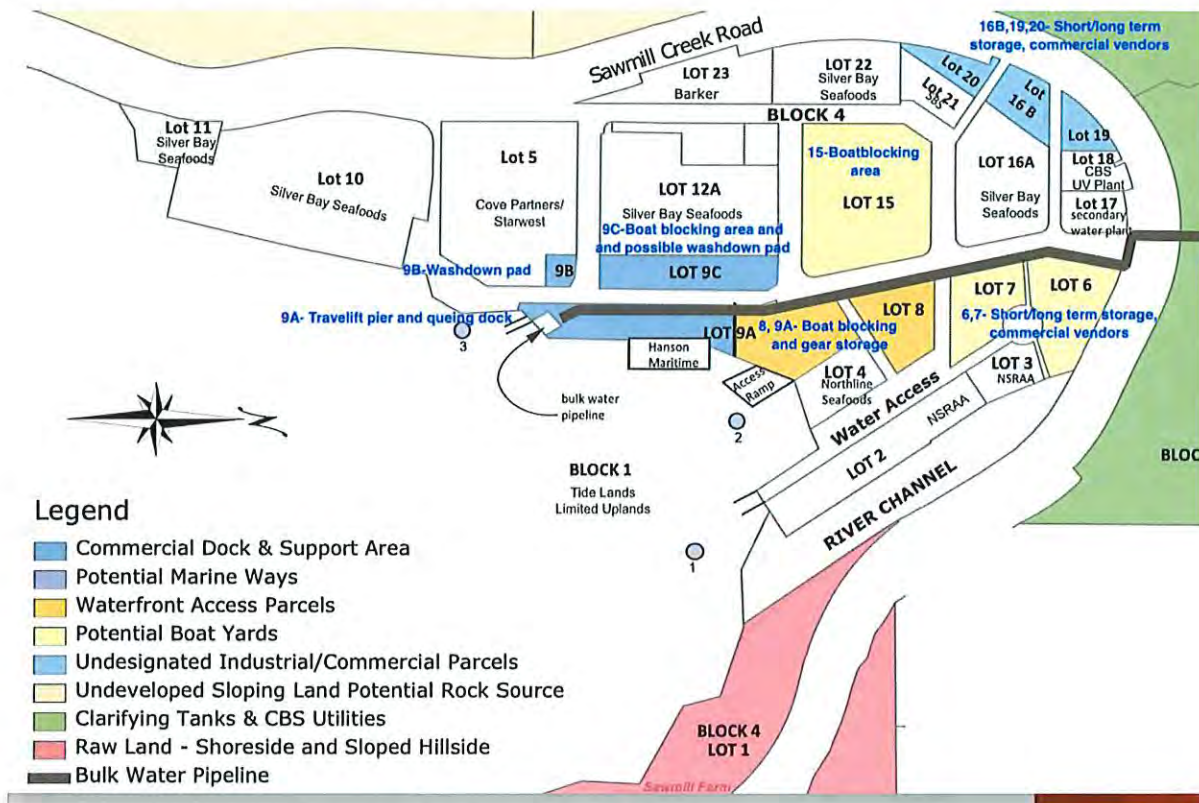
- Remove junk in GPIP boatyard areas (2 weeks)
- Local contractors build washdown pad (3- 4 weeks)
- Local contractors build retaining wall to engineered drawings supplied by pier design/build contractor (4 weeks)
- Local contractors build wood staging/queuing float (3-4 weeks)
- Travelift arrives, local 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.

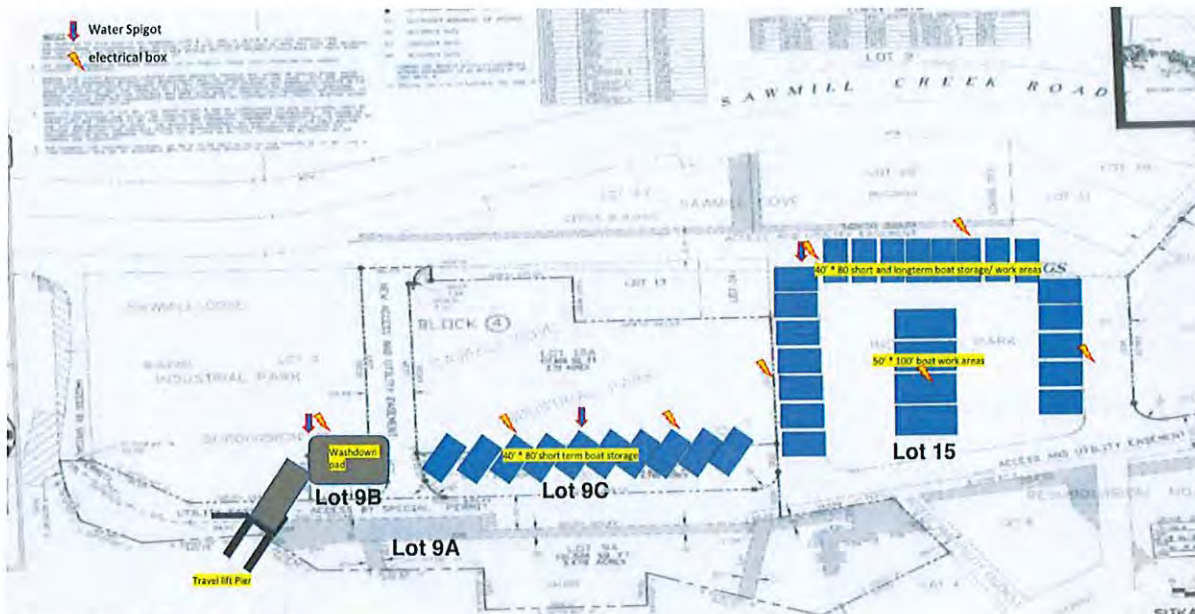
**Total Build time:** Approximately 8 – 9 months

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 GPIIP 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.



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

Tuesday, April 27, 2021

MEMORANDUM

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

From: Garry White, Director

Subject: GPIIP Board Clarifying Questions to the Sitka Boatyard RFP Proposal

**Introduction**

The Gary Paxton Industrial Park (GPIIP) Board of Directors met on April 21<sup>st</sup>, 2021 in Executive Session, during its Board meeting as the Selection Committee, to evaluate your proposal to construct and operate a marine haulout and shipyard at the GPIIP.

The Selection Committee has requested clarifications to portions of the proposal to help with the evaluation and scoring of the proposal.

**Clarifying Questions**

Please add clarification on the Request for Proposal requirements.

- Do you understand that your proposal isn't completely "privately funded" as required by the RFP, because the \$1.25M loan and the \$400K grant are both "public funds"?
- If the answer to #1 is yes, do you believe your proposal is responsive to the RFP? If so, why?
- If you understand that your proposal is not responsive because it is not completely "privately funded", do you want CBS to waive this requirement?

Please add more clarification on the team's qualifications to construct a marine haulout and shipyard.

- The proposal states Sitka Custom Marine (SCM) will be overseeing construction. What qualifications does SCM have related to construction management of a project of this nature?
  - Please provide more detail on the experience of the key individuals involved in the construction process, including, if possible, references to other projects of equivalent magnitude.
- The proposal asks for public funding in both a grant and a loan. State reporting and auditing requirements will be subject for the use of these funds. Please clarify Sitka Community Boatyard (SCB)'s ability to pay prevailing wages and meet the State's registration/reporting requirements.

Please add more clarification on working with the CBS and GPIIP to secure additional funding to fully develop the boatyard.

- Do you agree that CBS should continue to apply for federal/state grants? If not, why?
  - Do you agree that if a grant is awarded, that grant funds would be used instead of CBS loan funds and/or other CBS funds?
- Please clarify on how SCB envisions a Public/Private/Partnership moving forward if the CBS is successful in obtaining grant funds.

Please add more clarification on project cost estimates and construction timeline.

- Please provide greater detail on initial startup phase costs.
  - Are written bids from contractors available for the Board's review?
  - Is the project advancement contingent on \$400k capital investment from GPIIP?
  - Is there a contingency plan if project goes over budget?
  - How does SCB believe it will construct project for far less than estimated costs provided to GPIIP Board by PND Engineers?
  - Please provide more detail to the \$1.25M (page 5) figure to fund the construction of the Travelift slip, piers, and bulkhead/retaining wall.
  - Is the estimated cost for the 150 ton Travelift available?
- Please clarify the amount and type of electrical and water service infrastructure that is expected from the CBS (Page 9). Does SCB have a detailed scope or an estimated cost for these improvements?
- Please clarify the construction timeline as the proposal seems to be quite aggressive given the permitting time lines and contractor planning/mobilization.

Please add more clarification on the operations of the haul out.

- Are proposed fees charged to users of the facility for haul out and storage available for GPIIP Board review?
  - Has SCB completed a loan payment cash flow analysis to repay the proposed CBS \$1.25 loan?
- Does SCB have any performance targets, i.e. number of hauls anticipated per year.
- Please clarify responsibilities for ongoing maintenance of facilities; i.e. snow removal, haulout/ramp maintenance, road maintenance, etc...
- Please clarify ownership of travel lift, dock, piers and other ancillary infrastructure built by Sitka Community Boatyard.

Please add more clarification on proposed lease areas.

- The area identified in the proposal as the location of the travel lift slip piers and Staging Dock was not included in the area identified as available in the RFP. Do you have an estimated square footage of area you would like to lease in this area?

- Lots 16b, 19, & 20 were not offered as lease areas in the RFP. Do you wish to lease these properties in addition to the lots identified as available? Does the \$1/foot proposed lease rate include these properties?

Please add more clarification on proposed lease rates.

- Please clarify the \$1/foot for each vessel hauled.
  - Is \$1/foot the only rate SCB envision paying for the first 5 years?
  - Does this rate include the entire 6.84 acres requested, plus the additional area south of the GPIIP Dock and lots 16b, 19, & 20?
  - Is the \$1/foot a one-time fee, or is it monthly, quarterly, annually?
- Please clarify what lease rates SCB intends to charge for third party businesses on site. Does SCB intend to provide any of those lease rates to the CBS?

**To: GPIIP Board**  
**From: Linda Behnken/Jeremy Serka**  
**Date: 5/6/21**  
**Subject: Response to GPIIP RFP clarification questions**

Thank you for this opportunity to provide answers to your questions. Our responses to your general questions are below. Questions are in bold text. Questions that required proprietary or confidential information to adequately answer are included in **Attachment A**, which we request you treat as CONFIDENTIAL.

**Question: Do you understand that your proposal isn't completely "privately funded" as required by the RFP, because the \$1.25M loan and \$400K grant are both "public funds"?**

Our response to the RFP describes the Sitka Community Boatyard LLC's preferred approach to raising \$2.5 million of the estimated \$2.9 million project total using a mix of low interest loans and private investment. The source of these loans and investments includes public revolving loan programs, such as the loans offered by SEDA, the Federal Small Business Development Loan program, and the State of Alaska, as well as private loans from Rasmuson Foundation and local fishermen. The term "privately funded" was not defined in the RFP. Our interpretation of "privately funded" is inclusive of loans to private entities such as SCB as it is the private entity, not the public, that is responsible for the loan repayment. Thus, we believe the source of the loan is not a disqualifying factor. To prohibit the use of low interest local, State or Federal revolving loan funds is not consistent with the RFP's purpose of providing "vessel haul out equipment and services that will support the Sitka fleet" in a cost-effective manner. If the term "privately funded" in the RFP was meant to prohibit bidders from using any or all low interest public revolving loan programs at the local, state, or federal level in their financial package, or grants from public entities such as the Denali Commission, that interpretation and the rationale supporting it was not clearly stated in the RFP. We believe our planned use of a SEDA loan and Federal Small Business Development loan are in compliance with the "privately funded" provisions of the RFP.

We recognize that the "Preferred Outcome" was for a developer to demonstrate the ability to finance the entire project without CBS funds. We interpret that to mean asking for a direct non-repayable equity investment in the project using CBS funds is undesirable and would be penalized when evaluating how competing proposals meet the preferred outcomes. We did not interpret that to mean that SCB was prohibited from applying for a SEDA loan as a private entity seeking financing from a public loan fund as other businesses in this community have done. Additionally, the previous review of the Warren/Cooper proposal established that the proposal was eventually disqualified not due to the nature of their funding request (which was the SEDA economic development fund, the same fund we are targeting) but due to the changes in their funding needs. Our proposal and Attachment A of this response clearly state the funding sources and public or private loan programs we propose. If the SEDA loan is denied, we have identified other loan funds for financing as detailed in Attachment A; however, these are not our first choice due to increased cost and the complexity of collateralizing the loan.

Of the remaining \$400,000 in requested GPIIP investment, our understanding is that \$100,000 of this is already committed to utility improvements at the site. The remaining \$300,000 is a request for a similar investment by GPIIP in the washdown utility infrastructure. At the recent meeting of the GPIIP Board, and prior to the evaluation of our proposal, we explained that we have a contingency plan should one or another source of financing fail. The requested \$300,000 from GPIIP in infrastructure represents approximately 10% of the \$2.9 million cost of this project. If the GPIIP infrastructure funds are not

available, SCB does have contingency plans detailed in Attachment A and wishes to discuss alternate ways of funding that component. The preferred outcomes section of the RFP notes that “*The City and Borough of Sitka reserves the right to negotiate with the finalist(s).*”

**If the answer to #1 is yes, do you believe your proposal is responsive to the RFP?**

We believe our proposal is very responsive to the RFP. We have structured our proposal to maintain City ownership of the land and operate the boatyard using a long-term lease, which was described in the RFP as a City preference. Our proposal maintains access to the GPIIP ramp, provides a float to safely disembark, provides for long term storage of boats, provides utilities and public access to work on boats, allows covered areas to be constructed, and provides for sub-leasing to other commercial vendors, which were all listed as “aspirational” goals in the RFP. We have also developed a construction and operation plan that will result in a working haul out within 1 year – which is again consistent with the urgency described in the preferred outcomes.

We believe the financing package we propose is the most cost-effective way to build a privately operated haul-out on leased public land to meet the needs of Sitka’s fleet and marine trades. As noted above, we believe the source of the loans in our financing should not be a disqualifying factor. We further note that we have contingency financing plans should one source of financing fail. These contingency plans are described in Attachment A and demonstrate the financial depth of our proposal consistent with RFP goals and evaluation criteria.

Our proposal also contains several innovative components that go above and beyond RFP specifications, such as a public/private/non-profit partnership that facilitates numerous sources of affordable financing now and in the future. We have also proposed an advisory board to ensure the needs of the local fleet are met and to help guide future development. Finally, we have proposed a process to transparently review lease fees at 5-year intervals to share in profitability as the business and land use mature.

**If you understand that your proposal is not responsive because it is not completely “privately funded”, do you want CBS to waive this requirement?**

As stated above, we believe our proposal is responsive to the RFP. SCB will hold the **loans** as a private entity, hence the local, State, Federal or private source of the loans in our financing package should not be a disqualifying factor. We believe the request for GPIIP investment in the washdown infrastructure is consistent with GPIIPs existing commitment to invest \$100,000 in the electrical infrastructure. If the GPIIP Board or the CBS disagrees with our interpretation of the term “privately funded,” then we request that GPIIP and the City waive the requirement for private funding as it was not clearly defined in the RFP and prevents access to numerous local, State, and Federal loan interest loan funds that are necessary to make the haul-out project affordable. Prohibiting these public loan funds will also increase haul-out costs for local vessels and make the goal of maintaining City ownership of the land much more difficult to achieve, both of which are inconsistent with the goals of the RFP. In the RFP, the CBS reserves the right to negotiate with the finalist(s) and to refuse or accept any and/or all proposals.

In sum, we believe our proposal is very responsive to the RFP. We appreciate the opportunity to clarify that the term “privately funded” was not defined in the RFP and that our interpretation of “privately funded” did not preclude the use of low interest local, state, and federal **loans** because it is the private entity that is responsible for repayment. To prohibit these loans serves only to increase the cost of haul-out services to the local Sitka fleet. We further appreciate the opportunity to clarify our interpretation of terms in the “preferred outcomes” section and the use of preferred outcomes in distinguishing between competing proposals rather than as disqualification criteria. We note that the RFP identifies five

evaluation criteria totaling a maximum score of 140 points. The financial package, along with the firm's qualifications, experience, and design are grouped into Criteria 1 worth 30 out of the 140 possible points. Agreement or disagreement with our interpretations can be reflected by individuals when scoring under Criteria 1, but should not prevent our proposal from being evaluated against all five scoring criteria and reviewed by the Assembly.

**Please add more clarification on the team's qualifications to construct a marine haul out and shipyard.**

**The Proposal states Sitka Custom Marine (SCM) will be overseeing construction. What qualification does SCM have related to construction management of a project of this nature?**

The owner and lead project manager of SCM is Jeremy Serka and the head foreman is Mike Matz. Both Jeremy and Mike worked together at Allen Marine for approximately 10 years. Mike Matz was the lead operator and foreman for Allen Marine for over 20 years. During their time at Allen Marine, Jeremy and Mike worked together on numerous vessel constructions, repairs and yard improvements, including two 78ft catamarans, two 65-foot landing crafts, dozens of 30-foot charter boats, and a number of 33- and 44-foot catamarans. In addition, Mike was on scene for construction of the floating dry dock, buying and assembly of the new 165-ton Ascom travel lift, and the yard improvements for the ramp.

Jeremy Serka has a B.S. in Environmental Science from Huxley College, Western Washington University in Bellingham, WA. Jeremy paid his own way through school while fishing during the summer in Southeast Alaska. He owned and operated a Christmas tree farm in Oregon and a retail sales lot in Seattle for over fifteen years, ran a charter fishing boat business in Sitka for nine years, owned and operated a commercial power troller in Sitka for six years, and has owned and operated Serka's Welding for twelve years. Jeremy is a 12-year resident of Sitka and worked during the winter months for seven years as a fabricator, welder and supervisor prior to becoming a year-round resident.

Jeremy is a proficient manager of both time and resources who has gained the trust of dozens of businesses that use his services and expertise every year. SCM has the experience and connections to oversee the construction of a marine haul out from start to finish and to ensure the work meets community goals. All work for the construction of the haul out will be assigned to professional contractors selected through a competitive bid process. SCM, the SCB, and the law offices of Royce and Brain will ensure that all work is finished as specified.

**The proposal asks for public funding in both a grant and a loan. State reporting and auditing requirements will be subject for the use of these funds. Please clarify Sitka Community Boatyard's ability to pay prevailing wages and meet the State's registration / reporting requirements.**

The Sitka Community Boatyard LLC will be registered in the State of Alaska and file the necessary biennial and tax reports to remain in good standing throughout the lease term. A public board made up of local business owners, marine trades professionals, and city delegates will be used to guide SCB. The SCB will retain the services of a bookkeeper to track of all revenues and expenses of the boat yard operation, and will provide quarterly reports to investors, lenders and board members.

ASFT has a 10-year history of successfully managing grants and a three-year history of managing program related investment debt. Sitka Custom Marine, owned by Serka's Welding and Fabrication LLC, has also been in business for 12 years and is SCM management is proficient with tax and reporting requirements. The work of hauling boats, maintaining the yard and equipment, managing employees and sublessees will fall on SCM. SCM has a bookkeeper who will also provide quarterly reports to SCB.

SCM will offer all employees competitive wages with benefits and will file all reports required by the DOL, unemployment and insurance agencies, etc., as required by the state and city.

For specific information on anticipated salaries and wages, see Attachment A.

**Please add more clarification on working with the CBS and GPIIP to secure additional funding to fully develop the boatyard.**

**Do you agree that CBS should continue to apply for federal/state grants?**

Yes, we agree. One of the main advantages of our proposal is that it creates a framework that facilitates numerous sources of affordable financing. The Sitka Community Boatyard will be a collaborative effort of city, non-profit and private entities. Each entity has unique access to specific funding sources, and collectively the entities working together have a greater chance of qualifying for and receiving the funding needed to develop a boat yard for Sitka's immediately needs, while working long term to fund the boat yard Sitka deserves. If the City or GPIIP are successful in securing grant or infrastructure investment funding, the funds could be used to upgrade and widen the existing ramp, adding a marine rail way capable of hauling larger ships and barges, purchase a 300-ton travel lift and construct piers to support this equipment, purchase a self-propelled trailer to efficiently haul smaller boats, construct buildings that allow work on boats out of the weather, conduct additional clean up and upgrade of the boatyard area, etc. Our proposal includes an advisory board to guide boat yard development and a transparent process to evaluate lease fees on a 5-year interval to offset development expenses and share profitability between the public, private and non-profit partners. Once GPIIP and the Assembly make a decision on our proposal, SCB looks forward to collaborating with GPIIP and CBS on the scope of future federal/state grants such as a potential revised Build grant and improvements to be financed using the States general obligation bond funding authority.

**Please clarify on how SCB envisions a Public/Private/Partnership moving forward if the CBS is successful in obtaining grant funds. See above**

**Please provide greater detail on initial startup phase costs.**

- o Are written bids from contractors available for the Board's review? See Attachment A
- o Is the project advancement contingent on \$400k capital investment from GPIIP? We have a contingency plan but believe GPIIP investment in this project is consistent with GPIIP priorities for use of the industrial site. See Attachment A
- o Is there a contingency plan if project goes over budget? We have been thorough and erred on the side of over-estimating costs. See Attachment A
- o How does SCB believe it will construct project for far less than estimated costs provided to GPIIP Board by PND Engineers? We have bids for the work from two qualified companies. See Attachment A
- o Please provide more detail to the \$1.25M (page 5) figure to fund the construction of the Travelift slip, piers, and bulkhead/retaining wall. See Attachment A
- o Is the estimated cost for the 150-ton Travelift available? See Attachment A

**Please clarify the amount and type of electrical and water service infrastructure that is expected from the CBS (Page 9). Does SCB have a detailed scope or an estimated cost for these improvements? See Attachment A**



**Please clarify the construction timeline as the proposal seems to be quite aggressive given the permitting timelines and contractor planning/mobilization.**

The limiting factor of getting a haul out built and running by April 2022 is the permitting of the travel lift slip. Once awarded a contract, SCB will apply for the CBS loan of \$1.25 million. The loan and equity capital will be used to fund the construction of the travel lift piers. We will solicit bids for approximately 3 weeks from Alaska pile driving companies including Western Marine, Turnagain Marine and Trucano Construction in Juneau. Around week 6 we will look to award a contract for the haul out piers. The pile driving company will conduct all the necessary engineering, permitting, transport of materials and construction of the piers. We have been advised by Western Marine and Turnagain that the permitting process could take 7 to 9 months and the construction will only take a 1 month. While waiting for the permits to be approved for the haul out, we will solicit bids for the washdown pad, retaining wall for the haul out piers, travel lift and dry dock storage utilities. We expect the uplands work to take 2 – 4 months from bid to completion. The travel lift will be ordered after a final determination on our funding request by the Rasmuson Foundation which is expected in the Fall of 2021 and take 3 to 4 months to arrive in Sitka.

**Please add more clarification on the operations of the haul out.**

- **Are proposed fees charged to users of the facility for haul out and storage available for GPIIP Board review?** See Attachment A
  - **Has SCB completed a loan payment cash flow analysis to repay the proposed CBS \$1.25 loan?** See Attachment A
- **Does SCB have any performance targets, i.e., number of hauls anticipated per year.** See Attachment A
- **Please clarify responsibilities for ongoing maintenance of facilities; i.e. snow removal, haul out/ramp maintenance, road maintenance, etc.** We anticipate the CBS will continue to perform road maintenance and snow plowing as it is currently doing. SCB will be responsible for snow removal and grounds maintenance of the washdown pad and boat storage sites. The finer details of snow removal and lot maintenance can be discussed in the context of the lease agreement.
- **Please clarify ownership of travel lift, dock, piers and other ancillary infrastructure built by Sitka Community Boatyard.** The travel lift, staging dock, and yard equipment will be owned by Sitka Community Boatyard. The piers and other ancillary infrastructure built by SCB as site improvements will be managed by SCB for the extent of the long-term lease, then remain as-is/where-is site improvements for CBS use if or when the lease is terminated.

**Please add more clarification on proposed lease areas.**

- **The area identified in the proposal as the location of the travel lift slip piers and staging rock was not included in the area identified as available in the RFP. Do you have an estimated square footage of area you would like to lease in this area?**

If the area of our proposed travel lift slip was not intended to be available, then the RFP was misleading. Our proposed location for the travel lift slip has been identified in many GPIIP meetings as the best location for a travel lift slip and staging dock. The site was also identified as a potential area for sale in

the previous RFP, as highlighted in orange. In fact, Appendix C in the RFP document includes a haul out pier drawn in the exact location we are proposing for constructing the pier (11/30/20 GPIIP meeting doc; Sawmillcove.com)

The approximate area needed for a haul out pier is 50' wide by 80' long. The staging dock is 10' wide and 40' long. The square footage of required waterfront is approximately 8,000 square feet (about 100' of shoreline and 80' extending out from the bank for the slip).

Lot 9B, which was also designated as an area to own in the RFP document, is the location we propose for the washdown pad. Lot 9C could also serve this purpose but be operationally less efficient. The washdown pad in conjunction with the travel way to the haul out pier would be approximately 200 ft long by 100 ft wide, or 20,000 square feet.

- **Lots 16b, 19, & 20 were not offered as lease areas in the RFP. Do you wish to lease these properties in addition to the lots identified as available? Does the \$1/foot proposed lease rate include these properties?**

SCB proposes to lease lots 16b, 19 and 20 to facilitate development of marine service business and other operations, and to help to offset boat-yard operational expenses. **Anticipated lease revenue from these lots is described in Attachment A.** Our proposed \$1 /ft for each boat hauled lease rate is the total payment for all leased property for the first 5 years, with an opportunity to negotiate a new lease rate at that point. After the SCB has weathered the startup phase and revenues are better defined, we look forward to discussing future lease rates for all properties and uses.

**Please add more clarification on proposed lease rates.**

- **Please clarify the \$1/foot for each vessel hauled.**
  - o **Is \$1/foot the only rate SCB envision paying for the first 5 years?** Yes, as described in our proposal, after the initial 5-year period, SCB and GPIIP official can review the profitability of the operation and negotiate future lease fees for haul out operations, vessel and gear storage, and sublease fees for additional businesses in 5-year increments. This transparency and public/private coordination will ensure a viable marine services center with competitive rates that will meet Sitka's need. For additional factors SCB considered in developing the lease rates, please **see Attachment A**

**Does this rate include the entire 6.84 acres requested, plus the additional area south of the GPIIP Dock and lots 16b, 19, & 20?** **See above**

- o **Is the \$1/foot a one-time fee, or is it monthly, quarterly, annually?** The \$1/ft fee is a one-time payment based on each vessel hauled. It will be calculated and paid on a quarterly basis.

**Please clarify what lease rates SCB intends to charge for third party businesses on site. Does SCB intend to provide any of those lease rates to the CBS? See Attachment A**

Lease rates for third party businesses will be no less than 9% of previous land sales in the park. Previous sales of land were around \$2.61 / ft, thus a yearly lease rate of \$.24/ft will be the starting price when negotiating subleases. This is the same rate that GPIP has been using to establish its leases. SCB does intend to provide a portion of the sublease fees from third party businesses to the city of Sitka after the startup phase.

**CITY AND BOROUGH OF SITKA, ALASKA  
GARY PAXTON INDUSTRIAL PARK (GPIP) – RAMP PROJECT  
CONCEPT NO. 3**

**PRELIMINARY DESIGN SUMMARY  
Prepared By PND Engineers, Inc. September 30, 2019**

The purpose of this document is to provide the City and Borough of Sitka (CBS) with an overall summary of the scoping, preliminary concept design work and environmental permitting assessment completed for the Gary Paxton Industrial Park (GPIP) project. PND Engineers, Inc. (PND) worked with CBS to obtain background information and input from both the GPIP Board and Public Works Department staff. PND assembled a list of anticipated environmental permits and construction requirements. The objective of these efforts is to provide CBS with a preliminary phased concept plan with owner input to assist with moving the project forward.

### **Background Information**

CBS provided PND with electronic copies of Sawmill Cove/GPIP area showing water and sewer from the GIS system. The information was dated from the early 2000's and no current topographic survey information appears to be available for the area.

### **CBS Coordination**

PND and CBS have conducted two Joint Work Sessions for the GPIP ramp project conducted in Sitka. The culmination of these Joint Work Sessions included two power point presentations that defined Sitka's wishes to proceed with Concept No. 3.

PND's technical memorandum dated July 19, 2019 addresses wash water industry standard effluent and allowable influent flows. The estimated maximum daily flow is 2,000 gpd if a single pressure washer is used. The daily flow will increase to 4,000 gpd when two pressure washers are used at larger vessels. Subsequent to issuing the memorandum, Shilo Williams, CBS Environmental Superintendent provided verbal authorization of the onsite treatment methodology and discharge of the wash water to the municipal sewer system.

PND's coordination with Brian Doyle, CBS Chief Waste Water Operator yielded sewer force main input parameters including that the existing force main elevation is approximately at 6' below grade and an adjacent Eone pump station services The Boat Company in Sawmill Cove. An equivalent pump station will be required at GPIP. The pump station should be equipped with a local high water warning light but is not required to be built to CBS Standards.

PND's technical memorandum dated August 23, 2019 addresses on site wash water schematics, equipment information and temporary (relocatable) wash down facilities. The information includes the wash water route, required equipment and cut sheets. The temporary wash down pad is a PVC liner and associated costs are included in the preliminary cost estimate for the facility.

PND's letter dated February 21, 2019 addresses Concept No. 3 operational issues and it recommended that an easement be established for encroaching mooring lines and vessel operations for the existing Utility Dock.

### **Project Development Phasing**

The rough order magnitude (ROM) budget estimate for Concept No. 3 and temporary wash down pad are divided into three construction phases and are summarized as follows:

Phase I brings the facility into limited operation. Improvements include: a gravel ramp, armor rock, storm drain improvements, water service, a temporary wash down pad (summertime use), on site pretreatment of wash water and discharge of wash water into the municipal sewer system and electrical power.

The estimated budget for Phase I is **\$1,055,219.00**, including indirect costs and 10% contingency.

Concept No. 3, Sheet 1 of 3

Ramp Profile, Sheet 2 of 3

Schematic Plan, Sheet 3 of 3

Phase II improvements include uplands site grading, storm drain improvements, water services, asphalt repairs, concrete ramp planks, concrete apron, concrete wash down pad with hydronic piping, power and lighting over a portion of the site. **Note:** wash down pad is a summer time use for Phase II.

The estimated budget for Phase II is **\$2,511,430.00**, including indirect costs and 10% contingency.

Phase III improvements include additional upland grading and drainage, connecting the hydronic piping from the wash down pad, constructing a utility building with restroom (Note: wash down pad allows wintertime use), timber boarding float with concrete abutment, 100 ton self-propelled submersible hydraulic trailer, power and lighting.

The estimated budget for Phase III is **\$3,977,388.00**, including indirect costs and 10% contingency.

**An overall estimated budget of the GPIIP project is \$7,544,038.00, including indirect costs and 10% contingency.**

### Design-Build Components

PND was requested by CBS to incorporate six Design-Build components into the report including soft costs.

PND developed rough order magnitude (ROM) budget estimates as follows:

1. Water Treatment – A wash water onsite pre-treatment facility is constructed in a concrete vault with filter system, install water service, sewer lift station and electrical hookup to the sewer system provided.
  - a. The estimated budget for item 1 is **\$461,378.00**
2. Collect Water and Wash Down Facility – Construct a concrete wash down pad with hydronic heat piping and a temporary wash down pad.
  - a. The estimated budget for item 2 is **\$399,035.00**
3. Boat Ramp – The existing ramp is upgraded to an 8% grade, widened, concrete ramp planks installed and a concrete apron placed at the top of the ramp.
  - a. The estimated budget for item 3 is **\$1,946,284.00**
4. Upland Improvements – Patch asphalt, construct utility building with hydronic boilers for the heated wash down pad and restroom and provide power and lighting to the site.
  - a. The estimated budget for item 4 is **\$2,579,463.00**
5. Timber Float – A timber boarding float and associated steel piles are installed at the launch ramp.
  - a. The estimated budget for item 5 is **\$910,831.00**
6. Equipment – A self-propelled submersible hydraulic trailer is furnished.
  - a. The estimated budget for item 6 is **\$1,277,400.00**

## **Project Permitting**

List of environmental and operational permits required include:

1. USACE – Section 10 and Section 404 Authorizations
2. ADFG Fish Habitat Permit
3. ADEC Stormwater Treatment & Runoff Design Review
4. ADEC Water & Sewer Utilities
5. ADEC MSGP Operational SWPPP for Boatyards
6. Local Building Permits
7. Access Easement to define the ramp and existing Utility Dock operations, see PND letter dated February 21, 2019.

## **Attachments**

ROM Budget Estimate – Concept No. 3  
ROM Design Build List of Boat Haul Out Facility Items  
Concept No. 3, Sheet 1 of 3  
Ramp Profile, Sheet 2 of 3  
Schematic Plan, Sheet 3 of 3  
PND technical memorandum dated July 19, 2019  
PND technical memorandum dated August 23, 2019  
PND Letter Dated February 21, 2019

ROM Budget Estimate – Concept No. 3  
&  
ROM Design Build List of Boat Haul Out Facility  
Items



GARY PAXTON INDUSTRIAL PARK (GPIP)  
RAMP PROJECT

ROM BUDGET ESTIMATE - CONCEPT NO.3  
w/ PRELIMINARY PHASING PLAN

PND PROJECT 182060.01



PREPARED BY: PND ENGINEERS, INC.  
Prepared on: September 30, 2019

Item	Item Description	Units	Quantity	Unit Cost	Amount	Preliminary Phasing Plan			Sum Check
						PH 1	PH 2	PH 3	
1505.1	Mobilization	LS	All Req'd	8%	\$436,980	\$54,256	\$147,344	\$235,380	\$436,980
2060.1	Demolition and Disposal	LS	All Req'd	\$100,000	\$100,000		\$75,000	\$25,000	\$100,000
2202.1	Excavation	CY	6,300	\$15	\$94,500		\$47,250	\$47,250	\$94,500
2202.2	Class A Shot Rock Borrow	CY	12,600	\$25	\$315,000	\$9,450	\$148,050	\$157,500	\$315,000
2202.3	Class B Shot Rock Borrow	CY	5,000	\$20	\$100,000	\$100,000			\$100,000
2204.1	Base Course, Grading A	CY	500	\$50	\$25,000		\$25,000		\$25,000
2204.2	Base Course, Grading C-1	CY	6,300	\$50	\$315,000		\$157,500	\$157,500	\$315,000
2205.1	Armor Rock	CY	3,000	\$55	\$165,000	\$165,000			\$165,000
2205.2	Underlayer Rock	CY	350	\$45	\$15,750	\$15,750			\$15,750
2501.1	Storm Drainage Improvements w/ BMP's	LS	All Req'd	\$250,000	\$250,000	\$75,000	\$50,000	\$125,000	\$250,000
2601.1	Water Service and Yard Pedestals	LS	All Req'd	\$250,000	\$250,000	\$25,000	\$100,000	\$125,000	\$250,000
2601.2	Sewer Service and Lift Station	LS	All Req'd	\$50,000	\$75,000	\$75,000			\$75,000
2601.3	Temporary Wash Down Pad	LS	All Req'd	\$75,000	\$75,000	\$75,000			\$75,000
2702.1	Construction Surveying	LS	All Req'd	\$60,000	\$60,000	\$15,000	\$21,000	\$24,000	\$60,000
2801.1	ACP Patch Repairs	LS	All Req'd	\$50,000	\$50,000		\$25,000	\$25,000	\$50,000
2714.1	Geotextile Fabric	SY	5,000	\$7	\$35,000			\$35,000	
2893.1	Timber Boarding Float	SF	2,800	\$200	\$560,000			\$560,000	
2896.1	Furnish and Install Steel Pipe Pile	EA	7	\$10,000	\$70,000			\$70,000	
3305.1	Concrete Approach Abutment	LS	All Req'd	\$15,000	\$15,000			\$15,000	
3305.2	Concrete Approach Apron	LS	All Req'd	\$60,000	\$60,000		\$60,000		\$60,000
3305.2	Precast Concrete Ramp Planks	SF	12,500	\$60	\$750,000		\$750,000		\$750,000
3306.1	Concrete Wash Down Pad w/ Hydronic Piping	CY	130	\$1,100	\$143,000		\$143,000		\$143,000
11000.1	Grit Chamber, O/W Separator, Filter Vault	LS	All Req'd	\$75,000	\$75,000	\$75,000			\$75,000
13000.1	Utility Building w/ Hydronic Boiler	SF	960	\$400	\$384,000			\$384,000	\$384,000
13130.1	100 T Self Propelled Submersible Hydraulic Trailer	LS	All Req'd	\$1,000,000	\$1,000,000			\$1,000,000	\$1,000,000
16000.1	Power and Lighting	LS	All Req'd	\$480,000	\$480,000	\$48,000	\$240,000	\$192,000	\$480,000
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$5,899,230</b>	<b>\$732,456</b>	<b>\$1,989,144</b>	<b>\$3,177,630</b>	<b>\$5,899,230</b>
<b>Contingency (10%)</b>					<b>\$589,923</b>	<b>\$73,246</b>	<b>\$198,914</b>	<b>\$317,763</b>	<b>\$589,923</b>
<b>Environmental Permitting</b>					<b>\$70,000</b>	<b>\$50,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$70,000</b>
<b>Bathymetric &amp; Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$100,000</b>	<b>\$75,000</b>	<b>\$15,000</b>	<b>\$10,000</b>	<b>\$100,000</b>
<b>Final Design &amp; Contract Documents</b>					<b>\$471,938</b>	<b>\$73,246</b>	<b>\$159,132</b>	<b>\$239,561</b>	<b>\$471,938</b>
<b>Contract Administration and Construction Inspection</b>					<b>\$412,946</b>	<b>\$51,272</b>	<b>\$139,240</b>	<b>\$222,434</b>	<b>\$412,946</b>
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$7,544,038</b>	<b>\$1,055,219</b>	<b>\$2,511,430</b>	<b>\$3,977,388</b>	<b>\$7,544,038</b>

(ROM) Design Build List of Boat Haul Out Facility Items:

**1. Washwater on-site pre-treatment facility: Vault with filter, water service, sewer lift station and electrical hookup to the sewer system**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	7%	\$18,529	
1505.1	Mobilization	LS	All Req'd	8%	\$17,200	
2202.2	Class A Shot Rock Borrow	CY	300	\$25	\$7,500	
2204.2	Base Course, Grading C-1	CY	500	\$50	\$25,000	
2601.1	Water Service	LS	All Req'd	\$25,000	\$25,000	
2601.2	Sewer Service and Lift Station	LS	All Req'd	\$75,000	\$75,000	
11000.1	Grit Chamber, O/W Separator, Filter Vault	LS	All Req'd	\$75,000	\$75,000	
16000.1	Power and Lighting	LS	All Req'd	\$40,000	\$40,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$283,229</b>	
<b>Contingency (10%)</b>					<b>\$28,323</b>	
<b>Environmental Permitting</b>					<b>\$50,000</b>	
<b>Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$50,000</b>	
<b>Design Build - RFP Documents</b>					<b>\$30,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$19,826</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$461,378</b>	<b>\$461,378</b>

**2. Washwater collection and wash down facility: Temporary wash down pad system and concrete wash down pad with hydronic piping**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	7%	\$18,756	
1505.1	Mobilization	LS	All Req'd	8%	\$17,440	
2202.2	Class A Shot Rock Borrow	CY	300	\$25	\$7,500	
2204.2	Base Course, Grading C-1	CY	500	\$50	\$25,000	
2601.3	Temporary Wash Down Pad	LS	All Req'd	\$75,000	\$75,000	
3306.1	Concrete Wash Down Pad w/ Hydronic Piping	CY	130	\$1,100	\$143,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$286,696</b>	
<b>Contingency (10%)</b>					<b>\$28,670</b>	
<b>Environmental Permitting</b>					<b>\$10,000</b>	
<b>Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$25,000</b>	
<b>Design Build - RFP Documents</b>					<b>\$20,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$28,670</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$399,035</b>	<b>\$860,413</b>

**3. Boat Ramp: Upgrade to 8% ramp, increase width, concrete ramp planks, concrete apron**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	7%	\$102,117	
1505.1	Mobilization	LS	All Req'd	8%	\$108,060	
2202.2	Class A Shot Rock Borrow	CY	12,000	\$25	\$300,000	
2204.1	Base Course, Grading A	CY	500	\$50	\$25,000	
2205.1	Armor Rock	CY	3,000	\$55	\$165,000	
2205.2	Underlayer Rock	CY	350	\$45	\$15,750	
2714.1	Geotextile Fabric	SY	5,000	\$7	\$35,000	
3305.2	Concrete Approach Apron	LS	All Req'd	\$60,000	\$60,000	
3305.2	Precast Concrete Ramp Planks	SF	12,500	\$60	\$750,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$1,560,927</b>	
<b>Contingency (10%)</b>					<b>\$156,093</b>	
<b>Environmental Permitting</b>					<b>\$30,000</b>	
<b>Bathymetric &amp; Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$50,000</b>	
<b>Design Build - RFP Documents</b>					<b>\$40,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$109,265</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$1,946,284</b>	<b>\$2,806,697</b>

**4. Upland Improvements: Utility building with hydronic heating boilers, restroom, site paving repairs, site power & lighting, site grading**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	8%	\$164,274	
1505.1	Mobilization	LS	All Req'd	8%	\$69,920	
2060.1	Demolition and Disposal	LS	All Req'd	\$100,000	\$100,000	
2202.1	Excavation	CY	6,300	\$15	\$94,500	
2202.3	Class B Shot Rock Borrow	CY	5,000	\$20	\$100,000	
2204.1	Base Course, Grading A	CY	500	\$50	\$25,000	
2204.2	Base Course, Grading C-1	CY	6,300	\$50	\$315,000	
2501.1	Storm Drainage Improvements w/ BMP's	LS	All Req'd	\$250,000	\$250,000	
2601.1	Water Services and Yard Pedestals	LS	All Req'd	\$225,000	\$225,000	
2801.1	ACP Patch Repairs	LS	All Req'd	\$50,000	\$50,000	
13000.1	Utility Building w/ Hydronic Boiler	SF	960	\$400	\$384,000	
16000.1	Power and Lighting	LS	All Req'd	\$440,000	\$440,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$2,217,694</b>	
<b>Contingency (10%)</b>					<b>\$221,769</b>	
<b>Environmental Permitting</b>					<b>\$10,000</b>	
<b>Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$15,000</b>	
<b>Design Build - RFP Documents</b>					<b>\$40,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$75,000</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$2,579,463</b>	<b>\$5,386,160</b>

**5. Timber Float: Timber boarding float & associated steel pipe piles**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	7%	\$47,628	
1505.1	Mobilization	LS	All Req'd	8%	\$50,400	
2893.1	Timber Boarding Float	SF	2,800	\$200	\$560,000	
2896.1	Furnish and Install Steel Pipe Pile	EA	7	\$10,000	\$70,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$728,028</b>	
<b>Contingency (10%)</b>					<b>\$72,803</b>	
<b>Environmental Permitting</b>					<b>\$10,000</b>	
<b>Bathymetric &amp; Topographic Survey &amp; Geotechnical Investigation</b>					<b>\$20,000</b>	
<b>Design Build - RFP Documents</b>					<b>\$30,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$50,000</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$910,831</b>	<b>\$6,296,991</b>

**6. Equipment: Self-propelled submersible hydraulic boat trailer**

Item	Item Description	Units	Quantity	Unit Cost	Amount	Cumulative Sub-Total
1000.1	Contractor Design Services	LS	All Req'd	5%	\$54,000	
1505.1	Mobilization	LS	All Req'd	8%	\$80,000	
13130.1	100 T Self-Propelled Submersible Hydraulic Trailer	LS	All Req'd	\$1,000,000	\$1,000,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>					<b>\$1,134,000</b>	
<b>Contingency (10%)</b>					<b>\$113,400</b>	
<b>Design Build - RFP Documents</b>					<b>\$20,000</b>	
<b>Contract Administration and Construction Inspection</b>					<b>\$10,000</b>	
<b>TOTAL RECOMMENDED PROJECT BUDGET - SITE IMPROVEMENTS</b>					<b>\$1,277,400</b>	<b>\$7,574,391</b>



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

Monday, May 10, 2021

## MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)

From: Garry White, Director

Subject: Eckert Fine Beverages Funding Request

### **Introduction**

Biokare Inc. dba Eckert Fine Beverages (Eckert) is requesting that the CBS allocate \$3,300 in capital funding to partner with Eckert on partial construction of a low volume water delivery pipeline.

Eckert has been working with NSRAA on the construction of a low volume water delivery system. NSRAA has provided Eckert with an estimate of \$16,880 for the entire low volume water delivery system.

Eckert has suggested that entire low volume water delivery system is too expensive at this time for the organization. Eckert and has asked for a modified budget to partially construct the low volume water delivery system. The modified budget includes adding a 6" tap into the raw water line and bringing a pipeline to an existing utility vault near the tap. Estimated cost of the modified, partial cost is \$6,300. Eckert has suggested that it would fund \$3,000 of the cost and is asking the CBS to fund the rest of the project.

Eckert wishes to complete the partial construction now as the CBS Raw Water Pipeline is currently exposed and there are cost saving with rental of a butt fusion machine, as the machine will be onsite for the NSRAA and CBS projects.

### **Background**

Michael and Brian Eckert are the principal owners of a family run business located in California. The Eckerts approached the GPIP Board in the spring of 2017 about purchasing Sitka's water for a high end water bottling operation. The Eckert's proposal was to export water in small volumes for bottling in the lower 48. The Eckert's proposed to construct a low volume flow water delivery system at the GPIP to fill container sizes of a 40' van container or smaller. The Eckerts exported roughly 900 gallons of water in the past 3 years via small 300 gallon totes.

The Eckerts have pivoted from high end bottled water to an alcohol based product, specifically Reigncane Vodka. The Eckert are in the process of moving this business venture forward.

### **Existing Water Purchase Agreement Terms**

Section 10 of the Eckert Water Purchase Agreement states the following:

#### **10. Delivery, Loading, and Transportation of Water in Bulk.**

10.1 The parties agree that ECKERT shall be solely responsible for the costs of acquisition, construction, and installation of any structure or facility downstream of the point of delivery, which it determines to be required or convenient for the loading and transportation of raw water delivered to it by Sitka, and for initiating and completing such acquisition, construction and installation. Any structure or facility must include a metering device to measure flow of raw water. All structures and facilities must comply with all federal, state, and local laws, regulations, and requirements, including zoning.

10.2 Any structure or facility acquired, constructed, and installed pursuant to subpart 10.1 above, shall upon acquisition, construction, and installation become the property of Sitka and shall remain on-site upon termination of this Agreement. ECKERT shall be responsible for maintaining and repairing said structures and facilities, at its own cost, during the term (including any extensions) of this Agreement.

### **Action**

- GPIIP Board recommendation on Eckert funding request of \$3,300 in capital funding for partial low volume water delivery system.



# **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.