



BOARD OF DIRECTOR'S MEETING

**MONDAY, APRIL 27, 2019 - AGENDA
3:00 PM**

Zoom Meeting

Regular Meeting

3:00 PM

| <u>Item</u> | <u>Action</u> |
|---|---------------------------|
| A. Call to Order | Acknowledge |
| B. Roll Call | Acknowledge |
| C. Review of Minutes | Motion to Approve |
| APRIL 27TH, 2020 | |
| 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. Discussion/Recommendation | |
| I. New Business | |
| 1. GPIP Waterfront Development/Haul Out Proposals | Discussion/Recommendation |
| 2. Silver Bay Seafoods Lot 9c Request | Discussion/Recommendation |
| J. New Business | |
| K. Adjournment | |

EXECUTIVE SESSION POTENTIAL

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
February 28, 2020, 3:00pm – Centennial Hall, Room 6
GPIP – DRAFT MINUTES**

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

B. ROLL CALL

Members Present: Scott Wagner, Vaughn Morrison, Al Stevens, Mike Johnson

Members Absent: Sheila Finkenbinder

City Representatives: Hugh Bevan, John Leach, Richard Wein, Michael Harmon, Stan Eliason

Others Present: Garry White, Brigette Klakring, other members of the public

C. Review of Minutes – December 4, 2019

MOTION: M/S Morrison/Stevens moved to approve the minutes of December 4, 2019.

ACTION: Motion PASSED 4/0 on a voice vote.

D. Correspondence & Other Information – None

E. Changes/Additions/Deletions to Agenda – Mr. White suggested we move I.1 after I.2.

MOTION: M/S Johnson/Stevens moved to put move I.1 after 1. 2.

ACTION: Motion PASSED 4/0 on a voice vote.

F. Reports – Mr. White gave a brief GPIP Report. He noted the GPIP dock is continuing to see revenue, the GPIP Haul Out would be discussed in a later agenda item and that he continues to get bulk water export inquiries. He also explained that the CBS and NSRAA have come to an agreement on a water delivery agreement to allow NSRAA to use public industrial water for raising salmon. Lastly, he noted that the assembly approved a purchase agreement between the CBS and Hanson Maritime to purchase the Utility Dock.

G. Persons to Be Heard – None

H. Unfinished Business –

1. GPIP Waterfront Development/ Haul Out Proposal

Mr. White gave an overview of the joint work sessions the GPIP Board and the Assembly held on January 30th, 2020. He explained they discussed different concepts, ownerships of facility and operations, infrastructure needed to support the fleet and funding for the haul out construction and operations. At that point, he explained, the Assembly gave direction to develop an RFP to investigate private ownership and operations of a haul out. Mr. White opened the conversation up for the board to discuss the draft RFP specifically regarding the inclusion of lot 9C and the annual return of 9% in section F.

Mr. Stevens asked if 9C was included in the RFP, could the private industry owner sublease that space. Mr. Bevan explained that subleasing would be a desirable profit stream for the private industry owner who enters into the agreement. Mr. Morrison also stated, 9C would be a likely space for a washdown since it already has sewer and electric which would be an alluring reason to keep it in for a potential investor.

Mr. White revisited the 9% annual return suggesting maybe 4.5% would be more appropriate. Mr. Wagner noted that everything in the RFP is negotiable and let's start high and work down. The board agreed. At this point Mr. Wagner opened the floor to public comment.

Mr. Farvour explained the need for a long-term strategic plan for this space. The board and public unanimously agreed. He also shared concern with including 9C in the RFP, explaining subleasing doesn't allow locals enough control over their businesses and buying outright was more desirable to the community. Additionally, he noted the need for performance standards to be added into the RFP.

Mr. Leach noted in his experience with government contracting if you add a minimum performance standard in an RFP the investor will just meet the minimum and that specificity takes away innovation. The board agreed.

Mr. Serka inquired if a soil study would be completed before someone were to enter into an agreement. Mr. Bevan explained the process the CBS, State, and APC conducted regarding any old contamination from the pulp mill. The site was cleaned up by APC, the State agreed to help the CBS in the event contamination is found. A MOU between the State and CBS has been in place since the CBS took over ownership.

Mr. White asked if at this point the GPIIP board was comfortable voting on moving forward with the RFP as is with the addition of a note regarding the need for a Spill Prevention, Control, and Countermeasure plan. The board went back and forth a bit regarding the inclusion of 9C again, but came to a vote.

MOTION: **M/S Morrison/Stevens** moved to move forward with the presented RFP with the addition of a Spill Prevention, Control and Countermeasure clause to the CBS Administrator.

ACTION: **Motion PASSED 4/0 on a roll call vote.**

I. New Business –

1. GPIIP Dock Crane

Mr. White explained the fleet's need for a crane at the dock. After discussing with the Seward Harbormaster who recently put one in Mr. White feels an 8 ton crane with a 30 foot boom would be most appropriate. The approximate cost of the crane would be \$170,000 and the engineering/installation around \$100,000. Mr. White recommended the board add a capital budget request of \$270,000 for this asset. Mr. Stevens asked where is the money coming from. Mr. White explained the Board should ask for the money to be transferred from the Southeast Economic Development Loan Fund. Mr. Johnson asked if the user fees would pay

for the upkeep. Mr. White said that was the hopes. The board seemed excited about this potential project.

2. GPIP FY 2021 Budget

Mr. White explained the budget. The board took a few minutes to review the financials and Mr. Wagner asked if there had been a lapse of billing for leases on money in. Mr. White explained there had been and that the city was working to reconcile.

MOTION: M/S Scott/Stevens moved to approve the operating budget

ACTION: Motion PASSED 4/0 on a roll call vote.

Mr. White revisited the need to approve the working capital budget as well. He explained they currently have \$552,000 in working capital they don't want to deplete on the dock crane project.

MOTION: M/S Morrison/Stevens moved to add \$270,000 to the capital budget coming from the Southeast Economic Development Fund.

ACTION: Motion PASSED 4/0 on a roll call vote.

Mr. White explained thanked everyone for coming and said the RFP would be made public soon.

J. Adjournment: M/S Scott /Stevens moved to adjourn meeting at 4:04pm.



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

Friday, April 24, 2020

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors
From: Garry White, GPIIP Director
Subject: GPIIP Waterfront Development/Haul Out Proposals

Introduction

On March 11th, 2020, the City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and Operation of a Marine Haul Out and Shipyard. The RFP was open until April 15th, 2020. The CBS received two proposals from the RFP process.

Please see attached a proposal from WC Enterprises and Sitka Sound Industrial, LLC.

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.

Most recently, the GPIIP Board has worked with the community and an outside engineering firm on concepts to construct an access ramp for vessel haul outs using either hydraulic trailers or amphibious marine travel lifts.

The public announcement in the fall of 2019, that Halibut Point Marina (HPM) will cease public haul out operations in the next few years has intensified the priority of establishing a marine haul out facility at the GPIIP. The CBS received a proposal from HPM to build infrastructure to support the establishment of a vessel haul out at the GPIIP in November 2019.

The GPIIP Board met on December 4th, 2019 to discuss overall GPIIP Waterfront Development and the proposal from HPM. The GPIIP Board did not discuss the merits of the entire HPM proposals, but rather focused on what infrastructure is needed to support the fleet in a vessel haul out.

HPM has since withdrew its proposal. The GPIIP Board, CBS, and community are now working towards the development of a vessel haul out facility at the GPIIP properties. Much discussion on how to best service the local fleet and create an economic driver at the GPIIP has taken place by both the GPIIP Board and CBS Assembly.

The GPIIP Board and Assembly held a joint work session on January 30th, 2020 to discuss different concept regarding; ownership of facility and operations, infrastructure needed to support the fleet, and funding for the haul out construction and operations. The Assembly gave direction to develop a RFP to investigate private ownership and operations of a haul out.

The GPIIP Board met on February 27th, 2020 to recommend approval of the RFP. The CBS Assembly met on March 10th, 2020 and approved the RFP for release.

Action

- GPIIP Board discussion on the Proposals
- CBS Selection Committee evaluation and selection of proposer for recommendations to the CBS Assembly.

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 City and Borough of Sitka (CBS) is requesting proposals from qualified Developers 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. Insurance 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

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.

B. Preferred Outcome

The goal of CBS is to create a privately funded and managed marine services shipyard at the GPIP. Specifically, CBS is seeking a private sector Developer to construct and operate a marine vessel haul out facility and an EPA approved boat washdown area(s).

CBS desires that Developer have a functional vessel haul out system in place by June 1, 2021.

Additionally, CBS has available for long-term lease up to 6.8 acres of GPIIP uplands for the Developer to create opportunities for marine tradesmen and support businesses that support Sitka's commercial and sport fishing fleets.

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

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

Any long-term lease of GPIIP property to the Developer will have use restrictions consistent with the preferred outcome as negotiated with CBS. All use of any leased GPIIP 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.

C. Scope of Services

Developer shall perform environmental permitting, design and construction of infrastructure necessary to support its marine haul out and shipyard operations. Additional permits may be required from the City and Borough of Sitka for connections to City utilities and construction of structures at the site.

Developer shall also be responsible for its own investigations to determine subsurface construction conditions at the GPIIP site. There are buried concrete foundations and other remnants from the pulp mill that may increase the cost of construction.

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.

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 |

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

Developer's insurance shall name CBS as an additional insured and shall contain a waiver of subrogation against CBS.

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 a 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 published 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.

Developer shall provide a spill prevention, control and countermeasure plan, if required in the future.

G. Proposal Format and Content

Please direct questions regarding this RFP to:

Garry White
Gary Paxton Industrial Park Director
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835
907-747-2660
garrywhite@gci.net

Proposal Format

1. Letter of Transmittal
2. Narrative
Brief description of your company including its experience and the experience of its key individuals. Include sufficient financial information to demonstrate your ability to finance this project.
3. Provide a list of other, similar marine facilities owned or operated.
4. Include a time schedule for providing vessel haul out services and for developing uplands marine service sector businesses at GPIIP.
5. Provide a listing of proposed haul out equipment and a concept level layout of upland facilities.
6. Provide a concept level operations plan for the facility including the number of employees.

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: _____, 2020

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 15, 2020.

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. Award 0 to 30 points based upon the proposer's plan to finance and operate a marine vessel haul out facility.
2. Award 0 to 15 points based upon the proposer's plan to accommodate public use of the existing waterfront ramp.
3. Award 0 to 30 points for proposer's plan to develop and facilitate the creation of an uplands marine services sector shipyard.

4. Award up to 25 points for proposer's bid price to lease the GPIIP uplands

Points will be awarded based upon this formula:

$$\frac{\text{Proposer's lease price per square foot}}{\text{Highest lease price received per square foot}} \times 25 = \text{Bid Price Points}$$

The total maximum number of points = 100

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 | March 11, 2020 to April 12, 2020 |
| Proposals Due | April 15, 2020 |
| Internal Review and Negotiations | April 16, 2020 to April 30, 2020 |
| Possible CBS Assembly Award | May 2020 |

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

April 15, 2020

Sara Peterson, MMC, Municipal Clerk
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Subject: Gary Paxton Industrial Park
Proposal to Fund, Construct and Operate a Marine Haul Out and Shipyard
Proposal Dated April 15, 2020

Ms. Peterson,

Enclosed please find the proposal of Sitka Sound Industries in response to the City and Borough's Request for Proposals.

We are pleased that the Gary Paxton Industrial Park and the City and Borough of Sitka have decided to call for solutions to Sitka's boatyard needs. The need for the Gary Paxton Industrial Park as a usable industrial shipyard is at an all-time high

We look forward to the possibility that we may discuss our proposal further with the selection committee. Whereas we believe our proposal is well suited to Sitka's needs, we are open to negotiation of any of the items within our proposal that the selection committee feels could be strengthened by reasonable modification.

Thank you,

Baker Hensley, Principal
Sitka Sound Industrial, LLC



Proposal to Fund, Construct, and Operate a Marine Haul Out and Shipyard at the Gary Paxton Industrial Park

By

Sitka Sound Industrial, LLC
3208 Halibut Point Road #22
Sitka, Alaska 99835
907-394-3323

Table of Contents

| Proposal Section | Page |
|--|------|
| <u>Proposal Narrative</u> | 1 |
| A. Introduction | |
| B. Scope of Proposal | |
| C. Funding and Construction | |
| <u>Other Similar Marine Facilities Owned or Operated</u> | 6 |
| <u>Time Schedule for Providing Marine Haul Out and Developing Uplands Businesses</u> | 7 |
| <u>Proposed Haul Out Equipment and Uplands Layout</u> | 8 |
| <u>Operations Plan</u> | 9 |
| Appendix A, Biographies | |
| Appendix B, Hydraulic Trailer Information | |
| Appendix C, PND Engineers Conceptual Site Layout | |

Proposal Narrative

A. Introduction

Sitka Sound Industrial, LLC (SSI) is a newly organized company consisting of journeyman level boat repair personnel with experience working in boat yards throughout Alaska and elsewhere in the Pacific Northwest. Mr. Baker Hensley, the principal of SSI, has twenty-five years of experience as a shipyard worker in most of the major shipyards in the state of Alaska.

Appendix A has a biography of Mr. Hensley, and a number of other SSI staff. Mr. Hensley and his staff have experience with every type of equipment available to put boats on and off uplands; airbags, floating docks, synchro lifts, trailers, and travel sling lifts. SSI knows what customers of a shipyard require in terms of lift and uplands features, schedule, and services.

SSI understands that the community of Sitka is faced with the serious problem of losing their marine haul out, due to Halibut Point Marine's recent closure announcement. The need for the Gary Paxton Industrial Park (the Park) as a usable industrial shipyard is at an all-time high. We are pleased to be able to make a proposal under the City and Borough of Sitka's Request for Proposal (RFP).

Leasing the Park property to a single entity with the expectation that they will provide a large boatyard does not directly address the needs of the Sitka fleet, which consists mainly of boats 30 to 50 feet. These fisherpersons cannot easily afford the fees of a large private commercial boatyard. It would be better to keep the Park property public and lease space to individuals, shops and boats, for short and long-term storage and maintenance. This would allow the smaller business and Boat owners that make up the majority of Sitka's marine businesses to utilize the property to create the economic development that the Park was created for. Our recent discussions with past and current operators of shipyards confirm that it is difficult to operate a shipyard on property that must be leased or owned, and that property that is owned is inevitably converted to a more profitable use, leading to closure of the yard.

SSI is engaged in ongoing discussions regarding minority private equity funding for the development portion of this proposal. Additional funding will be obtained through a conventional loan. If required, SSI may apply for a loan from the City and Borough's Southeast Economic Development, or a loan guarantee from that source, in support of a conventional loan.

B. Scope of proposal:

The four items in SSI's proposal are:

- Management of all of the Park's assets, including the Floating Dock, which was not mentioned in the RFP,
- Funding and ownership of the Boat Washdown facility by the Park/City and Borough, rather than SSI,
- A Phase 1 development plan which provides a 60-ton hydraulic trailer to be operated by SSI on the existing unpaved Ramp,
- A 10-year contract term.

These items are more fully described and discussed in the following paragraphs.

SSI proposes to provide management all of the Park's fixed marine service assets, not just the Uplands and Ramp discussed in the RFP. In addition to management of the Boat Washdown facility developed under this proposal, SSI would provide management of the existing Floating Dock, unpaved Ramp, and the Uplands identified as available for marine services in the RFP. The Park would maintain ownership of the assets. SSI would collect fees for use of all of these assets based on the existing Tariff Schedule, modified to include rates for Ramp usage, use of the Boat Washdown facility, and Uplands use for short and long-term boat storage and maintenance.

The Uplands would be managed as an integrated managed access/tariff use/lease area. Under the terms of the Tariff Schedule, any and all users would have access to the Park for marine services, subject only to equitable Floating Dock and Ramp scheduling, and allotment of Uplands work area, by SSI.

SSI proposes that the Park/City and Borough fund and own the Boat Washdown facility required as part of the RFP. As a fixed asset not able to be moved after construction, the facility could not be easily funded by a conventional loan to a private party. Once constructed, by being included in the Tariff Schedule, it would be available to the public on the same equitable basis as the other Park marine services.

SSI is aware that Northline Seafoods has the permitting required to put more rock at the bottom of the Ramp and would be willing to reopen that permit to allow the work to be

finished. SSI proposes that the Park/City and Borough provide funding for this work, as well as a limited amount of funding for debris removal and grading of the Uplands.

It is important to keep the existing Ramp intact now and in the future of the Park, for hauling barges. Barges could be the key to attracting larger private business and possible private funding for portions of future phases, as well as a large source of income for the community as it usually requires a large crew to do most of the necessary work as well as large amounts of consumables. SSI knows that Northline Seafoods spent in excess of one million dollars in the community of Sitka on its first barge project, including having permitted and built the existing Ramp, and has plans to complete as many as ten more barge projects using the Park Ramp in the next several years.

SSI proposes to provide a 60-ton marine hydraulic trailer and 4x4 tractor, along with jack stands and blocking required for placing boat on the Uplands. The trailer would utilize the existing unpaved Ramp. SSI would operate and bill users for services using the trailer under its own fee schedule, outside of the Park Tariff Schedule.

Delivery of the trailer and related equipment would complete Phase 1 of development of the Park as a marine services destination, designed to keep the fleet of Sitka serviced while not spending money



unnecessarily without additional planning and market knowledge. Phase 1 would provide haul out and Uplands maintenance space to the vast majority of the local fleet, excluding only the larger seiners and tenders.

The use of a hydraulic trailer is an excellent first step to an efficient haul out service. Most yards use either a trailer alone or in conjunction with a travel lift. Some advantages of hydraulic trailers, either in general or in the case of the Park, are:

- Trailers can park smaller boats much closer together, maximizing the use of the yard space. This is particularly valuable as the yard grows and travel lifts also begin to be used.
- A 60-ton hydraulic trailer would service most of the fleet on the existing ramp with some improvements, such as adding 20 feet at the bottom of the existing grade.
- Starting with a trailer will put the Park in the marine services business within the time allowed by the RFP, setting the stage for future additional growth of the marine services business.
- A trailer is the perfect solution to bow poles as there is no overhead structure to deal with, eliminating the need to pull boats backwards.
- Using a trailer does not require expensive upgrades to the existing unpaved Ramp. Unless future phases of development involve submersible travel lifts, the Ramp can be maintained unpaved indefinitely.

Future phases of development are not included in this proposal. Those phases could include a 100 and/or 300-ton travel lift, infrastructure for a travel lift location, power and water improvements, Shipwright leases, and yard infrastructure such as restrooms, shower, and laundry facilities. Because the Park marine services would be managed by SSI under the Tariff Schedule with access available to all users, future phases could be developed by SSI, or by other vendors chosen by the Park under the existing RFP, or future solicitations.

Any requests for long term leases for Uplands area development made to SSI by third parties would be offered to the Park for approval, and for Park management if desired.

SSI proposes that the management and development contract offered based upon our proposal be for 10 years, with 5-year extensions by mutual agreement. SSI would reserve the right to transfer the contract to a qualified successor operator during the term of the contract.

C. Funding and Construction

As noted above, in Section B. Scope of Proposal, this proposal requests that the Park/City and Borough provide the funding for design and construction of the Boat Washdown facility,

extension of the existing Ramp, and minor cleanup of the Uplands. SSI would consult with the Park/City and Borough regarding Boat Washdown facility design, location and capabilities required, at no cost, as a part of its management contract. SSI has some specific ideas about



the design of the Boat Washdown facility that we believe could reduce the cost to the Park/City and Borough. SSI would also accept a separate contract for project management of the design and construction of the Boat Washdown facility, if it was offered. That additional contract and any purchases or construction contracts would

be managed in accordance with City and Borough of Sitka Procurement Procedures manual.

SSI has developed the following budget estimate for providing the 60-ton marine hydraulic trailer and 4x4 tractor and Uplands support equipment:

| | |
|--|-----------------|
| 2020 Hostar 60-ton hydraulic trailer | \$195,000 |
| Yard Bully (used) (4x4 short radius tractor) | \$50,000 |
| Shipping | \$22,500 |
| Jack stands | \$20,000 |
| Blocking | <u>\$20,000</u> |
| Total | \$307,500 |

Other Similar Marine Facilities Owned or Operated

SSI does not own, nor has it operated any marine facilities owned by others. Our experience is as long-time users of marine facilities owned and operated by other parties. We have experience with every type of equipment available to put boats on and off uplands, and have experienced good and bad service and services in twenty-five years of experience in most of the major shipyards in the state of Alaska. Those shipyards include:

- Seward Ship's Dry Dock
- Resolve Magone Marine, Unalaska
- Offshore Divers, Anchorage
- Whittier Seafoods
- Port of Homer
- Nikiski Dock
- Snug Harbor, Naknek
- Crowley Maritime, Kotzebue
- Leader Creek Fisheries, Dillingham
- Vigor Alaska, Seward

And, among others outside of Alaska:

- Port of Skagit, LaConner, WA

Time Schedule for Providing Marine Haul Out and Developing Uplands Businesses

SSI proposes the following schedule for performance under the management and development contract:

1. By July 1 2020: The Park/City and Borough and SSI will complete any negotiations regarding terms of the contract.
2. By July 1 2020: The Park/City and Borough will modify the Tariff Schedule as noted above, and rezone or otherwise designate the Uplands as a managed access/tariff use/lease area.
3. July 1 2020: SSI will begin management of the existing Park assets, and begin obtaining funding for and purchasing the 60-ton hydraulic trailer, 4x4 tractor, and related boat management materials and equipment.
4. July 1 2020: The Park/City and Borough and SSI will begin design and construction work on the Boat Washdown facility, to be completed not later than June 1 2021.
5. June 1 2021: SSI will add management of the Boat Washdown facility to its operations, and begin providing haul out services with the 60-ton hydraulic trailer and 4x4 tractor.

Construction of Uplands improvements and preparation of Uplands leases will be done on a schedule to meet the requests of users over time.

Proposed Haul Out Equipment and Uplands Layout

SSI proposes to provide a new Hostar 60-ton hydraulic boat trailer, and a used 4x4 tractor for pulling the trailer. Hostar's sales literature for the models of trailers being considered is included in Appendix ???

A specific Uplands layout will not be required upon the start of SSI's management of the Park's marine services assets, with only smaller boats to place and no current requests from marine service contractors for Uplands lease areas. The conceptual layout developed for the Park board by PND Engineers of Juneau is included in Appendix C, as reference.

A specific Uplands layout should be developed after obtaining greater market knowledge through operations.

Operations Plan

All of the Park's marine service assets will be managed by SSI in accordance with the Tariff Schedule, as modified to include the Uplands, Boat Washdown facility, and Ramp. All users, whether customers of SSI, customers of other organizations, or members of the public will have equitable access to the Park marine service assets.

In order to provide the most flexibility in management of the Uplands, they will be managed as an integrated managed access/tariff use/lease area. SSI will determine which areas of the Uplands are available for access and movement and which are used for storage and maintenance at any time. However, SSI will ensure public and user access within the Uplands, and into and out of the Uplands from the Floating Dock, unimproved areas of the waterfront, and the Ramp.

SSI will have a Site Manager onsite daily during daylight hours, and otherwise as needed. SSI will also take over the existing camera/recording system on the Floating Dock, and supplement it with cameras on the Ramp and Uplands as needed to ensure that use of the facilities is documented for billing. Prior to beginning boat haul out and washdown services in June 2021, additional SSI staff will be available to the Site Manager on an as-needed basis, for assistance to the Site Manager and users of the facilities.

Beginning in June 2021, SSI will have not less than two staff persons onsite during daylight hours, for utilization by the Site Manager when and as needed for Boat Haul Out, Washdown, and management of the Floating Dock. When not needed by the Site Manager, these staff may be employed by SSI in work unrelated to the management contract. As business increases, SSI will make additional staff available to the Site Manager as needed.

The Park marine services facility will be maintained by SSI to the highest standards of Harbor cleanliness and organization, at all times.

In lieu of lease payments for use of the Uplands, and in recognition of the Park's ownership of the other fixed assets, SSI proposes to share revenues under the Tariff Schedule with the Park as follows.

1. Floating Dock and Ramp (prior to June 2021): SSI will bill for and collect all Tariff revenue for use of the Floating Dock and Ramp.

Beginning in the third quarter of the first year of the contract (January 2021), SSI will remit to the Park an amount equal to 50% of that portion of the revenue collected which is greater than \$10,000 per quarter, with the amount remitted to the Park not to exceed \$5000 per quarter.

2. Floating Dock, Ramp, and Boat Washdown (beginning June 2021): SSI will bill for and collect all Tariff revenue for use of the Floating Dock, Ramp, and Boat Washdown.

Effective June 2021 SSI will remit to the Park an amount equal to 50% of that portion of the revenue collected which is greater than \$12,000 per quarter, with the amount remitted to the Park not to exceed \$8,000 per quarter.

3. Uplands (Beginning June 2020): SSI will bill for and collect all Tariff revenue for the use of the Uplands.

Beginning in the third quarter of the third year of the contract (January 2023), SSI will remit to the GPIP an amount equal to 25% of that the portion of that revenue which is greater than \$5,000 per quarter, but not greater than \$30,000 per quarter.

Beginning in the third quarter of the fourth year of the contract, SSI will remit to the GPIP an amount equal to 50% of that the portion of that revenue which is greater than \$10,000 per quarter, but not greater than \$30,000 per quarter.

Revenue projections for remittances to the Park for Uplands use cannot be adequately projected until a number of years of management have occurred. However, SSI expects that, during some portion of the proposed 10-year contract period, the Park will realize income from these remittances that can be equated to lease payments for the use of the property. SSI would be pleased to negotiate a projection of these remittances during the RFP evaluation and selection process, in order to be awarded evaluation points for the "...proposer's bid price to lease..." evaluation criteria.

Appendix A, Biographies

Baker Hensley

Life and Work Experience:

- Lifelong Southeast Alaskan
- Grew up in Family Owned Salmon Trolling Business
- Boat Owner and Handtroller
- Shipwright and Iron Worker
- Worked in Shipyards and Oil Field Construction
- Building and Maintaining Fish Plants while living in Sitka

Personal:

My wife Cassandra and I are calling Sitka home again after many years.

I was born in Juneau and lived in a float house in Thompson Harbor as a little kid as well as in Juneau, Pelican, Port Protection, Ketchikan and later graduating from Elfin Cove School in 1987.

My family owned and operated a salmon troller based mostly out of Sitka and Elfin Cove. After graduation I purchased a hand troller of my own which I only ran for two seasons as I was severely injured out west on a factory longliner ending my fishing career.

I started working in shipyards and oil field construction. In the last few years, I have spent most of my time building and maintaining fish plants, which brought me back to Sitka.

As a shipwright and iron worker I have seen most of shipyards in Alaska and in Washington State.

Mark Quinn

Work Experience:

- Underwater Welding for Magone Diving and Salvage
- Forman Welding High Rises in Las Vegas
- Operated Heavy Equipment including Cranes, Bulldozers and Loaders
- Quality Control and Welding Foreman at Seward Ship's Drydock
- Iron Work in High Rises for Alpine Welding
- Multiple Jobs with Baker Hensley, as His Boss/Co-worker/Employee
- Many Jobs on His Own over the Last Several Years

Cassandra Hensley

Clerical Certificates and Clerical Work Experience:

- Alaska Vocational Technical Center 2004-2005 Business and office course, Office Administration certificate. UAA-Kenai Peninsula College Associates in Applied Sciences in General Business
- TLC Business Services, Accountant
- Kenai Peninsula Urology, Receptionist
- Hames Corporation, Accounting Specialist

Appendix B, Hydraulic Trailer Information



ONE KENDRICK ROAD, WAREHAM, MA 02571

Telephone: (508) 295-2900
Fax: (508) 295-2922
<http://www.hostarmarine.com>

HOSTAR HST6500YS SUBMERSIBLE YARD TRAILER

HOSTAR Model HST6500YS Submersible Hydraulic Trailer for yard use, configured with the following equipment and specifications:

- o To handle power boats to 62 feet, sailboats to 70 feet
- o Overall trailer length of 56 feet (+ or -)
on flat: 48 feet ((+ or -)
- o Overall trailer width of 11 feet
- o Weight capacity in yard of 120,000 pounds
- o 16" x 8" x 1/2" structural rectangular steel tubing main frame, reinforced with 15" x 40 pound channel
- o Frame sealed and tested for air tightness to prevent corrosion
- o Gooseneck with hand rail for fifth wheel operation
- o Hydraulics: Six fully adjustable hydraulic arms to handle up to 8' draft;
forward-facing rear arm, inward-canting forward arms
Hydraulic raising and lowering each side of main frame
Two hydraulic front landing wheels
Dual self-contained hydraulic systems, 24VDC electrical
Dual hand-held control boxes for solenoid actuated operation of hydraulics, with walk-around cables
Hydraulic solenoid valves
Pilot-operated double-locking valves on all cylinders
- o Two 4-DM deep cycle marine batteries
- o Six slide-through and removable cross beams for keel support
- o Cross beam pockets through frame
- o Strap hangers with straps for sailboat keels
- o Outboard walking beam (hydraulic) suspension (frame lowers to ground)
- o Eight low profile high/flotation 32 x 12.1 x 15 yard tires (rear)
- o Two 28 x 12.5 x 15 yard tires (front landing wheels)
- o Expanded metal basket at frame front
- o Battery charger or power connection to tow vehicle
- o Stainless steel T-pins and all hardware
- o Finish: Entire unit sandblasted to white steel; finished with two coats high-build epoxy primer with hardener, three coats high performance acrylic urethane with hardener (choice of color)
Galvanized hydraulic arms, arm inserts, pad brackets

Price: \$174,790

FOB - WAREHAM, MASSACHUSETTS

| | | |
|----------|--|---------------|
| Options: | Additional pair hydraulic arms | \$4725 |
| | Solid tires in lieu of pneumatic tires (10) | \$13025 |
| | Wireless remote control system | Special Quote |
| | Hydraulically articulating gooseneck for fifth-wheel operation | \$5250 |
| | Reinforced aluminum cross beams | each \$ 650 |

Production Time: Sixteen to eighteen weeks from start of construction

Payment Schedule: One-third - at signing of contract
One-third - at midpoint of construction
Balance - upon completion

This price quotation is valid until January 12, 2020

12/12/19





Appendix C, PND Engineers Conceptual Site Layout



REVISIONS

| REV. | DATE | DESCRIPTION | DWN. | CKD. | APP. |
|------|------|-------------|------|------|------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

9360 Glacier Highway Ste 100
 Juneau, Alaska 99801
 Phone: 907-586-2093
 Fax: 907-586-2099
 www.pnd-enc.com

DESIGN: PLR CHECKED: CRS SCALE: 1" = 40' SCALE IN FEET
 DRAWN: KLL APPROVED: CRS 0 80 160 FT.

DATE: AUG. 23, 2019
 PN&D PROJECT NO.: 182060

CITY & BOROUGH OF SITKA
GARY PAXTON RAMP PROJECT

SHEET TITLE: **CONCEPT PLAN NO. 3**
 SHEET **1** OF **3**
 PN&D PROJECT NO.: 182060



RFP Requested Proposal Format

1.

04/15/2020

Proposal: Marine Haul-out Facility

From:

Kelly Warren 907-752-0676 and Dan Cooper 907-738-8430

WC Enterprises

Formal proposal to locally fund and operate the Marine Haul-out Facility (MHF) at the Gary Paxton Industrial Park (GPIP) in the City and Borough of Sitka, AK (CBS)

2.

Our company (The Company), which will be created upon the acceptance of the proposal by CBS will be a new company specifically designed to manage and operate the new Marine Haul-out Facility in Sitka. The partners forming the Company are Kelly Warren with 29 years in the fishing and boat repair industries and Dan Cooper with over 30 years in commercial and industrial electrical, refrigeration, environmental compliance, and project management areas.

3.

The Company has no previous experience operating other marine haul out facilities, however the industries that each partner does have experience within is more than adequate to effectively and safely operate the new MHF.

4.

There will be three phases of construction to complete the proposed MHF.

Phase One of the MHF will be completed on or about 6/1/2021

Phase Two of the MHF will be completed as funds allow on or about 6/1/2023

Phase Three of the MHF will be completed as funds allow on or about 6/1/2025

The completion schedule for all three phases are subject to change based on contractor availability, equipment delivery schedules, income availability and financing approval.

CBS will be responsible for any and all clean up and debris removal on all lots leased by The Company prior to beginning construction.

Phase One: Lot 8, Lot 9A and Lot 15.

Lot 8 utilized for office, restroom, and EPA approved wash rack. The Company will contract out for minimal grading, construction of the wash rack, wash rack support building with waste water processing equipment, office and restroom.

Lot 9A East utilized for ramp access. The Company will contract services for minimal grading and necessary repairs to the existing ramp.

Lot 15 utilized for vessel storage and work area. The Company will contract services for minimal grading as required for this purpose.

The Company will contract services for electrical and power pedestal installation as required for the purposes stated for each lot during the construction of Phase One of the MHF.

Phase One will also include accommodating as much as is possible marine service businesses in order to promote as many services as possible during this phase of construction. The Company hopes to construct at least one covered area during this phase to make certain work on vessels possible that would otherwise not be able to be done.

Phase Two: Lot 6, Lot 7 and Lot 9C

Lots 6, 7 and 9C will be utilized for additional boat storage and repair locations.

The Company will contract out for minimal grading, electrical and power pedestals as required.

During Phase Two, The Company will continue to seek and promote marine service businesses to serve the needs of the fleet.

Lease rates for Lots 6, 7 and 9C of Phase Two will be the same per square foot as agreed by CBS and The Company for Phase One Lots 8, 9A and 15.

Phase Three: Lot 16B, 19, 20

Lots 16B, 19 and 20 will be utilized for additional boat storage and work area.

At the completion of Phase Three, The Company will have a fully functioning MHF to include as many marine services as possible and the infrastructure to facilitate meeting the needs of a multifaceted fleet.

Lease rates for the lots included in Phase Two and Phase Three of the MHF will remain the same as the agreed upon rates for all lots used in Phase One of the MHF.

Please see attached lease rate proposal.

5.

The Company will provide a marine boat lift that will utilize the existing ramp on Lot 9A to haul and transport vessels to the wash rack and storage area for repairs. The proposed lift will be capable of

lifting vessels from 35 feet up to 100 feet weighing as much as 300 tons. The company will also provide all jack stands and necessary equipment for blocking up vessels for work or storage

6.

The Company's conceptual operation plan will consist of a minimum of two full time employees for equipment operation, book keeping, maintenance of equipment and wash rack, monitoring waste water treatment system and ensuring safe operation in all areas of the MHF.

RFP Subsection Responses from the Company

Section A

It is our desire to construct and operate a marine haul out facility to support Sitka's growing marine industry. Our intention is to construct this facility in three phases. Building in three phases allows us to minimize the overall construction time by completing Phase One, which is a basic facility utilizing the current ramp structure, a new EPA approved wash rack, a 300T haul out machine and lots 8, 9A and 15 for boat storage and work area with the funds currently available by June of 2021. During the Phase One construction we will be actively seeking marine service businesses to support the fleet while they are hauled out at the facility in an effort to be able to provide a full service marine shipyard to meet the needs of a growing fleet.

Phase Two of the facility which will expand the facility by including lots 6, 7 and 9C for boat storage and work area will begin during the first year of operation and is scheduled to be completed by June of 2023 using funds generated by the facility during the first two years of operation.

Once Phase Two has been completed we will immediately begin construction of Phase Three which will again expand the shipyard by including lots 16B, 19 and 20 for boat storage and work area.

The Company proposes to Lease GPIP lots 8, 9A East and 15 for Phase One of the MHF for five years at which time the Company will have the right to extend the lease up to 99 years or purchase these lots. Additionally, The Company intends to lease lots 6, 7, 9C, 16B, 19 and 20 at values stated in this proposal. See Appendix 1 for the Companies proposed lease rates and purchase values.

For the purposes of the MHF The Company requires that lots 6, 7, 8, 9A, 9C and 15 remain available to The Company in order to complete the first two phases of construction. Furthermore The Company requires First Right of Refusal on lots 16B, 19 and 20 before they are leased or sold to any other entity in order to ensure the success of the MHF.

Section B

Funding. The Company proposes using the economic development fund through SEDA for the purchase of equipment, construction, permitting, and associated startup costs for Phase One of the MHF. We propose the fund be used in a loan form that The Company will pay back using proceeds from the MHF. The Loan amount would be approximately \$1.5m with a 15 year term, not to exceed a 4.5% interest rate

with the first payment due in the fall of 2021. The Company also proposes that CBS redirect 25% of The Company's loan payments per year back to The Company for infrastructure improvements at the MHF.

Ramp Utilization. The existing ramp will be managed and used by The Company for the MHF operation. The company will make the ramp available to the public for other uses such as hauling barges to and from an area to have work done or hauling other such equipment that could not otherwise be hauled without the use of the ramp as long as there is no risk of damage to the ramp and it is being used in a safe manner. The Company will maintain the right to refuse use of the ramp for any reason if its use impairs the safe operation of the MHF. Public use will also be available by scheduled use managed by The Company. The Company will not be held liable for any damage to property or persons arising from use of the ramp for operations other than or outside of the MHF.

Section C

Existing conditions, disclosed or undisclosed by CBS, that limit or prevent the marine haul out as proposed by The Company and that have incurred expenses by The Company shall be reimbursed to the company by CBS.

Significant changes to the land development requirements, permitting, environmental cleanup, environment studies, and local, State, and Federal requirements that are unforeseen where The Company has incurred expenses shall be reimbursed to The Company by CBS.

The Company will not assume responsibility or associated expenses for the remediation of any existing environmental contamination or conditions that require repair, replacement, installation, engineering, or other associated expenses.

Preliminary baseline environmental testing will be completed by The Company prior to final acceptance of a contract and construction of the MHF.

No dredging or tideland construction is required for this plan at this time.

Section D

The Company will provide insurance as required and additionally name CBS upon lease acceptance.

Section E

The Company will provide marine services and haul out services and will consider all suggestions from CBS and the GPIP Board.

Section F

The Company will operate within all Lease, Zoning, and Environmental requirements and will pay appropriate sales taxes on all services and sub-leases The Company provides.

The Company will provide a Port Security Plan and a Spill Prevention, Control and Countermeasure Plan as necessary.

We hope you will consider The Company's proposal and look forward to negotiating the fine details of this project with CBS and the GPIP Board. Sitka needs this facility, let's make it happen.

Kelly Warren



Daniel K Cooper



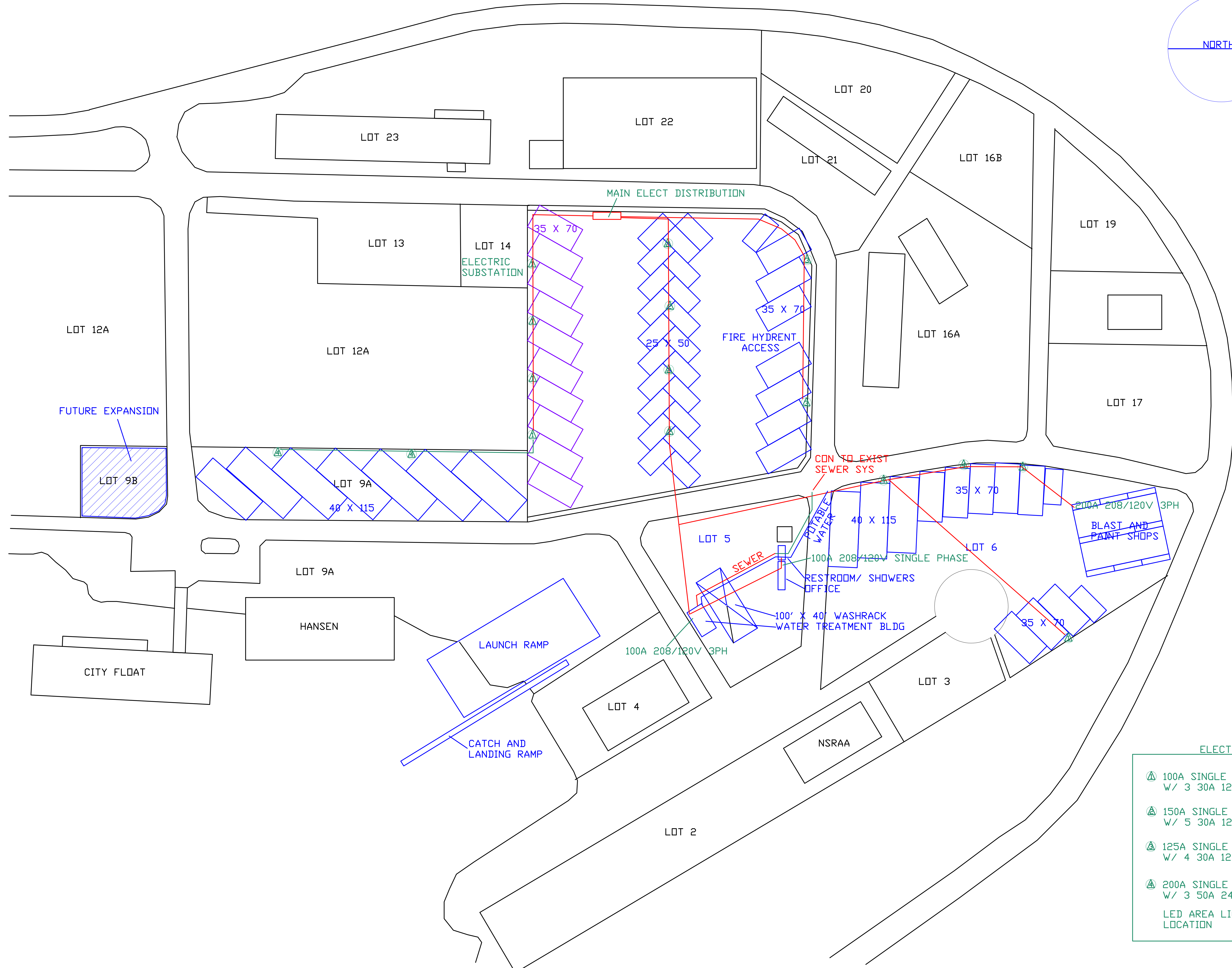
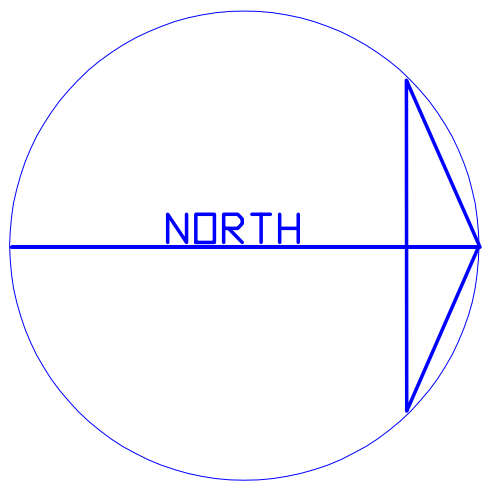
Date

04/15/2020

Appendix 1

| | | SqFt | Per SqFt | Annually |
|------------|-------------|---------|--------------|-----------------|
| Land Lease | Lot 8 | 32,362 | \$0.245 | \$7,929 |
| | Lot 9A East | 43,634 | \$0.245 | \$10,690 |
| | Lot 15 | 113,369 | \$0.245 | \$27,775 |
| | | | Total | \$46,394 |

Lease rates based on previous sale of adjacent land at 2.61/ft at 9% value per year = 0.245/ SqFt
with tax included



| ELECTRICAL | |
|------------------------------------|---|
| | 100A SINGLE PHASE 120V W/ 3 30A 120V RECEPTACLES |
| | 150A SINGLE PHASE 120V W/ 5 30A 120V RECEPTACLES |
| | 125A SINGLE PHASE 120V W/ 4 30A 120V RECEPTACLES |
| | 200A SINGLE PHASE 120/240V W/ 3 50A 240V RECEPTACLES |
| LED AREA LIGHTING AT EACH LOCATION | |

| REV | DATE | DESCRIPTION | BY |
|-----|------|-------------|----|
| | | | |
| | | | |
| | | | |
| | | | |

SITKA SHIP YARD
DISCUSSION PROPOSAL DRAWING 2

| SCALE |
|-------|
| |

| DATE |
|-----------|
| 1/22/2020 |

| DRAWN |
|-------|
| DKC |

| ENGINEER |
|----------|
| |

| PROJ. No. |
|-----------|
| |

| FILE NAME |
|-----------|
| |

| SHEET No. |
|-----------|
| P1.0 |



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

Friday, April 24, 2020

MEMORANDUM

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

From: Garry White, Director

Subject: Silver Bay Seafoods - lot 9c lease

Introduction

Silver Bay Seafoods (SBS), a local seafood processing company, requests a short term lease of 10,000 SF of lot 9c to located six camper trailers to house temporary employees for the summer. The lease will be from retroactive from March 1st – the end of September.

Background

Lot 9c was lease for the same purpose to SBS on a short-term basis the last four summers and prior to that to Barnard Construction for temporary housing during the Blue Lake Dam Expansion Project. The lot still has water and electrical utilities available on the lot. The sewer infrastructure is available.

Property

Lot 9c is a 34,636 SF parcel of property located adjacent to lot 12a in the center of the park. SBS is looking to house 6 camper trailers and would need - 10,000 SF of property. A 2014 appraisal of the property by Alaska Appraisal Associates Inc. values the property at \$182,000 or \$5.26/SF.

$10,000 \text{ SF} @ \$5.26/\text{SF} = \$52,600 @ 9\% = \$4,734 / 12 = \$394.50 \text{ per month.}$

Additional Information

- SBS would be responsible for all utilities, including providing sewage grinder pump if needed.

Action

- Board discussion of Silver Bay Seafoods' proposal.



March 4th, 2020

To: Gary Paxton Industrial Park Board Members
4600 Sawmill Creek Road
Sitka, Alaska 99835

Subject: Potential lease of GPIIP property 9C

Due to a recent change in the new RFP for the development of a shipyard haulout, Silver Bay Seafoods would like to make a proposal to the board for the lease of lot 9C. to be effective immediately.

In past years, Silver Bay has leased this parcel of the industrial park for the salmon season use of trailers to house our staff. My initial understanding was that we were to possibly lose this lease for 2020 and into the future. However, Al Stevens has informed me that there is a possibility due to a change in the RFP that this lot may become available again and I would like the opportunity to lease this lot again for the same purpose of use as previous years.

Thank you for your time and consideration. Awaiting your decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Duckworth Jr.", written over a series of horizontal lines.

Mike Duckworth Jr.
Silver Bay Seafoods, Sitka, Pant Manager