



BOARD OF DIRECTOR'S MEETING

MONDAY, NOVEMBER 13TH, 2023 - AGENDA

3:00 PM

Room 6 Harrigan Centennial Hall

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
JUNE 22ND, 2023	
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 Development Discussion	Discussion/Recommendations
I. New Business	
1. GPIP Haul Out Operations Discussion	Discussion/Recommendations
2. Tourism Task Force Discussion	Discussion/Recommendations
Adjournment	

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
June 22nd, 2023 3:00 pm
Room 6, Centennial Hall**

- A. CALL TO ORDER:** The Chair, Scott Wagner, called the meeting to order at 3:00 pm
- B. ROLL CALL**
- Members Present:** Scott Wagner, Mike Johnson, Chad Goeden, Lauren Mitchell, Casey Campbell
- Members Absent:** None
- Staff Present:** Garry White
- City Representatives:** Chris Ystad, John Leach, Michael Harmon
- Others Present:** Members of the public, PND Team Member - Dick Summerville, Greg Meissner

C. Review of Minutes – April 26, 2023

- Motion:** M/S Mitchell/Johnson to approve the minutes of April 26, 2023
Action: Motion Passed 5/0 on a voice vote

D. Correspondence & Other Information- None

E. Changes/Additions/ Deletions to Agenda- None

- F. Reports –** Garry White gave a brief report that the dock is in full swing this season with more cruise ships. Security was contracted out and has been working very well complete with a luggage x-ray machine. Additionally, he has been working with an individual to find a way to transport bulk water in a floating bag which could be a game changer for transporting bulk water, stay tuned.

Scott Wagner reported he is filling a spot on the tourism task force and the next meeting is in September. If anyone has info to pass along in that forum let him know.

G. Persons to Be Heard- None

H. Unfinished Business –

1. GPIIP Haul Out Development Discussion

Mr. White explained as the haul out project continues to progress this will remain a line item on the agenda.

Dick Summerville from PND Team and Michael Harmon discussed the conceptual designs with the goal of a 150 ton lift with potential for future expansion and job growth all within the budget. By July we need a final charter for draft permits to stay on schedule, Harmon explained.

Based off the selected waterfront development area from the last board meeting, conceptual designs were developed for the GPIB Board's review and approval at today's meeting. Draft conceptual designs were presented at a public Subject Matter Expert (SME) meeting on June 1, 2023, they explained. The SME group were selected as local and regional community members that have actively designed and/or operated a marine haul out facility. The SME group suggested that concept #4 was the preferred concept.

All of the concepts presented were at site 2. Concept 1 is only for a 150 ton boat hoist, there is not room to expand to a 300 ton with this arrangement. Concept 2 satisfies the desire to have a 150 ton, but would also be able to expand to a 300 ton in the future. This requires a wider central pier. Concept 3 is very similar however flipped. We took advantage of the deeper water and put the larger vessel in the deeper water, he explained. Concept 4 is more of a linear approach for expansion. Very similar to the 1st concept but a widened pier with phase 1 as 150 ton, then extend short legs off shore for a future 300 ton lift. All concepts include a 32 foot wide inside clear width for 150 ton and a 40 foot wide inside clear for a 300 ton. SME selected concept 4, Mr. Summerville reiterated.

Every concept budget has a max limit of \$8.18 million at phase 1. We had to make some adjustments, anything that doesn't fit is labeled as alternate or future phase, he explained. Each includes the 150 ton haul out, wash down pad (permanent or temporary), and treatment facility. There were some questions regarding power, phase 1 will likely utilize generators they explained. He thoroughly went through each option and how it relates to budget and timeline. Key takeaways included: concept 3 falls short of charter, concept 1 only has 150 ton option, concept 2 & 4 provide for future expansion, concept 4 is \$4 million less to expand to a 300 ton option in the future.

There was a public discussion regarding priorities, time line and budget. Mr. Harmon explained the goal is for the board to select a concept to present to the assembly. The board further discussed the SME thought process in why they landed on concept 4 and then felt ready for a vote.

Motion: M/S Johnson /Goeden to move forward with Concept 4.

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

I. New Business-

1. Sayak Logistics Lot 8a Lease Termination

All 4 of the before mentioned haul out options suggest that Lot 8a and their infrastructure needs to be moved before we can move forward with building. This is a month to month lease and they have 30 days to move infrastructure as written now. Dawn Johnson from Sayak came forward and stated they have no problem turning the lot back over, they just don't want to be blindsided during peak fishing season, more notice the better she explained. Mr. White will work with the design team to see when the critical time for this to occur is, as for now it is tabled.

J. Adjournment

Motion: M/S Goeden/Johnson move to adjourn the meeting at 4:35 pm

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



November 8, 2023

MEMORANDUM

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

1. GPIIP Dock

The GPIIP Dock was open for business in 2018. GPIIP Dock revenues have increased each fiscal year. FY18 - \$689, FY19 - \$14,643, Fy20 - \$37,462, FY21- \$65,322, FY22 - \$87,340, FY23 – (11/30/22) \$27,753 **(2/7/2023)**

The GPIIP Dock received its first small cruise ship on May 17, 2022. The ship Ocean Victory had six ports of calls at the dock in the summer of 2022. The dock received 14 port of calls for the 2023 summer. Twenty-five ports of calls are scheduled for the 2024 summer season.

Recent discussion with Cruise Line Agency, which provided port security for the dock this past summer, suggests that a potable water line, a cell phone booster, and storage for their x-ray machine would be beneficial for operations in the future.
(11/08/23)

2. Marine Services Industries at the GPIIP.

On October 4, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP).

CBS and GPIIP staff developed a GPIIP Vessel Haul Out Development Project Charter (attached) that outlines the project goals, project scope, and timeline for moving the development forward. The GPIIP Board at its November 2022 meeting approved the Charter.

One of the first benchmarks in the key milestones of the project is the hiring of a project management team. The CBS has selected PND Engineering as the project management team to help the community formulate a basis of design of the project. Additionally, the team will designing, engineering the project, and working closely with a construction firm to build the project. **(02/07/2023)**

Both the GPIIP Board and Assembly have approved a conceptual design for the haul out. The environmental permit process has started. The goal is to have a contractor hired by

the end of January 2024, construction started in August 2024, with the haul out being operational by the end of 2024. **(09/01/2023)**

3. Lot 4 Purchase

The CBS has entered into a purchase agreement with Sayak Logistics to repurchase the building and lot 4 of the GPIIP. The CBS and Northline Seafoods LLC (Sayak's previous business name) entered into a lease agreement on July 15, 2017 to use the property and building for activities related to the seafood and marine services industries. The term of the lease was 5 years and allowed Sayak to purchase the building after 5 years if they met certain employment criteria. The lease additionally allowed the CBS first right of repurchase if Sayak wished to sell the property in the future. Sayak purchased the property in August 2022 and has since gave notice that it wishes to sell the property. The purchase agreement allowed little time for the CBS to exercise its interest in repurchasing the property. CBS Administration and the Assembly moved immediately to execute a new purchase agreement.

The purchase price was \$1.3 million. Funding from the purchase came from the following funds: \$700k from the raw water fund, \$240k from the GPIIP Contingency Fund, \$10k from previous left over funds from a GPIIP capital project, and a \$350k loan from the CBS Economic Development fund.

The building has multiple benefits to the existing haul out development. **(11/08/2023)**

4. Bulk Water

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

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

The CBS and Arctic Blue Waters Alaska entered into a water purchase agreement in the spring of 2021. Arctic has 5 years to export water. **(06/01/21)**

The Director continues to receive inquiries from entities wishes to export Sitka's water. **(02/07/2023)**

5. Bottled Water

The Director continues to receive inquires for bottled water. **(02/07/2023)**

6. Blue Lake Dam Expansion Project

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

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

7. GPIIP Dock Fuel Sales

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

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

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

8. GPIIP Overall Management

CBS Administration and the GPIIP Director toured the park and have talked to tenants about cleaning up various lots at the park. **(05/03/2021)**

The GPIIP Director and CBS Administration has implemented a plan to remove the junk vehicle from the GPIIP site and ensure that future dumping activity does not continue. **(11/30/2021)**

The GPIIP Director is working on establishing a budget estimate for a GPIIP Dock Crane and additional security cameras at the GPIIP. **(01/25/2022)**

All junked cars have been removed from the GPIIP properties. The GPIIP Director is working on plans to provide additional site security and deterrents to future dumping of junk at the park. **(06/14/2022)**

A security structure has been built and rebuilt at the GPIIP to support cruise ships calling on the port. **(08/30/2022)**



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

Monday, November 6, 2023

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, GPIP Director
Subject: GPIP Haul Out Development Discussion

Introduction

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

The Board and CBS have been working on vessel haul out development concepts since the GPIP properties were acquired. The CBS is now moving forward with the development of a haul out facility and shipyard at the GPIP with funding appropriated via a public vote on October 4th, 2022 in the amount of ~\$8.18 million dollars.

The Board held multiple public meetings since the October 2022 vote to discuss and develop a Project Charter that outlines the project goals and scope of work for Phase 1 of the haul out development. Phase 1 of the Project Charter scope addresses the steps needed for the waterfront development to allow vessels to be haul out of the water.

The Project Charter and a preferred conceptual design for the haul development was reviewed and approved by a Subject Matter Expert (SME) group, the GPIP Board, and Assembly during the summer of 2023. The conceptual design capped the budget at current available funds of ~\$8.18 million dollars. The design includes a 150-ton vessel lift and other various components for the haul out to operate. The conceptual design included an ability to expand the haul out facility to a 300-ton vessel lift in the future.

Since approval of the conceptual design and budget, the CBS has been awarded with a \$1 million dollar grant from the Denali Commission for the purchase of a boat hoist.

The GPIP Director is recommending the following additive alternative items be moved to the base bid items and included in the Phase 1 development:

(Please see attached updated ROM budget)

- Upgrading to a permanent concrete wash down pad - ~\$350,000 additional cost.
 - Current base bid calls for a temporary wash down pad.
- Update 150-ton boat hoist costs - ~\$200,000 additional cost.
 - Current base bid estimates a standard boat hoist will cost ~\$1,150,000. After investigating lifts purchased by different communities with similar yards and

looking at different pricing options it appears that \$1.35 is a more accurate budget cost for a 150-ton hoist, cost includes shipping and assembly of a hoist in Sitka.

(*Actual cost will be determined by either sole sourcing contract or an RFP.)

- Investigation suggests that most standard 150-ton boat hoist are equipped with all-terrain tires and can operated on the GPIIP site with minimal yard upgrades.
- Variable option will cost at least ~\$350,000 more. A yard transporter can be considered later for an estimate cost of ~\$330,000.
- Include pile anodes to protect the steel pipe pilings to ensure the piles useful life is extended - ~\$132,000 additional cost.

Total additions to Phase 1 based bid would be ~\$682,000.

The GPIIP Director is recommending that additional additive alternatives be considered after 35% design is complete, so more accurate numbers can be determined.

Background

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 recently applied for a USDOT Grant in 2020, 2021, 2022 and plan to apply for future grant opportunities.

The CBS has released multiple Request for Proposals (RFP) for private sector development of a haul out at the GPIIP since 2009. None of the private sector development proposals moved forward due to multiple reasons, including cost of construction.

On October 4th, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIIP).

Fiscal Note

Total funding allocated for this project is \$9,281,040 (\$8,181,040 from the proceeds of the sale of the Sitka Community Hospital property, \$100,000 appropriated towards the development in 2021, and \$1 million dollar grant from Denali Commission). The Assembly approved an appropriation for Phase I estimated costs of the based bid items in the amount of \$8,187,000 (see Attachment 3) at its July meeting. Recommended additive alternatives is 682,000.

To complete the additive alternative items remaining in phase 1 an estimated \$5.8 million will be needed. With no readily available municipal source of working capital to fund the additive, alternate items of Phase 1, grant-funding opportunities are the most likely funding source. It is important to note that if the funding source is federal, there may be some added cost related to federal funding restrictions. Cost estimates for Phase 2 of the project have not been fully developed, but estimated to be in the \$15 million dollar range.

Action

- GPIIP Board discussion and selection of additive alternates for Phase 1 development.

**GARY PAXTON INDUSTRIAL PARK VESSEL HAULOUT
PHASE 1 IMPROVEMENTS
CONCEPT NO. 4**

**PRELIMINARY ENGINEER'S ROM BUDGET
Prepared By: PND Engineers, Inc. on November 8, 2023**

BASE BID ITEMS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
GENERAL CONTRACT ITEMS						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$467,000	
2702.1	Construction Surveying	LS	All Req'd	\$40,000	\$40,000	\$507,000
150 TON HAULOUT PIER (300T RATED)						
2882.1	UHMW Pile Rubstrips	LS	All Req'd	\$100,000	\$100,000	
2886.1	End Bollards & Fender Connections	LS	All Req'd	\$100,000	\$100,000	
2896.1	16" x 1/2" Fender Pile with HDPE Sleeve	EA	4	\$30,000	\$120,000	
2896.4	36" x 1/2" Vertical Steel Pipe Pile	EA	20	\$75,000	\$1,500,000	
2896.5	24" x 1/2" Battered Steel Pipe Pile	EA	4	\$50,000	\$200,000	
3420.1	Precast Concrete Deck Panels (9' W Lanes & 20' Shorter)	SF	2520	\$250	\$630,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$200,000	\$200,000	
5120.1	Steel Pile Caps, Pile Chutes, Handrails & Weldments	TON	45	\$8,000	\$360,000	
5120.2	Steel Angle Bullrail	LS	All Req'd	\$70,000	\$70,000	\$3,280,000
UPLANDS EXPANSION @ PIER						
2203.1	Shot Rock Borrow	CY	10,000	\$50	\$500,000	
2204.1	Base Course Grading C-1	CY	600	\$100	\$60,000	
2205.1	Armor Rock	CY	3,200	\$100	\$320,000	\$880,000
STORMWATER TREATMENT w/ MINIMUM YARD & STORMWATER COLLECTION						
2202.1	Subgrade Preparation at WDP	LS	All Req'd	\$60,000	\$60,000	
2501.1	Storm Drain Pipe @ Uplands Expansion Area Only	LF	200	\$125	\$25,000	
2502.1	Storm Drain Manhole & Water Quality Unit	LS	All Req'd	\$60,000	\$60,000	\$145,000
TEMPORARY WASHDOWN PAD & PRETREATMENT FACILITIES						
2401.1	Water Service to Wash Down Pad	LS	All Req'd	\$25,000	\$25,000	
2601.1	Sewer Service & Lift Station to Wash Down Pad	LS	All Req'd	\$125,000	\$125,000	
3301.1	Temporary Wash Down Curbed Membrane Liner	EA	1	\$50,000	\$50,000	
11170.1	Washwater Pretreatment Facilities	LS	All Req'd	\$125,000	\$125,000	\$325,000
ESTIMATED CONSTRUCTION BID PRICE						\$5,137,000
10% CONTINGENCY						\$513,700
INDIRECT COSTS: PER CHARTER + GEOTECH INVESTIGATION OVERRUN						\$1,396,415
150T MARINE BOAT HOIST: PER CHARTER						\$1,150,000
TOTAL RECOMMENDED BASE BID BUDGET						\$8,197,115

ADDITIVE ALTERNATE IMPROVEMENTS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
AA1 BOAT HOIST UPGRADES						
	4WD, Shipping & Installation	LS	All Req'd	\$200,000	\$200,000	
	Variable Width Beam	LS	All Req'd	\$350,000	\$350,000	
ESTIMATED PRICE						\$550,000
10% CONTINGENCY						\$55,000
INDIRECT COSTS (5%)						\$27,500
TOTAL RECOMMENDED BUDGET						\$632,500

AA2 PERMANENT CONCRETE WASHDOWN PAD						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$30,000	
3301.1	Delete Temporary Wash Down Membrane Liner	EA	1	\$50,000	(\$50,000)	
3301.2	Concrete Wash Down Pad w/ Hydronic Piping	EA	1	\$300,000	\$300,000	
ESTIMATED CONSTRUCTION BID PRICE						\$280,000
10% CONTINGENCY						\$28,000
INDIRECT COSTS (15%)						\$42,000
TOTAL RECOMMENDED BUDGET						\$350,000

AA3 PILE ANODES						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$9,600	
2996.1	Pile Anode	EA	80	\$1,200	\$96,000	
ESTIMATED CONSTRUCTION BID PRICE						\$105,600
10% CONTINGENCY						\$10,560
INDIRECT COSTS (15%)						\$15,840
TOTAL RECOMMENDED BUDGET						\$132,000

AA4 NORTH BOAT YARD SITE GRADING & DRAINAGE						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$109,000	
2060.1	Demolition & Disposal	LS	All Req'd	\$100,000	\$100,000	
2202.1	Excavation, 1' Avg Depth	CY	4,000	\$20	\$80,000	
2202.2	Subbase, 2' Thick	CY	9,000	\$50	\$450,000	
2204.1	Base Course Grading C-1, 8" Thick	CY	2,500	\$100	\$250,000	
2501.1	Storm Drain Pipe	LF	800	\$125	\$100,000	
2502.1	Storm Drain Manholes	LS	All Req'd	\$60,000	\$60,000	
2600.1	Misc. Utility Lid and Grate Adjustments	LS	All Req'd	\$50,000	\$50,000	
2702.1	Construction Surveying	LS	All Req'd	\$15,000	\$15,000	
ESTIMATED CONSTRUCTION BID PRICE						\$1,214,000
10% CONTINGENCY						\$121,400
INDIRECT COSTS (15%)						\$182,100
TOTAL RECOMMENDED BUDGET						\$1,517,500

AA5 YARD TRANSPORTER						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$25,000	
11200.2	40 T Yard Transporter, Shipping & Assembly	LS	All Req'd	\$250,000	\$250,000	
ESTIMATED CONSTRUCTION BID PRICE						\$275,000
10% CONTINGENCY						\$27,500
INDIRECT COSTS (10%)						\$27,500
TOTAL RECOMMENDED BUDGET						\$330,000

AA6 QUEUING FLOAT & GANGWAY						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$45,550	
2894.1	5x80 Aluminum Gangway & Hinge Assembly	LS	All Req'd	\$125,000	\$125,000	
2895.1	10x80 Moorage Float	SF	800	\$300	\$240,000	
2896.3	Vertical Steel Pipe Piles	EA	3	\$18,000	\$54,000	
3420.1	Precast Concrete Deck Panels	CY	5	\$1,500	\$7,500	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$5,000	\$5,000	
5120.1	Steel Pile Cap & Misc. Weldments	TON	3	\$8,000	\$24,000	
ESTIMATED CONSTRUCTION BID PRICE						\$501,050
10% CONTINGENCY						\$50,105
INDIRECT COSTS (15%)						\$75,158
TOTAL RECOMMENDED BUDGET						\$626,313

AA7 GRAVEL HAULOUT RAMP						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$29,500	
2203.1	Shot Rock Borrow	CY	2,500	\$50	\$125,000	
2204.1	Base Course Grading C-1	CY	300	\$100	\$30,000	
2205.1	Armor Rock	CY	1,400	\$100	\$140,000	
ESTIMATED CONSTRUCTION BID PRICE						\$324,500
10% CONTINGENCY						\$32,450
INDIRECT COSTS (15%)						\$48,675
TOTAL RECOMMENDED BUDGET						\$405,625

AA8 300T PIER WIDENING FOR FUTURE 37' WIDTH EXPANSION						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$20,000	
3420.1	Precast Concrete Deck Panels	SF	800	\$250	\$200,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$50,000	\$50,000	
ESTIMATED CONSTRUCTION BID PRICE						\$270,000
10% CONTINGENCY						\$27,000
INDIRECT COSTS (15%)						\$40,500
TOTAL RECOMMENDED BUDGET						\$337,500

AA9 UTILITY BUILDING						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$77,000	
13000.1	Building, Hydronic Boiler, Restroom, Office	SF	960	\$750	\$720,000	
16000.1	Power to Utility Building	LS	All Req'd	\$50,000	\$50,000	
ESTIMATED CONSTRUCTION BID PRICE						\$847,000
10% CONTINGENCY						\$84,700
INDIRECT COSTS (15%)						\$127,050
TOTAL RECOMMENDED BUDGET						\$1,058,750

AA10 DECKOVER, 32X60						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$107,000	
2886.2	Timber End Curb with Tire Fenders	LS	All Req'd	\$50,000	\$50,000	
2896.3	24" x 1/2" Vertical Steel Pipe Pile	EA	6	\$35,000	\$210,000	
2896.4	Battered Steel Pipe Piles	EA	2	\$35,000	\$70,000	
3420.1	Precast Concrete Deck Panels	SF	1920	\$250	\$480,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$100,000	\$100,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	20	\$8,000	\$160,000	
ESTIMATED CONSTRUCTION BID PRICE						\$1,177,000
10% CONTINGENCY						\$117,700
INDIRECT COSTS (15%)						\$176,550
TOTAL RECOMMENDED BUDGET						\$1,471,250

TOTAL RECOMMENDED BUDGET: BASE BID + ALL ADDITIVE ALTERNATES **\$15,058,553**



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

Monday, November 6, 2023

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, GPIP Director
Subject: GPIP Haul Out Operations Discussion

Introduction

The GPIP Board and the CBS have been working on vessel haul out development concepts since the GPIP properties were acquired. The CBS is now moving forward with the development of a haul out facility and shipyard at the GPIP.

The GPIP Board will need to make a recommendation on how the haul out facility will be operated. One option is for the haul out to be operated by the CBS as similar communities, such as Wrangell. Another option is for various operations at the haul out to be contracted out to a third party, such as the Kodiak facility.

The first part of this memo will look at potential revenues and expenses of a GPIP Haul Out operation. Potential cash flow should be part of the analysis.

The second part of the memo will discuss different operational models from other haul out facilities.

Background

The GPIP Board and CBS have been working on vessel haul out development concepts since the GPIP properties were acquired. The CBS has repeatedly included marine haul out infrastructure requests in both its Federal and State Legislative Priorities. The CBS applied for a USDOT Grant in 2020, 2021, 2022 and plan to apply for future grant opportunities. The CBS was awarded a Denali Commission Grant in 2023.

The CBS has released multiple Request for Proposals (RFP) for private sector development of a haul out at the GPIP since 2009. None of the private sector development proposals moved forward due to multiple reasons, including cost of construction.

On October 4th, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP).

Construction Fiscal Note

Total funding allocated for this project is \$9,281,040 (\$8,181,040 from the proceeds of the sale of the Sitka Community Hospital property, \$100,000 appropriated towards the development in 2021, and \$1 million dollar grant from Denali Commission). The Assembly approved an

appropriation for Phase I estimated costs of the based bid items in the amount of \$8,187,000) at its July 2023 meeting.

The GPIIP Board will be discussing additive alternates to the base bid at their November 13, 2023 meeting to add back into the base bid with the award of the Denali Commission grant funds.

Potential Haul Out Revenue

The following is a basic analysis of potential revenues for a GPIIP haul out based off data from similar haul out facilities.

Sitka Historic Haul Out Revenues

Halibut Point Marine Services LLC (HPM) was the main local haul out facility in Sitka from the 1980’s until March 31, 2022. The GPIIP Director contacted HPM and obtained historic haul out revenues for their operation for the years 2015-2019.

- Average haul out revenues was ~\$165,000 annually. (*Rate is based on \$18 per foot for round trip haul out)
- Average work area storage was ~\$55,600 annually. (*Rate is based on \$1.95 per foot per day)
- Average long term storage was ~ \$35,700 annually (*Rate based on \$12 per foot per month)

Total Average Revenue = ~\$256,300 from haul outs, work area, and long-term storage.

Wrangell Historic Haul Out Revenues

The following revenues came from the City of Wrangell budget reports on their website.

	2018	2019	2020	2021	2022	2023
Travel Lift Fees	\$199,161	\$178,457	\$136,503	\$201,349	\$204,193	\$161,537
Environmental Fees	\$4,110	\$4,020	\$2,865	\$2,094	\$2,010	\$9,388
Long Term Storage	\$55,220	\$63,711	\$93,783	\$111,698	\$92,562	\$112,604
Work Area Storage	\$115,449	\$79,875	\$91,538	\$64,975	\$93,113	\$135,433
yard leases	<u>\$54,789</u>	<u>\$42,994</u>	<u>\$55,198</u>	<u>\$59,695</u>	<u>\$61,081</u>	<u>\$59,915</u>
Total Revenue	\$428,729	\$369,057	\$379,887	\$439,811	\$452,959	\$478,877

Wrangell published haul out fees.

V. Marine Service Center Rates and Fees	Travel Lift Haul Out Rate (per foot)	0 - 40 feet	\$ 13.64	\$ 13.92	\$ 15.46		
		41 - 58 feet	\$ 15.00	\$ 15.30	\$ 17.00		
		59 - 75 feet	\$ 16.26	\$ 16.59	\$ 18.43		
		76 - 90 feet	\$ 18.76	\$ 19.14	\$ 21.28		
		91 - 120 feet	\$ 21.26	\$ 21.68	\$ 24.09		
		121 - 140 feet	\$ 23.78	\$ 24.25	\$ 26.94		
		141 feet and up	\$ 25.91	\$ 26.43	\$ 29.36		
		Travel Lift Minimum (Hourly Rate)	150-ton per hour use	\$ 360.00	\$ 367.20	\$ 407.96	
		300-ton per hour use	\$ 600.00	\$ 612.00	\$ 679.93		
		Environmental Fee	Per foot	\$ 1.00	\$ 1.02	\$ 1.13	
		Short Term Monthly Storage	Per square foot/per month	\$ 0.59	\$ 0.80	\$ 0.89	
		Long Term Monthly Storage	Per square foot/per month	\$ 0.37	\$ 0.55	\$ 0.61	
		Long Term Monthly Storage After 12 Consecutive Months	Per square foot/per month	\$ 0.74	\$ 1.10	\$ 1.22	
		Inspection Hoist Fee	First 2-hours; 60 percent of haul out rate				
		Hydraulic Trailer Fee	Round trip	\$ 10.46	\$ 10.67	\$ 11.85	
			One-way (per foot)	\$ 5.23	\$ 5.33	\$ 5.93	
			Minimum Fee	\$ 250.00	\$ 255.00	\$ 283.31	
			Off-site Transportation	one-way fee plus travel time at \$350/hour			
			Long-term Storage Reservation Fee	\$ 100.00	\$ 102.00	\$ 113.32	
		Business Lease Rates	***The marine service center business lease rates are not included in this fee and rate schedule as each lease agreement and its terms operate independent of any rates/fees presented in this schedule.				

In January 2022 had the Wrangell Marine Service Center 30-year Cost-Benefit Analysis completed. <https://www.raincoastdata.com/wp-content/uploads/2022/06/Wrangell-Marine-Service-Center-Business-Assessment.pdf?dc6de5&dc6de5>

The report suggest that Wrangell will need to raise its fees to meet operational costs.

GPIP Haul Out Estimate Revenues

**The analysis below is a very rough estimate based off data from similar haul out facilities. A more in-depth study could be completed with detailed market analysis. This estimate is for discussion purposes only.*

The following analysis considers the following assumptions:

- Lift Fees
 - Haul out fee = \$18/foot
 - 9,168 feet of vessels hauled annually
 - 5 year average feet hauled annually at the HPM facility
 - Environmental fee = \$1/foot

Based off the assumptions above, estimated lift fees could earn \$165,024 in haul out fees and \$9,168 in Environmental fees for a total of \$174,192 in total lift fees.

- Work Area Storage fee
 - Daily fee = \$1.95/foot
 - 55,008 feet of vessels stored annually in working area storage
 - Estimated 9,168 feet of vessels hauled annually with vessels staying in yard 6 days.

Based off the assumptions above, estimated work area storage fees could earn \$107,266 in storage fees.

- Long Term Storage
 - Monthly fee = \$12/foot
 - Estimated 400 feet of vessels stored monthly in long term storage
 - Long term storage for 5 months

Based off the assumptions above, estimated long tern storage fees could earn \$24,000

Total estimate revenues for the GPIP haul out facility is \$305,458.

Estimated Haul Out Operational Costs

The following is a basic analysis of potential operational costs for a GPIP haul out based off data from similar haul out facilities.

Wrangell Historic Haul Out Operational Costs

The following operational costs came from the City of Wrangell budget reports on their website.

	2018	2019	2020	2021	2022	2023
Salaries	\$74,555	\$70,957	\$66,484	\$58,940	\$67,568	\$107,871
Benefits	\$49,538	\$52,044	\$55,330	\$29,496	\$31,217	\$31,285

Supplies	\$4,796	\$3,545	\$2,057	\$1,877
Facility Maintenance	\$11,184	\$12,736	\$12,305	\$2,091
Equipment Maintenance	\$16,883	\$1,847	\$40,498	\$27,949
Lift insurance			\$18,721	\$20,593
Fuel	\$3,988	\$6,074	\$9,560	\$7,460
<u>Utilities</u>	<u>\$15,350</u>	<u>\$15,626</u>	<u>\$12,121</u>	<u>\$14,270</u>
Total Expense	\$174,015	\$128,264	\$194,047	\$213,396

Reported cash flow from Wrangell Marine Center

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Revenue	\$428,729	\$369,057	\$379,887	\$439,811	\$452,959	\$478,877
<u>Total Expense</u>			<u>\$174,015</u>	<u>\$128,264</u>	<u>\$194,047</u>	<u>\$213,396</u>
Net Profit			\$205,872	\$311,547	\$258,912	\$265,481

GPIP Estimated Operational Costs

**The analysis below is a very rough estimate based off data from similar haul out facilities. A more in-depth study could be completed with detailed market analysis. This estimate is for discussion purposes only.*

The following basic estimate was derived from researching HPM and Wrangell operational costs.

(Costs to manage environmental reporting and actions were not considered in analysis, as historic data is not available. Additional costs for environmental management will increase operational costs.)

Salaries & Benefits	\$160,000
Liability Insurance	\$25,000
Lift and Pier Insurance	\$20,000
Equipment Maint	\$25,000
Yard Maint	\$10,000
Supplies	\$5,000
Fuel	\$15,000
Garbage	\$15,000
<u>Utilities</u>	<u>\$25,000</u>
Total Expense	\$300,000

Estimate cash flow from the future GPIP Haul Out.

Total Revenue	\$305,458
<u>Total Expense</u>	<u>\$300,000</u>
Net Profit	\$5,458

Haul Out Operational Models

Wrangell Marine Service Center

The Wrangell Marine Service Center is operated by the City of Wrangell.

The following issues were discussed by commissions and city councils that lead Wrangell to choose a city operated haul out instead of contracting operations out to a third party:

1. Oversight of public haul out.
 - A city operated haul out allows for governance of operations via Boards and Assembly
 - Public oversight allows for fair and equitable use of the facilities of all users
 - No gear class or customer is favored or another.
 - Potential Subleases are done competitively via a bid process.
 - Haul out user fees are regulated by municipal bodies and not decided by a third party.
 - Facility reputation
 - City oversight allows agreements to be crafted to allow the city to terminate agreements with marine service providers that are not providing quality work or not providing services as advertised.
 - Ability to ban bad actors in the marine service providers.
 - Public funds were used to fund construction of haul out. Public should have oversight of operations of facility they funded to develop.
 - Public oversight ensures that facility operates as a public haul out.
2. Environmental Risk
 - A city run facility has a better ability to control environmental risks
 - Citizen's investment is better protected.
3. Safety Risks
 - A city run facility allows for better safety regulations.
 - Multiple other tenants of the GPIIP have adjacent property to the haul out yard; a city run yard allows a forum for other tenants to address issues in a public forum.
 - Wear and tear on CBS owned infrastructure is controlled better by city run facility

Kodiak Shipyard

Highmark Marine Fabrication via a Marine Travel Lift Operator Agreement operates the Kodiak Shipyard for the City of Kodiak. *(Please see attached agreement)*

Kodiak Shipyard started out as a city operated facility and switched to a contracted operation.

The Ports and Harbors Director of Kodiak suggests that the contracted operation is working well for the city and the haul out is busy. This model has public oversight and private operation.

Contract agreement terms:

- Term is for 5 years with annual review by the city.
- The city provides the equipment and facility to the operator.
- The contractor has non-exclusive right to all of the shipyard facilities.
- Operator is responsible for haul out and shipyard haul out services.
 - Shipyard services are detailed in Exhibit A of the agreement
- City sets the rates for shipyard haul out services via city council.
 - Shipyard rates are detailed in Exhibit B of the agreement.
- Contractor pays the City \$5,000 per month plus 15% gross receipts.

Pros of this model:

- Contractor is incentivized to conduct more business.

- City does not need to staff or perform shipyard services, including billing.
- Other business can use the yard outside of defined shipyard services.
- A public oversight board sets rates.

Cons of this model:

- Current shipyard haul out services fees are set much higher than the average costs in Sitka and Southeast Alaska.
- City is still responsible for oversight management and various other facility operations.
- City is still responsible for environmental issues at the facility and environmental management and reporting.

Action

- GPIIP Board discussion on GPIIP Haul Out operations.

CITY OF KODIAK
Technical Service Agreement
Marine Travelift Operator for Kodiak Shipyard
Agreement No. 250173

THIS AGREEMENT is entered into this 28th day of August 2020, by and between **Cooper Curtis d/b/a Highmark Marine Fabrication, LLC** (hereinafter called "Contractor"), and the **CITY OF KODIAK** (hereinafter called "City").

WITNESSETH THAT:

WHEREAS City desires to engage Contractor to be the exclusive operator of the 660-ton Marine Travelift for the shipyard operated by the City of Kodiak and to manage the Shipyard; and

WHEREAS Contractor is properly licensed and insured and has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Contractor will, as requested, perform such work.

NOW THEREFORE the parties hereto do mutually agree as follows:

1. *Term and Duration.* This agreement begins August 28, 2020 and ends August 31, 2025. It will be automatically extended for up to four (4) one year renewal terms provided Contractor's performance is deemed acceptable and the terms of this Agreement are found to remain in the public interest following completion of an Annual Review by City. This agreement may be extended beyond August 31, 2025 by the mutual written agreement of City and Contractor.
2. *Facilities.* The City will make available to the Contractor that certain equipment and adjacent property at the Kodiak Shipyard, as depicted in Exhibit A to this Contract (the "Facilities"). The City shall have the right to make additions, alterations, or improvements to the Facilities which do not impede Contractor's access to or use of the Facilities, except as required to perform necessary repairs to the Facilities.
3. *Contractor Services/Scope of Services.* The Contractor agrees to perform Shipyard Services at and using the Facilities as set out in the attached **Exhibit A** in a prompt, efficient, prudent, and economical manner including the provision of all clerical personnel, laborers, and supervision necessary to perform such Shipyard Services. The Contractor shall exercise independent professional judgment in performing its obligations and responsibilities under this Agreement in compliance with all OSHA regulations.

A. Exclusive and Non-Exclusive Rights

(1) Contractor shall have exclusive rights to use of the 660 ton Marine Travel Lift ("Travel Lift") twenty-four (24) hours per day, seven (7) days per week and up to 2,000 square feet of Contractor storage.

(2) Contractor shall have non-exclusive rights to use of all other Shipyard Facilities. Such use shall be coordinated with City. Contractor shall not unreasonable hinder use of other

**AMENDMENT NO. 1
CITY OF KODIAK
Technical Service Agreement
Marine Travelift Operator for Kodiak Shipyard
Agreement No. 250173**

THIS AMENDMENT NO. 1 is entered into this 21 day of December 2020, by and between Cooper Curtis d/b/a Highmark Marine Fabrication, LLC (hereinafter called "Contractor"), and the CITY OF KODIAK (hereinafter called "City").

WITNESSETH THAT:

WHEREAS Agreement No. 250173 ("the Agreement") was effective as of August 28, 2020; and

WHEREAS Paragraph 16 of the Agreement indicates documents prepared as required by the Agreement are the property of the City; and

WHEREAS Paragraph 19 of the Agreement requires Contractor to maintain records "for a period of at least three (3) years following expiration or termination of this agreement"; and

WHEREAS the City Council of the City of Kodiak adopted Resolution 2020-03 which requires cargo billing records to be retained for seven (7) years; and

WHEREAS it is desired to have record maintenance obligations of the Contractor to comply with the City's records retention schedule established by Resolution 2020-03

NOW THEREFORE the parties hereto do mutually agree to amend the Agreement as follows:

1. Paragraph 19 is amended to read as follows:

19. *Records and Audit.* The City, in cooperation with the Contractor, agrees to maintain sufficient and accurate records and books of hauls and launches, including detailed hauling profiles of each vessel, complete date and time records, showing all direct labor hours expended and all costs incurred and the same shall be provided in a timely fashion to the City for its record keeping. Contractor shall maintain such records for a period at least equal to the period established by the City of Kodiak records retention schedule (currently seven (7) years) or any subsequent amendment thereto following expiration or termination of this agreement.

2. *Entire Agreement.* No other provisions of the Agreement are changed by this Amendment No. 1.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Amendment NO. 1 in duplicate on the respective date indicated below.

CITY OF KODIAK

CONTRACTOR

Mike Tvenge

Mike Tvenge, City Manager
LLC

[Signature]
Cooper Curtis d/b/a Highmark Marine Fabrication,

ATTEST:

[Signature]
Nova Javier
City Clerk



Facilities by persons permitted by City to use other Facilities under the City's "Open Shipyard" policy.

(3) Contractor shall have non-exclusive rights to use City real property at the Shipyard within the boundaries shown on Exhibit B. Contractor shall not unreasonably hinder use of City real property at the Shipyard by persons permitted by City to enter and occupy City real property at the Shipyard under the City's "Open Shipyard" policy. Contractor shall allow and coordinate other use of the Shipyard by vessel owners to maximize use of the Shipyard for its intended purpose.

B. Services by Other Persons at Shipyard. A person other than Operator may provide services at the Shipyard to vessel owners that do not require use of the Travel Lift. Operator shall coordinate use of the Shipyard by others.

C. Shipyard Services. Shipyard Services means lifting, launching, blocking, washing, lay days, hang time, and other services provided to Shipyard customers at rates set by City performed by Contractor at the Shipyard. Services provided by Contractor for ship repair or any business activity currently conducted by Contractor that is invoiced directly to the customer at rates set by Contractor are not Shipyard Services. Provision of utilities is a Shipyard Service. Provision of dry dockage space and on-site storage are Shipyard Services.

4. *Performance/Annual Review.* Contractor agrees to perform the work on a non-exclusive basis, when requested, as described in Exhibit A. On or before August 1 of each year during the initial or extended term of this Agreement City shall provide Contractor a written statement of whether Contractor's performance during the previous calendar year has been acceptable and whether the terms of this Agreement have been found by City to remain in the public interest. If the City deems Contractor's performance not acceptable or that the terms of this Agreement do not remain in the public interest City and Contractor shall negotiate in good faith for an amendment to this Agreement effective on the anniversary date of the initial term.
5. *Operator Compensation.* The City agrees Contractor may retain all payments made to Contractor for Shipyard Services and other services provided by Contractor to Shipyard users subject to City's Compensation required by paragraph 7 of this Agreement. Contractor is responsible for billing for and collection of charges from vessel owners for Shipyard Services.
6. *Rates.* Rates Contractor must invoice for use of Facilities and Shipyard Services are identified in the attached **Exhibit B** and may be changed only upon approval of the Kodiak City Council. The Contractor shall be bound by any future modification or amendments to rates made by the City Council. Rates for other services provided by Contractor to vessel owners may be set by Contractor. All such sums shall be a charge against the vessel or cargo and shall be collected by the Contractor and a portion thereof remitted by the Contractor to the City as required by this Agreement.
7. *City Compensation.* On or before the first day of each month during the initial or any extended term hereof Contractor shall pay City five-thousand dollars. In addition to this fixed monthly payment commencing September 1, 2020 on or before the thirtieth day of each month during the initial or extended term, Contractor shall pay City a sum equal to fifteen percent (15%) of the gross receipts of Contractor from all Shipyard Services received during the previous calendar

month, including all utility expenses. The City will invoice the Contractor monthly for all utility expenses. Such remittances shall be accompanied by appropriate itemized documentation.

8. *City Responsibilities*

a. The City shall provide all parts, materials, and consumables necessary for the maintenance and operation of the Facilities. The City will designate an employee knowledgeable in the maintenance routine of the shipyard to help transition service documentation and schedules for the Facilities.

b. If any replacement equipment is necessary due to excessive maintenance costs or major repairs, Contractor and the City will come to an agreement regarding either the acquisition of new equipment or the use of Contractor equipment.

c. The City will reimburse Contractor for all major repair work that falls outside general maintenance subject to prior approval of the City Manager and Contractor on the scope and cost of the major repair work. For purposes of this Agreement "major repair work" is repairs whose estimated cost exceeds ten thousand dollars.

d. The Contractor shall be responsible for all Shipyard utilities. This includes all water, sewer, electricity, and fuel necessary for the operation and maintenance of the Facilities.

e. The City shall be responsible for Shipyard property grading and major snow removal.

f. The City will complete a Phase I environmental site assessment within 60 days of commencement of this Agreement.

g. The City shall be responsible for preparing all required annual environmental reports on the Shipyard wastewater system and submitting the reports to the State of Alaska Department of Environmental Conservation.

h. The City shall be responsible for the 660-Ton Marine Travelift Certification.

9. *Independent Contractor Status.* In performing under this Agreement, Contractor acts as an independent contractor and shall have responsibility for and control over the details and means for performing the services required hereunder.

10. *Assignment.* Contractor is selected for his individual expertise in operating a Marine Travelift and, therefore, shall not assign any of the duties of this Agreement without the prior written consent of City, which the City may withdraw at any time after consent is given at its sole discretion.

11. *Subcontracting.* Contractor may not subcontract its performance under this Agreement without prior written consent of City, which the City may withhold at its sole discretion.

12. *Designation of Representative.* The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the City Manager or Deputy City Manager or such other person as he/she may designate in writing.

13. *Default and Termination.* The City may declare a default hereunder and terminate this Contract, in addition to exercising any other available remedy, upon the occurrence of any of the following:
- a. The failure of the Contractor to pay any sum of money due under this Contract within ten (10) days after the due date.
 - b. The failure of the Contractor to perform or observe any covenant or condition of this Contract, other than a default in the payment of money, which is not cured within thirty (30) days after notice thereof from the City to the Contractor, unless the default is of a kind that may be cured, but not within such thirty (30)-day period, in which case no default shall be declared so long as the Contractor shall commence the curing of the default within such thirty (30) day period and thereafter shall diligently and continuously prosecute the curing of same.
 - c. The commencement of a case under any chapter of the federal Bankruptcy Code by or against the Contractor, or the filing of a voluntary or involuntary petition proposing the adjudication of the Contractor as bankrupt or insolvent, or the reorganization of the Contractor, or an arrangement by the Contractor with its creditors, unless the petition is filed or case commenced by a party other than the Contractor and is withdrawn or dismissed within ninety (90) days after the date of its filing.
 - d. The admission in writing by the Contractor of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of the Contractor, unless such appointment shall be vacated within ten (10) days after its entry; the Contractor making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of the Contractor.
14. *Insurance.* The Contractor shall, at Contractor's sole expense, procure and maintain the following insurance:
- a. Minimum Scope of Insurance
 - (1) Commercial Marine Liability
 - (2) Commercial Automobile Liability Insurance
 - (3) Pollution Insurance
 - b. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

 - (1) Commercial Marine Liability:
 - (A) \$1,000,000 combined single limit per occurrence for bodily injury and property damage claims. The general aggregate limit shall be \$2,000,000.
 - (2) Auto Liability:
 - (A) \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - (3) Pollution Insurance:
 - (A) \$5,000,000 combined single limit per loss applicable to bodily injury, property damage, cleanup costs and defense. Coverage shall apply to sudden and non-sudden pollution conditions.
 - (4) Umbrella Liability Insurance. The Contractor shall procure and maintain during the life of this agreement umbrella liability insurance, not less than \$5,000,000 combined single limit per occurrence and aggregate for bodily injury and property damage claims arising from all operations related to this contract.
 - c. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

 - (1) Commercial Marine Liability and Automobile Liability and Pollution

(A) The City of Kodiak, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitation on the scope of protection afforded to the City of Kodiak, its officers, officials, employees and volunteers.

(B) The Contractor's insurance coverage shall be primary insurance as respects the City of Kodiak, and its, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Kodiak, its Administrator, officers, officials, employees and volunteers shall be excess of the Contractor's insurance and shall not contribute to it.

(C) The Contractor's insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor or any subcontractor for the City.

(2) Employer's Liability

The Contractor's insurer shall agree to waive all rights of subrogation against the City of Kodiak, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Contractor or any subcontractor for the city of Kodiak.

(3) All Insurance

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of the Contractor or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City of Kodiak. Such notice shall be mailed by the Contractor's insurer(s) to the attention of the City of Kodiak City Manager.

d. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII.

e. Verification of Coverage

Contractor shall furnish the City of Kodiak with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms provided by the City of Kodiak, or which meet industry standard (ACORD form). The City of Kodiak reserves the right to require complete, certified copies of all required insurance policies, at any time.

15. *Indemnity.* Contractor agrees to indemnify, defend, and hold the City of Kodiak and its administrators, officers, agents, employees, volunteers and servants harmless from and against any and all claims, demands, actions, losses, expenses, and liabilities for, or related to, loss of or damage to property or injury to or death of any person relating to or arising or resulting in any way from the performance by the Contractor or any of its Subcontractors under the Agreement, or the work or services provided or the condition or use thereof, regardless of any negligence of the City of Kodiak or their respective agents or employees, excepting only such loss, damage, injury or death which results solely from the negligence or willful misconduct of the City of Kodiak.

16. *Ownership and Use of Documents.* Contractor agrees that all pertinent calculations, reports, data and other documents prepared for the City hereunder are the property of the City and the City shall have the right, without payment of additional compensation, to disclose, reproduce and use, and to authorize others to disclose, reproduce and use such documents for projects worked on.
17. *Performance Standard.* Services performed under this Agreement shall be in accordance with the skill and care ordinarily exhibited by one performing similar boat lift and launch services and shipyard management services and shall comply with all applicable codes and standards.
18. *Compliance with Applicable Laws.* Contractor shall, in the performance of this Agreement, comply with all applicable federal, state and local laws, ordinances, order, rules and regulations applicable to its performance hereunder.
19. *Records and Audit.* The City, in cooperation with the Contractor, agrees to maintain sufficient and accurate records and books of hauls and launches, including detailed hauling profiles of each vessel, complete date and time records, showing all direct labor hours expended and all costs incurred and the same shall be provided in a timely fashion to the City for its record keeping. Contractor shall maintain such records for a period of at least three (3) years following expiration or termination of this agreement.
20. *Notices.* Official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, addressed as below. The addresses specified may be changed by either party by giving written notice thereof to the other party.

To City:
Kodiak City Manager
Mike Tvenge
710 Mill Bay Rd, Room 114
Kodiak, Alaska 99615

To Contractor:
Cooper Curtis
DBA Highmark Marine Fabrication
2018 Mill Bay Road
Kodiak, Alaska 99615

21. *Venue/Applicable Law.* The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.
22. *Attorney's Fees.* In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.
23. *Waiver.* No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.
24. *Binding Effect.* The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

25. *Entire Agreement/Modification.* This agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

CITY OF KODIAK

CONTRACTOR

Mike Tvenge

Mike Tvenge, City Manager

Cooper Curtis

Cooper Curtis d/b/a Highmark Marine Fabrication, LLC

ATTEST:

Michele Shurloff-Nelson

Nova-Javier
City Clerk



EXHIBIT A
Scope of Services/Facilities
Kodiak Shipyard
Marine Travelift Operator

Scope of Services:

1. 660 Ton Travelift Operation and Maintenance

HMF will provide a minimum of two certified and competent Marine Travelift operators to ensure 24/7 availability of lift and launch services. HMF will supply all routine and unexpected maintenance labor for the Marine Travelift, not to exceed an amount set by HMF and the City of Kodiak during the contracting process. HMF will submit all purchase orders to the City Manager for approval prior to procuring parts. Upon approval, HMF will place the order and invoice the City of Kodiak for the exact purchase price and freight cost incurred. Perform visual inspections of lift, straps and cables prior to, and after, each use per the Marine Travelift operation and maintenance manual. Always use the highest level of safety precautions while operating the Travelift. Keep the straps and cables clean and free of debris that may cause premature deterioration. Always check all fluid levels before use and maintain proper fuel levels and oil levels. All lifts and launches shall not exceed the recommended loads as is specified by Marine Travelift. Loads must be properly distributed per the Travelift operator's manual. All vessels being lifted for the first time must have a verifiable displacement provided to the operator. If displacement is unknown, and in the operator's opinion may be projected to be within 15% of the limits of the machine, the operator shall require the vessel owner/operator to provide calculated displacement prior to lifting the vessel. Owner/operators of all vessels to be lifted must identify the known underwater fixtures, transducers, bearing and shaft locations and any other underwater appendages that may affect the strap placement. If such cannot be specifically identified ahead of time, inspection by a diver must be completed prior to lifting such vessel.

2. Lifting, Launching, and Blocking Operations

HMF will provide all labor to safely accomplish lifting, launching, and blocking operations within the Kodiak City Shipyard. This includes skilled laborers, equipment operators, divers, Travelift operators, mechanics, and other necessary personnel. HMF will provide a minimum of three personnel during all Travelift operations and more when deemed necessary by the operator. Existing and replacement blocking will be provided by the City of Kodiak. Notification will be provided to the City Manager when and if additional blocks are required. Contractor shall record weight and other data on each vessel lifted. A photograph or notes regarding strap locations and underwater appendages, as well as displacement reading of Travelift gauges shall be recorded. Notes shall record each vessel's load, including water, fuel, freight, etc.

3. Scheduling, Administration, Payments, Recordkeeping.

HMF will provide administrative staff to coordinate Shipyard scheduling, organization, payments, recordkeeping and management. All administrative operations will be conducted through our office location at 2018 Mill Bay Rd. Kodiak, AK 99615

by our current office staff. Bookkeeping, lift records, and maintenance records will be available for review upon request.

4. Kodiak Shipyard Facility and Equipment Maintenance

HMF will provide all facility and city equipment maintenance labor to properly maintain and protect the City's Shipyard assets such as the washdown filtration system, boiler heating system, restrooms, utility room, pressure washers, tractor, backhoe, and 80' boom lift. HMF will provide minor yard maintenance in the form of filling potholes and keeping the facility clean. HMF will provide minor snow removal in the form of a plow truck and use of the City's backhoe to keep the vessel pads and washdown pad clear of snow in the winter months. HMF requests the assistance of the Kodiak City Public Works Department in major snow removal and driveway maintenance via their grader/loader upon request from the Shipyard Manager. This shared responsibility will help keep costs low for all involved parties. Parts and materials that are required for maintenance operations will be treated in the same manner as Travelift maintenance items. HMF will submit all purchase orders to the City Manager for approval prior to ordering parts. Upon approval, HMF will place the order and invoice the City of Kodiak for the exact purchase price and freight cost incurred.

FACILITIES and EQUIPMENT.

Based on availability, City shall make following Facilities and Equipment Available for Contractor's Use all of which are located at the Shipyard in St. Herman Harbor as determined by the Harbormaster:

- 2009 Marine Travelift Corp. Model 600C
- Bulkhead Docks
- Pile Supported Pier
- Graded gravel vessel laydown area
- Water
- Sanitary Sewer
- Electrical Service
- 80' Boom Lift
- All terrain forklift [add details as to make and model]
- Washdown Filtration System including heated concrete wash-down pad
- Boiler Heating System
- Restrooms
- Utility Room
- ___ Pressure Washers
- John Deere Tractor [add details as to model]
- Backhoe [add details as to make and model]

Exhibit B
 City agreement no:
 250173

9.17	Shipyards Services	
	<ul style="list-style-type: none"> • Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch. • Lifts taking more than four hours will be assessed extra labor and/or machine time. • Dry dockage is assessed the entire time the vessel remains in the yard. 	
9.17.1	Lift, Block, and Launch	
9.17.1.1	Vessels up to 80'	69.00/ft
9.17.1.2	81' to 100'	78.00/ft
9.17.1.3	101' to 120'	94.00/ft
9.17.1.4	121' to 150'	111.00/ft
9.17.1.5	151' and up	120.00/ft
9.17.2	After hours surcharge	+ 20% / ft
9.17.2.1	Nonstandard Lift (operator and lift)	1,500.00/hr
9.17.2.2	Travel strap set up	T,M&E *+ 15%
9.17.2.3	Inspection Lift, includes 1 hour hang time free	75% of lift per launch
9.17.2.4	Hang Time (other than wash pad)	275.00 ea. addl. hour
9.17.2.4.1	Hang Time, on wash pad	200.00/hr
9.17.2.4.2	Hang Time, on heated wash pad	300.00/hr
9.17.5	Delay of Lift	250.00/half hour
9.17.6	Pressure Wash (and scrape if necessary)	T, M, & E*
9.17.7	Reposition	50% of lift / launch
9.17.8	Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show)	750.00
9.17.9	Dry Dockage Space (lay day)	
9.17.9.1	1 to 30 days	2.20/ft/day
9.17.9.2	31 to 60 days	1.10/ft/day
9.17.9.3	61 days or greater	1.00/ft/day
9.17.10	On-site Storage	
9.17.10.1	Daily (first three days or portion thereof no charge)	0.05/ft/day
9.17.10.2	Minimum charge	15.00
9.17.11	Vendor (must be preapproved and have \$1 million liability coverage).	
9.17.11.1	Annual vendor fee	500.00/yr
9.17.11.2	Per vessel vendor fee (one-time use)	250.00
9.17.12	Utilities (includes water)	
9.17.12.1	120v single-phase 30 amp or actual kWh cost, whichever is greater	18.50/day
9.17.12.2	208v single-phase 50 amp or actual kWh cost, whichever is greater	44.20/day
9.17.12.3	208v three-phase 100 amp or actual kWh cost, whichever is greater	50.35/day
9.17.12.4	480v three-phase 100 amp or actual kWh cost, whichever is greater	70.00/day
9.17.13	Equipment Rental	
9.17.13.1	Fork lift	94.00/half hr
9.17.13.2	Man lift.....	94.00/half hr
9.17.13.3	Pressure Washer	250.00/day
9.17.13.4	Other.....	T, M, & E*

9.17.14	Environmental Tarp (ground tarp required for all bottom work)	Cost + 15%
9.17.15	Waste Disposal	
9.17.15.1	Used oil	1.30/gallon
9.17.15.2	Dumpster (5.5 yard)	110.00/tip
9.17.15.3	Non-Hazardous liquids, including oil bilge water	2.80/gallon
9.17.15.4	Hazardous	Cost + 15%
9.17.15.5	Other, e.g., metals and wood	Cost + 15%
9.17.16	Labor (Shipyards Services)	
9.17.16.1	Employee, straight time	90.00/hr
9.17.16.2	Employee, overtime	115.00/hr
9.17.16.3	Contract service provider (e.g., diver, lift operator, etc)	Cost + 15%
9.17.17	Environmental Surcharge	2.5% of gross
9.17.18	Other Fees and Services	Cost + 15%



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

Wednesday, November 8, 2023

MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)
From: Garry White, Director
Subject: Tourism Task Force Discussion

Introduction

The CBS Tourism Task Force will be making recommendations to the Assembly on the current perceived tourism issues and guidelines for future development.

This discussion to allow the GPIP Board to make recommendations concerning GPIP operations and management related to tourism to the GPIP Assembly liaison.

Action

- GPIP Board recommendations