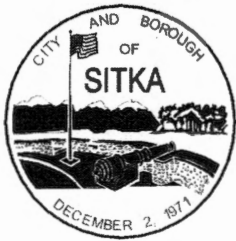


Discussion / Direction / Decision

on moving forward with the Marine Service Center
Action Plan.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members
From: Hugh Bevan, Interim Municipal Administrator *HB*
Date: November 5, 2019
Subject: Marine Services Center Action Plan

Background

In July 2019 the Assembly approved the attached Action Plan that directed staff to develop a design/build RFP to refurbish and stabilize the sea wall located at the Marine Services Center (MSC). The Action Plan envisioned a \$2.8 million budget to perform the work.

Acquiring a design concept and construction bid to repair the sea wall is the first step in the Action Plan followed by an Assembly decision to maintain ownership of the MSC facility or sell it.

The seawall was originally constructed in 1976. The structure is 36 feet high and 356 feet long, 50 feet of which crosses the lot line and supports a portion of the property owned by Seafood Producers Co-op.

A 2011 condition assessment estimated total reconstruction costs to be \$6.7M to \$8.3M depending upon design assumptions.

Public Works Engineering has spent considerable effort to prepare a design/build RFP to repair the sea wall as requested in the Action Plan.

Analysis

However, after considering the Action Plan and reading previous engineering reports on the condition of the sea wall, I have concerns that the Plan is not a viable solution.

\$2.8 million is insufficient to make significant improvements to the sea wall. This opinion is shared by other engineers on your staff and by our marine engineering consultant.

Additionally, the \$2.8M budget effectively drains the reserves in the Marine Services Enterprise Fund and uses a significant portion of the remaining reserves in the Economic Development Fund.

In my opinion the first step in the Action Plan should be an Assembly decision to sell or keep the facility.

If the decision is to sell the MSC, the Assembly can decide whether or not to include the sea wall in the sale. A case can be made that the wall should be included in the sale so the buyer has a vested interest in keeping the wall functional or perhaps constructing a new structure that has more uses than a basic retaining wall.

If the decision is to keep the MSC, then the City must devise a funding plan such as a revenue bond that provides significantly more funds than \$2.8M to replace the aging and corroded sea wall.

Recommendation

Schedule an Assembly agenda item or Work Session that leads to the decision to keep or sell the Marine Services Center.