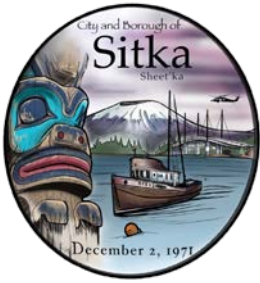


Sponsors: Knox / Himschoot

**POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2021-20 on first and final reading declaring support and in-kind commitments to the Sitka Community Boatyard application to the Denali Commission and supporting the development of a boatyard and haul out at the Gary Paxton Industrial Park.



# City and Borough of Sitka


PROVIDING FOR TODAY...PREPARING FOR TOMORROW

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*A Coast Guard City*

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Assembly Members Himschoot and Knox

**Date:** August 3, 2021

**Subject:** Support for the Sitka Community Boatyard's (SCB) Denali Commission Grant Application

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### **Background**

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

The CBS received one response to the RFP for private sector development of the haul out and shipyard.

The proposal was from Jeremy Serka, Sitka Custom Marine and Linda Behnken, ASFT Board President, as principals for a proposed entity called the Sitka Community Boatyard LLC (SCB).

On May 12, 2021, and in accordance with Chapter 2.38 of Sitka General Code (SGC), the GPIP Board evaluated the proposal, determined it to be responsive to the RFP, and negotiated final lease terms for Assembly consideration.

On July 13, 2021, SCB lease terms were presented to the Assembly for approval. The Municipal Administrator was directed to develop a lease and accompanying ordinance in accordance with the lease terms recommended by the GPIP Board.

The lease documents and accompanying ordinance are still in development and scheduled for first reading at the August 24, 2021 Assembly session.

### **Analysis**

In anticipation of approval of the lease terms approval, SCB requested a conditional letter of support from CBS on July 1, 2021 for a Denali Commission grant application. The purpose of SCB's grant application was for the 30% design and engineering work

and the application process to obtain the necessary NOAA, State of Alaska, and US Army Corps of Engineer permits. The conditional letter of support was sent to the Denali Commission on July 2, 2021, but did not specify the amount of CBS support (encl).

On July 21, 2021, following feedback from the Denali Commission, SCB requested an in-kind staff time match of \$20,000 from CBS, but they do not yet have a lease agreement in place for the proposed haul out. Early commitment of a staff time match could possibly imply approval of the upcoming lease ordinance prior to a vote. It is prudent for any Resolution of support to contain language clarifying that the in-kind support would be pending passage of the SCB lease and associated ordinance on second reading scheduled for September 14, 2021.

### **Fiscal Note**

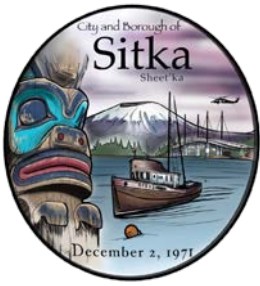
This Resolution commits \$20,000 of in-kind staff time support from Planning, Public Works Engineering, Finance, and Administration for the 30% design and engineering work of the proposed haul out.

CBS's commitment of support to SCB's application to the Denali Commission is not acceptance of a pass-thru grant, and the grant to SCB, if obtained, will not be administered by the CBS.

### **Recommendation**

Approve Resolution 2021-20 committing the CBS to \$20,000 of in-kind staff time support for the 30% design and engineering work of SCB's proposed haul out on condition that SCB's lease and lease ordinance are approved by a vote of the Assembly at second reading on September 14, 2021.

Encl: Administrator's Conditional LOS of July 2, 2021



# City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

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*A Coast Guard City*

**VIA EMAIL ONLY**

Erik Obrien  
Denali Commission  
510 L St #410  
Anchorage, AK 99501  
[eobrien@denali.gov](mailto:eobrien@denali.gov)  
(907) 271-1542

July 2, 2021

Mr. Obrien,

I am writing in reference to the Alaska Sustainable Fisheries Trust (ASFT) grant proposal to the Denali Commission requesting assistance with the cost of permitting and initial design work for the Sitka Community Boatyard.

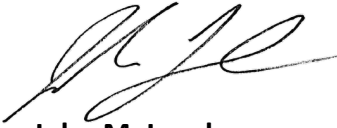
As you are aware, the Gary Paxton Industrial Park Board has approved lease terms proposed by the Sitka Community Boatyard and has recommended that the City and Borough of Sitka (CBS) Assembly also approve the lease terms. The Assembly is scheduled to review the lease terms on July 13, 2021. Until that time, our support for this grant proposal and our in-kind contribution to the project are conditional on that pending approval of lease terms. With that caveat, I would like to express our support for the grant request as described below.

The purpose is to request Denali Commission grant support for: the 30% design and engineering work; and the application process to secure the necessary NOAA, State of Alaska, and US Army Corps of Engineers permits. The CBS understands that these tasks are critical for financing and constructing both the basic haul out Sitka Community Boatyard has proposed, and the higher capacity haul out and boatyard envisioned by the CBS if a RAISE grant is secured. ASFT has received cost estimates for the 30% design and permit application process of approximately \$130,000. ASFT is applying to the Denali Commission for a grant of \$100,000 to support project costs, facilitate collaboration between the Sitka Community Boatyard and the CBS, and leverage the infrastructure development and economic impact associated with restoring Sitka boatyard services by 2022. Provided the CBS Assembly approves the Sitka Community Boatyard lease terms for the boatyard site, the CBS strongly supports this grant proposal and will contribute in-kind staff time to review permits and engineering designs for the project.

Thank you for your time and attention.

Administration, 100 Lincoln Street, Sitka, Alaska 99835  
907-747-1812 [Administrator@cityofsitka.org](mailto:Administrator@cityofsitka.org)

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Leach', with a stylized, flowing script.

**John M. Leach**  
Municipal Administrator

cc: VIA EMAIL ONLY:  
Linda Behnken ([alfafishak@gmail.com](mailto:alfafishak@gmail.com))

Sponsors: Knox / Himschoot

**CITY AND BOROUGH OF SITKA**

**RESOLUTION NO. 2021-20**

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA (CBS) DECLARING SUPPORT AND IN-KIND COMMITMENTS TO THE SITKA COMMUNITY BOATYARD APPLICATION TO THE DENALI COMMISSION AND SUPPORTING THE DEVELOPMENT OF A BOATYARD AND HAUL OUT AT THE GARY PAXTON INDUSTRIAL PARK**

**WHEREAS**, the maritime industry in Sitka is a significant sector of the economy, culture and way of life not only in the City and Borough but as a regional hub of maritime activity; and

**WHEREAS**, the City and Borough of Sitka (CBS) recognizes the benefit of committing lands, resources and CBS staff resources in making the development possible; and

**WHEREAS**, the development of a marine haul out facility is a community priority since private existing boatyard resources in Sitka have closed or are being utilized almost entirely for focused business priorities; and

**WHEREAS**, Commercial fishing and seafood industry support vessels account for 69 percent (6,489) of the Alaska fleet, while recreational vessels account for 15 percent (1,540). The balance consists of passenger and cruise (sightseeing) vessels, oil and gas sector vessels, and vessels providing freight services; and

**WHEREAS**, Southeast Alaska, with a total of 3,221 vessels, is home to more vessels than any other region in the state; and

**WHEREAS**, Sitka is the home port of nearly 600 vessels, with over 200 of those vessels not able to trailer and are dependent on another means of lifting from the water for necessary maintenance; and

**WHEREAS**, the City and Borough of Sitka Assembly has approved several steps in the development of City land and continued commitment of CBS staff resources to advance this project.

**NOW, THEREFORE, BE IT RESOLVED**, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby authorized to administer and commit \$20,000 of in-kind staff time in support of the development of the Sitka Community Boatyard. City and Borough of Sitka staff resources will include in-kind staff time by Planning #Public Works Engineering, Finance, and Administration for the 30% design and engineering work of the proposed haul out; and

**BE IT FURTHER RESOLVED**, that the Municipal Administrator of the City and Borough of Sitka, Alaska is not expecting any of this funding to be designated as a pass through grant or to be administered by the City and Borough of Sitka; and

**BE IT FURTHER RESOLVED**, providing this in-kind support is contingent on both the final signing of the lease with the Sitka Community Boatyard and any award of funding for the City and Borough of Sitka to put matching support forward.

55 Resolution 2021-20

56 Page 2

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58 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska  
59 on this 10<sup>th</sup> day of August, 2021.

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Steven Eisenbeisz, Mayor

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66 ATTEST:

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70 Sara Peterson, MMC

71 Municipal Clerk

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73 1<sup>st</sup> and final reading 8/10/2021

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75 Sponsors: Knox and Himschoot

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