

Thursday, June 13, 2013

MEMORANDUM

To: Jay Sweeney, CBS Administrator

From: Garry White, SCIP Director

Reviewed: Michael Harmon, Public Works Director 

Subject: **Sawmill Cove Industrial Park (SCIP) Feasibility and Planning Study**

Background

The City and Borough of Sitka (CBS) officially took ownership of the Sawmill Cove Industrial Park (SCIP) in late 1999. In November 2001, the SCIP Board of Directors, though the CBS Public Works Department retained Peratrovich, Nottingham and Drage, Inc. (PND) to develop a waterfront development plan for the SCIP. The SCIP Waterfront Development Plan, completed in April 2002, identified potential waterfront improvements that could enhance the SCIP and meet the mission of the SCIP Board and CBS. Included in the potential improvements were; a vessel haul out, a small boat harbor, and a bulkhead dock. The waterfront development plan provided estimated construction costs, but did not determine the economic viability or the feasibility of the projects.

In 2009, A Request for Proposal was developed and released for the construction of a vessel haul at the SCIP. The CBS received one proposal from Puglia Engineering Inc. Puglia and the CBS could not come to terms on the proposal and investment.

In federal fiscal year 2010, the CBS was awarded \$486,917 through AK 176 federal earmark for the development of the Sawmill Cove Industrial Park waterfront. The funds were directed from the Federal Highway Administration (FHWA) through the Alaska Department of Transportation and Public Facilities (AKDOT&PF) for development of the SCIP.

The SCIP Board of Directors met with FHWA and DOT&PF staff in 2011 to determine potential uses of the funds. The SCIP Board's intent was to use the funds for construction of a dock or other projects to increase revenues at the park. After much discussion with the FHWA it was determined that the funds had only limited use due to federal restrictions placed on the funds. The SCIP Board determined that the highest and best use of the funds was to complete a series of feasibility studies at the park. The SCIP Board held multiple public meetings and developed and approved a list of projects that needed to be investigated to determine their viability. The top three projects identified were; a vessel haul out, large commercial vessel moorage, and bulkhead dock design and site layout.

A Request for Qualifications (RFQ) was advertised for feasibility studies of the identified SCIP projects in accordance with the CBS and AKDOT&PF procurement policies. One proposal for this work was received. An evaluation committee made up of Public Work staff, SCIP Director, and a SCIP Board member reviewed the submittal and accepted the proposal from Northern Economics Inc.

Analysis

Northern Economics is a leading Alaskan economics consulting firm, with over 30 years of experience assisting clients with transportation, port and harbor, fisheries, tourism, and export-oriented resource development projects. Northern Economics completed the feasibility studies for both the communities of Wrangell and Cordova, both of which now have operational marine centers.

Northern Economics has submitted the attached proposal for completing the study. The scope of work will consist of four separate phases; Scoping, Screening-level feasibility, Detailed feasibility, and Implementation and Business Planning. The CBS/SCIP staff will work closely with the consultant during each phase, directing work based off findings in each phase.

Northern Economics will team with PND (engineering), Southeast Strategies (planning and studies), and David Evans and Associates (bathymetric surveys).

The project goals of this study are the following:

- Determine the best type and location of infrastructure to provide deep-water port access to the SCIP based on most likely needs and users.
- Determine the feasibility of a marine haul out facility at the SCIP.
- Determine the feasibility and options for a commercial vessel moorage facility, either at the SCIP or at Herring Cove.
- Identify and analyze options to best incorporate the above three components to make the best use of the SCIP assets.
- Develop a planning document that demonstrates step-by-step procedures to move forward with proposed feasible projects.
- Provide a detailed permitting plan for proposed feasible projects.
- Assist with permitting.

Fiscal Note

Funding for this study will come from the \$486,917 award to the CBS through AK 176 federal earmark for the development of the SCIP waterfront. The funds were directed from the FHWA to the AKDOT&PF. In April, 2012, the CBS entered into a MOA with the AKDOT&PF to allow the CBS to complete the project. The AKDOT&PF administration costs to administer the funds to the CBS are roughly \$26,917, which

leaves ~\$460,000 to complete the feasibility and planning study. These dedicated SCIP Waterfront Development funds are estimated to cover 100% of the cost of the feasibility and planning study.

Recommendation

Approve award of a Professional Services Contract to Northern Economics Inc. for the Sawmill Cove Industrial Park Feasibility and Planning Study on a time and materials basis with a not-to-exceed amount by phase.

Phase 1 = \$37,901.89

Phase 2a= \$135,423.70

Phase 2b, 3, & 4 = costs are undetermined until phase 1 & 2a are complete.

Additionally, the Administrator shall have the authority to execute phase 2b, 3, and 4 with SCIP Board of Director concurrence. Total cost not to exceed the \$460,000 dedicated for the SCIP Waterfront Development.

.