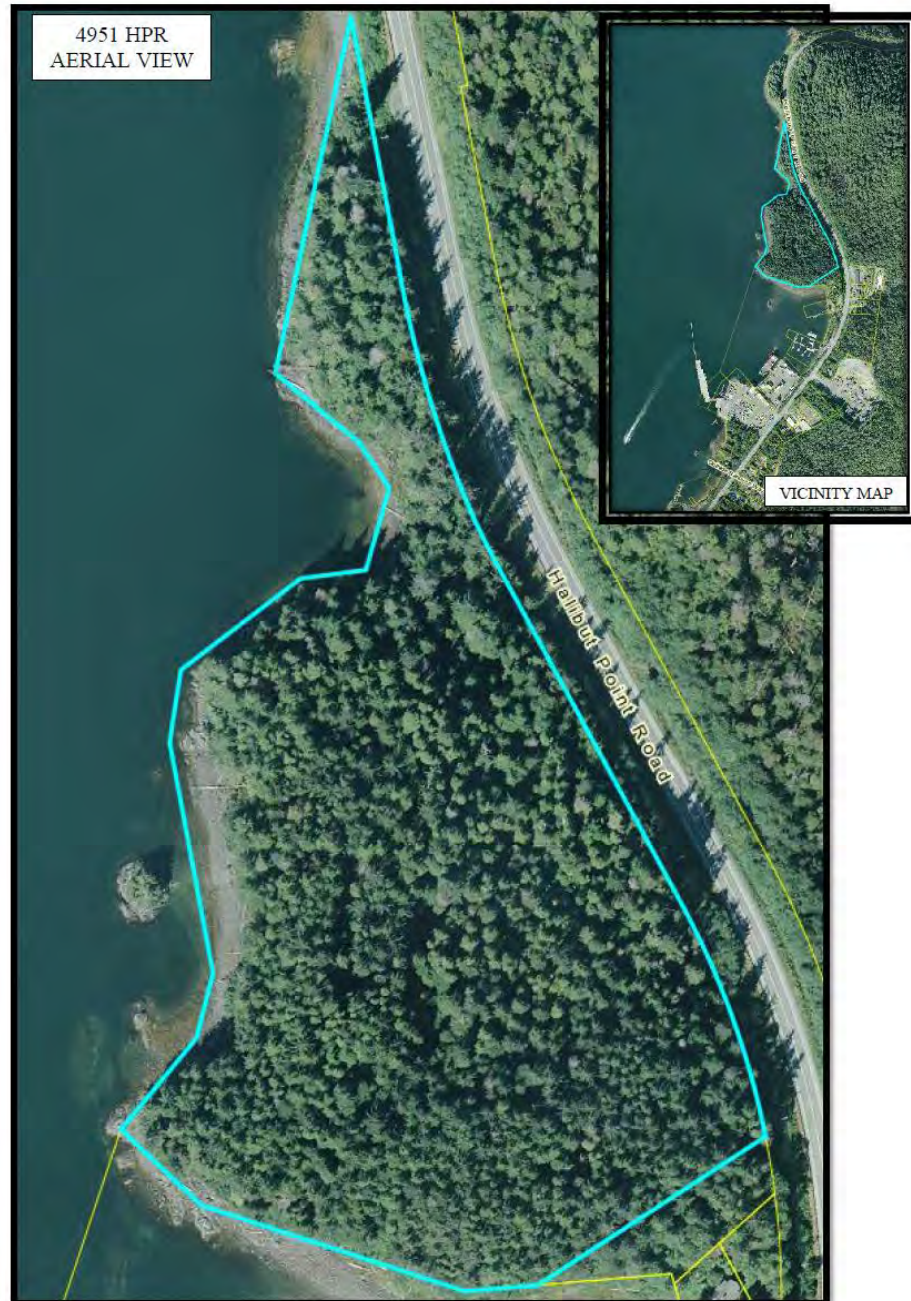


REQUEST FOR PROPOSALS (RFP)

Lease/Sale for Development of a portion of Lot 1, USS 3670
Physical Address 4951 Halibut Point Road, Sitka, AK 99835



Advertise Request for Proposals
Submittals Due

December 2, 2020 to February 2, 2021
February 2, 2021

Request for Proposals (RFP)
by the
City and Borough of Sitka, Alaska
for
Lease/Sale for Development of a portion of Lot 1, USS 3670
Physical Address 4951 Halibut Point Road, Sitka, AK 99835

The City and Borough of Sitka (CBS) is requesting proposals from developers and qualified organizations for a portion of Lot 1, USS 3670 (physical address 4951 Halibut Point Road) to develop this parcel.

A. Property Characteristics

The property is approximately 17 acres in size and with significant waterfrontage along Sitka Sound. The parcel is heavily wooded, with sloping and varying topography, some rocky/craggy areas as well.

The land is encumbered with a 100' perpetual public access easement (50' shoreward and 50' seaward of mean high water) along the shoreline with a 50' perpetual access easement to the shoreline. These easements are not yet platted and will need to be completed and approved by the State of Alaska before execution of lease or sale. In the case of a proposed sale, the land must be formally subdivided from the rest of Lot 1, USS 3670 prior to execution of the sale. The selected proposer will be responsible for all surveying and platting expenses.

The property is currently zoned as R-1, single family and duplex residential district. Rezoning may be considered by the CBS Planning Commission and Assembly for commercial or industrial endeavors. Proposals should include the requested zoning designation. Applicants are highly encouraged to reference Sitka General Code Title 22, Zoning, to best understand the intent and limitations of each zoning district.

Leases will be considered for recreational, commercial, and/or industrial developments. Sale of the land will only be considered for residential development.

The shoreline abuts both municipal tidelands and State tidelands (see Tidelands Map in appendices). Use of municipal and/or State tidelands will require a separate leasing request and approval process through the appropriate governing body. Anticipated use of tidelands should be indicated in the proposal and represented in the submitted site plan.

B. Existing Utilities and Construction Requirements

Water, sanitary sewer, and electrical utilities are available in the area along Halibut Point Road. Three phase distribution power line runs along the front property line on Halibut Point Road. Service voltage transformers would be needed to supply power to the property.

Water and sanitary sewer connections are on the upland/outbound lane of Halibut Point Road. The sewer system terminates across the street at 4802 Halibut Point Road. Extensions across the highway would be needed to connect the property to these services.

CBS utility connection permitting and fees will apply. The CBS subdivision regulations require that lots in major subdivisions shall not be sold unless served by utilities and roads that are constructed to municipal standards. The municipality must also accept those roads and utilities for maintenance prior to the sale of any individual lot.

All utilities must be adequately sized and constructed for the proposed development. The construction of municipal utilities shall meet the standards of the CBS, the State of Alaska, Department of Environmental Conservation, and all other applicable state and federal standards and regulations. Utility and road design shall be completed by a State of Alaska licensed Civil Engineer.

The proposed location and dimensions of utilities shall be shown in the proposed development plan so they can be evaluated along with the rest of the proposal elements.

Development of this land may increase stormwater runoff onto adjacent properties. If developed, the selected proposer for this property will be required to adhere to CBS Stormwater Design Standards and may be required to complete a comprehensive hydrology study completed by a State of Alaska licensed Civil Engineer and accepted by CBS Department of Public Works.

Obtaining all necessary geotechnical information and applicable permits during planning, design and construction shall be the sole responsibility of the selected proposer or its contractors.

C. Requirements for Proposals

It is the goal of CBS for the selected proposer to purchase or lease this parcel, and for its development to spur economic development for the community of Sitka. Therefore, development must occur in a timely manner with total build out of the project expected within three years from the date of purchase/lease.

Proposers submitting proposals must include the following requested information arranged in this order:

1. Narrative statement of qualifications of your firm or enterprise and key consultants/contractors to be engaged, if applicable.
2. Qualifications of project manager, engineer(s) of record and surveyor, if applicable.
3. List of projects previously completed of a similar nature including a construction cost and start/completion dates for each project.
4. Submit an organizational chart showing a designated project manager and staff, including consultants/contractors, if known.
5. Statement of firm's experience working in Southeast Alaska or a similar environment.

6. A site plan including detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and/or improvements. Anticipated use of tidelands should also be included in the site plan.
7. Details on proposed roads, utilities, and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.
8. Concept narrative of your development plan for the project including estimated time of completion, operating plan, all amenities/services offered, etc. Narrative should also include desired zoning designation that would enable proposed use.
9. Sources of funding for the project and a tentative development timetable. In the event the project is contingent on funding from another public agency, the deadline for application submittals and tentative award dates shall be provided.
10. Itemization of revenues that CBS would expect from accepting the proposal. Revenues anticipated to be generated from increased economic development and/or sales tax revenue must include a detailed description and must be from business that would not otherwise take place in the community.
11. Proposed purchase or lease price in U.S. dollars. In the case of a lease, desired length of lease (with justification regarding expected breakeven period for investment and loan requirements if applicable) should be included.
12. Responses are limited to no more than 20 pages.

Responses to this RFP will be evaluated and ranked based on the following criteria (100 points total):

1. Development Dollars Invested by Proposer (0 to 15 points)
Investments in development ripple throughout the economy. How much investment will be made in developing the property, and what are the local benefits of that investment?
2. Employment Impact (0 to 15 points)
What employment opportunities does sale/lease/development of this parcel create? Are the jobs created year-round positions with living wages? Are the positions short-term (temporary) or long-term (permanent)?
3. Long-term, Recreational Benefits to the Community (0 to 10 points)
Public access easements to the waterfront must be maintained. What improvements will be made to enhance the long-term, recreational benefits to the community as a whole?
4. Long-term, Recurring Revenues to CBS (0 to 25 points)
What are the anticipated revenues from property tax, sales tax, utility usage, and any special revenues (revenue sharing, royalties, etc.) that CBS can expect as a result of the proposal? Are all assumptions and background information for calculating anticipated revenues clear, reasonable, and replicable? How vulnerable are these anticipated revenues to changes in market/economic conditions? How soon after execution of a sale or lease will CBS realize these revenues?

5. CBS Sale/Lease Revenues (0 to 35 points)

What is the proposed sale/lease price, and how does that compare to other proposals? Points in this category will be based upon the following formulas:

Proposed Sale: $(\text{Your Purchase Price} / \text{Highest Purchase Price}) \times 35$ points

Proposed Lease: $(\text{Your Lease Price} / \text{Highest Lease Price}) \times 35$ points

D. Terms and Conditions

1. CBS intends that as a result of the transaction contemplated by this RFP it will have no further responsibility of liability for the subject property. CBS intends that the selected proposer would acquire its interest in the subject property "AS IS/WHERE IS" with all faults and defects.
2. The selected proposer, in order to acquire its interest in the subject property, must acknowledge and agree that CBS has not made and does not make, and CBS specifically disclaims, any representations, warranties, covenants, agreements, or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, with respect to the subject property, which extends to the environmental condition, including natural hazards, and regulatory status of the property.
3. The selected proposer will have the responsibility to investigate and determine existing or pending regulation, restrictions, and potential defects, including natural hazards. The feasibility and costs to remedy defects will be the sole responsibility of the selected proposer.
4. The selected proposer must acknowledge and agree that use of the subject property may be subject to regulatory action by federal, state, and municipal regulators, which is the sole responsibility of the selected proposer to determine.

E. Submissions and Inquiries

Submit five (5) copies of your Proposal(s) to:

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

The exterior of packaging, containing the proposals, shall be clearly marked **4951 HPR Development Proposal**.

Proposals will be received until **2:00 p.m. local time Tuesday, February 2, 2021.**

Incomplete proposals, or those that do not meet the requirements of Section C of this RFP, will not be considered.

As a part of the review of proposals, the City and Borough may, at its discretion, require the submittal of additional detailed information.

The City and Borough of Sitka has not, as of the date of the preparation of this RFP, established a review timetable.

It is the responsibility of the proposer to regularly check the BidExpress website for addenda or changes.

Prior to the submittal, inquiries may be directed to Amy Ainslie, Planning Director, City and Borough of Sitka at planning@cityofsitka.org. While phone inquiries can be made to (907) 747-1815, emails are requested to allow for tracking of potential questions.

The City and Borough of Sitka reserves the right to modify this Request for Proposals at any time. The City and Borough further reserves the right to evaluate the proposals in any manner the City and Borough deems appropriate.

The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.

The materials provided in this RFP and appendices are provided for informational purposes only. Potential submitters shall take responsibility for independently verifying all information. Any sale or lease of the land will be in the condition "as is". Any buyer will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).

Outline of Appendices

1. Aerial Imagery
2. Tidelands Ownership
3. No Name Mountain/Granite Creek Master Plan Excerpts
4. Special Report to CBS Assembly

Request for Proposals (RFP)
by the
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Supplemental Documents

1. Aerial Imagery.....	Page 2
2. Tidelands Ownership.....	Page 3
3. No Name Mountain/Granite Creek Master Plan Excerpts.....	Pages 4-9
4. Special Report to CBS Assembly.....	Pages 10-15

Useful Links and Resources

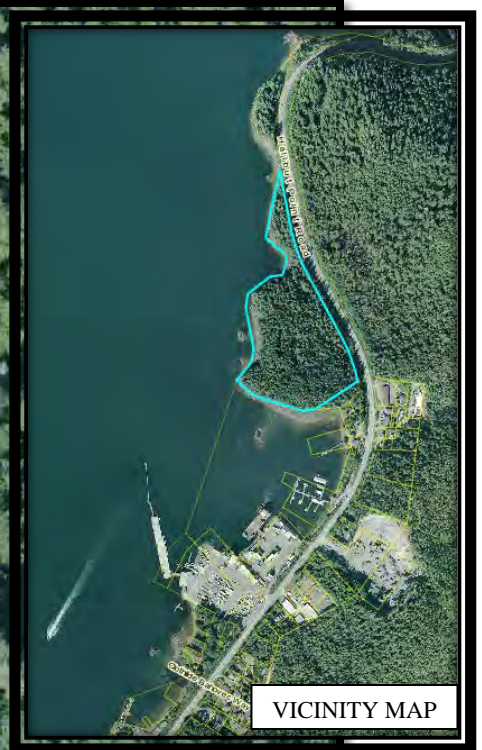
Full No Name Mountain/Granite Creek Master Plan Report:
https://www.cityofsitka.com/government/departments/planning/documents/NoNameMountainMasterPlanReport_June2020.pdf

City and Borough of Sitka Web GIS
<http://www.mainstreetmaps.com/ak/sitka/public.asp>

City and Borough of Sitka Bids and RFPs
<https://www.cityofsitka.com/government/departments/publicworks/BidRFP.html>

Any questions regarding this project should be directed to Amy Ainslie, Planning Director, at planning@cityofsitka.org, (907) 747-1815.

4951 HPR
AERIAL VIEW





Harbor Point

Harbor Point is the 17-acre parcel located along the waterfront side of Halibut Point Road (HPR). Harbor Point has shoreline frontage on its south, west, and north sides, and HPR frontage on its east side. The parcel is characterized by lower elevation, fairly rough terrain, but apart from shoreline areas, it contains no steep slopes. Much of the site is occupied by beautiful mature forest. The site is also close to a sanitary sewer line and water main in the HPR corridor. Harbor Point's shoreline setting, lower elevation, proximity to utilities, direct access from HPR, and great views of Sitka Sound all contribute to a property with relatively high development potential.

Two types of development are suggested for Harbor Point. For land use Option A (shown in Figure 11), the development of high-end, single family detached homes is proposed. The site's water access and views,

proximity to Halibut Point Road and utilities, and lower elevation would promote the development of shoreline and near-shore homes on this parcel. With residential development, City revenues would be increased through outright property sale and on-going property taxes, and new home building would bolster the local construction industry and jobs.

However, costs to develop this property will be moderately high, and local demand for high-end waterfront homes may fluctuate. Also, new high-end housing here will do little to address Sitka's need for affordable housing. One possibility would be to develop high-end homes along the parcel's shoreline and to build more affordable smaller homes and multi-family apartments or condominiums close to Halibut Point Road and on the property's interior.



Southeast Alaska waterfront home

Site Opportunities & Constraints

- + 17 acres with waterfront and beach access
- + Mature vegetation
- + Views to Sitka Sound
- + Water line available in Halibut Pt. Road
- May require sewer main extensions or marine out-falls
- Rugged topography, some steep slopes

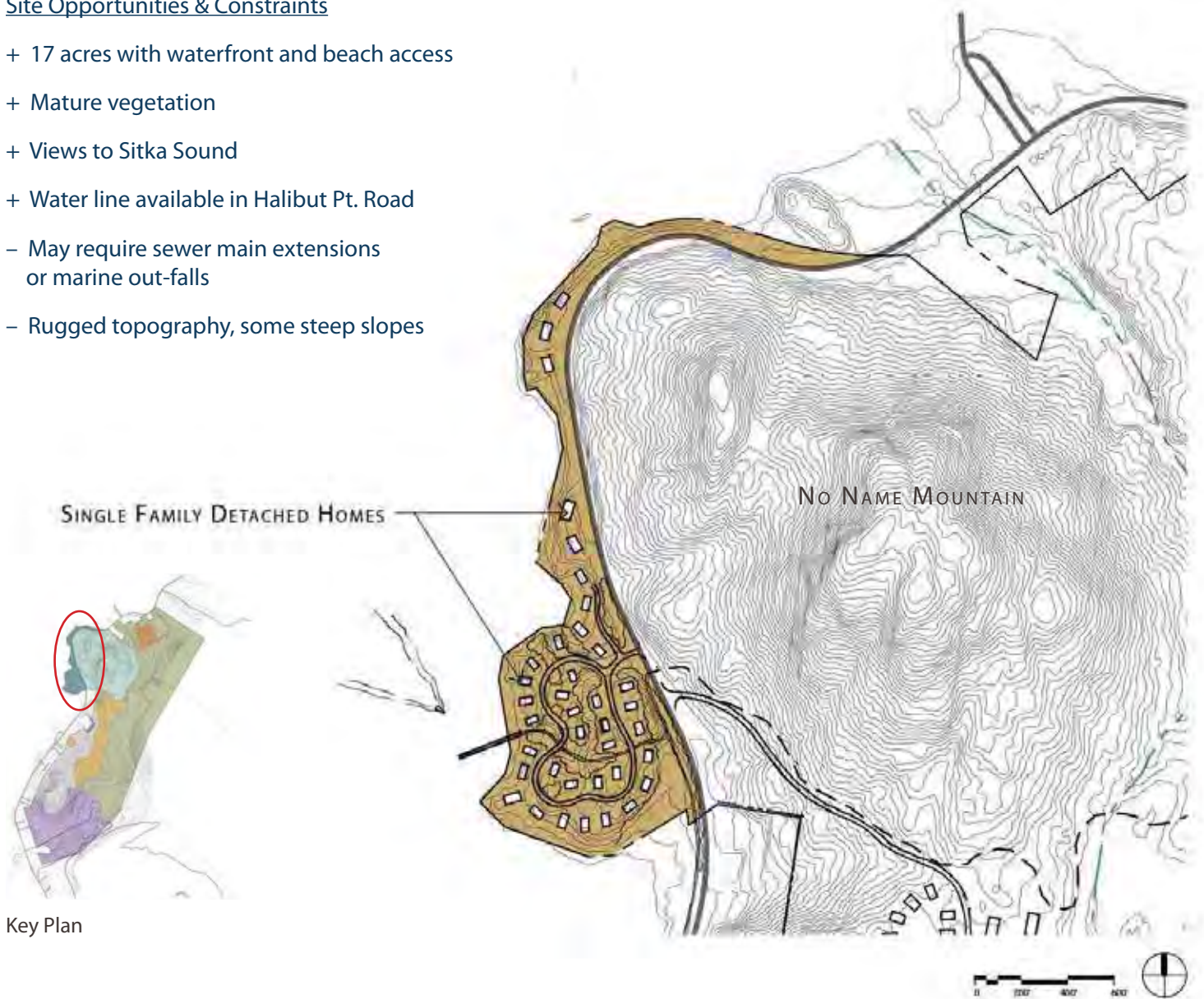


FIGURE 11 — HARBOR POINT: OPTION A

Potential Land Use: High-End Residential

4 | ALTERNATIVE LAND USE SCHEMES

Site Opportunities & Constraints

- + Proximate to expanding cruise ship terminal
- + 17 acres with waterfront and beach access
- + Beautiful forest landscape
- + Water available in Halibut Pt. Road
- Sewer may require extension or marine out-fall
- Rugged topography, some steep slopes

**Recreational Tourism:* revenue generating outdoor recreational activities oriented to cruise ship and other visitors

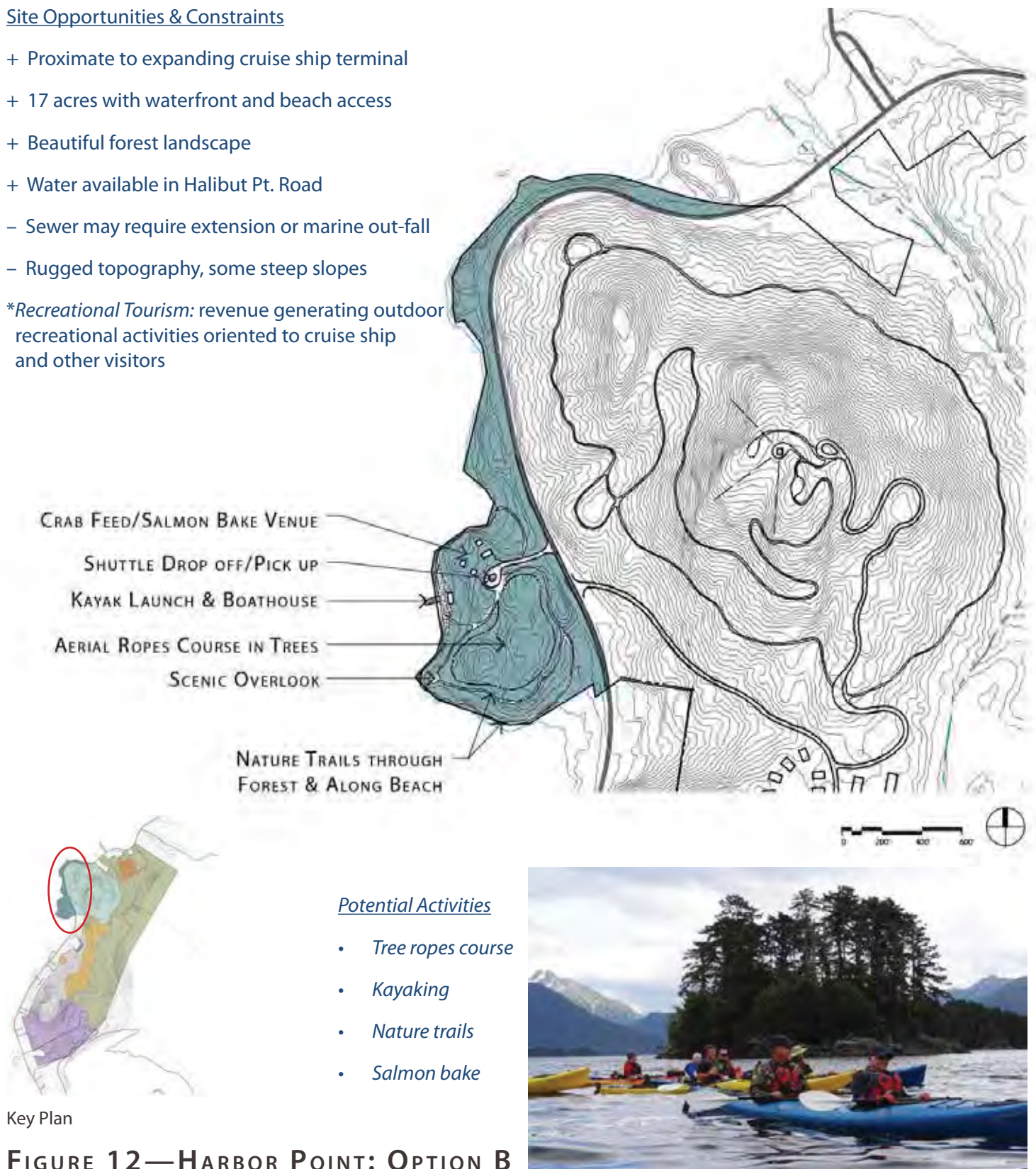


FIGURE 12—HARBOR POINT: OPTION B

Potential Land Use: Recreational Tourism



An alternative land use Option B for Harbor Point would be to develop it for recreational tourism. Recreational tourism is defined as revenue-generating outdoor recreational activities oriented to cruise ship visitors and other recreationists. Use of Harbor Point for recreational tourism would compliment the expanding cruise ship terminal nearby. Harbor Point's beautiful forested shoreline setting overlooking Sitka Sound could host a variety of outdoor recreational activities sought by cruise ship operators and visitors. A venue for outdoor activities here would also help to disperse cruise ship visitors to different attractions and destinations, thereby spacing out bus traffic on Halibut Point Road to and from downtown. As shown in Figure 12, outdoor recreational

activities might include an aerial ropes course, nature trails, kayaking, salmon bake venue, and so on. These activities would fit with rather than damage the natural landscape. With Option B, the City would maintain ownership of Harbor Point and lease it for recreational tourism development by others.

As mentioned in the Market Analysis, the use of Harbor Point for marine-oriented industry would be inappropriate. Gary Paxton Industrial Park on the south side of Sitka has ample available waterfront area with deep water access. Also, Sawmill Creek Road, which extends from downtown Sitka to the industrial park, was recently improved and can handle increased commercial traffic better than Halibut Point Road.



Aerial ropes course in trees



Salmon bake (above), Mountain bike trail (below)

5 | LAND USE RECOMMENDATIONS

For the proposed Harbor Point residential area, the ROM estimate assumes that:

- CBS will provide road access, electrical primary conductors/transformers, and potable water and sanitary sewer mains. Driveways, lot development and utility connections will be the responsibility of developers and individual property owners.
- The potable water connection will be with the existing main in Halibut Point Road; an alternative connection may be a “spur service” outside of Halibut Point Road, near Cove Marina. Sanitary sewer will connect with an existing gravity main outside of Halibut Point Road near Cove Marina via a force main.
- Sanitary sewer within the housing development will be gravity, with manholes at turns and spaced at 400 feet maximum along straight runs. One lift/pump station will be required to complete the connection to Cove Marina.
- A 2-foot cut will be required to remove unsuitable soils and reach competent subgrade for the access road.
- Approximately 1,000 cubic yards of bedrock excavation will be necessary to achieve the desired road profile and alignment; the excavated bedrock will be re-used on site as fill.
- A 4.5-foot-thick backfill section capped with a 6-inch thick surface course will be the road structural section.
- Rock material will be sourced from the Granite Creek Area, and unusable excavation will be disposed of at the Granite Creek Area or wasted onsite.
- The road will have two lanes, each 12 feet wide with 1-foot wide shoulders, and a gravel surface
- Eight culvert crossings will be required, each 30 feet long.

Again, taking the Total Project ROM Design and Construction figure and dividing by the total length of road (approximately 2,500 linear feet), the unit cost per linear foot of road and utilities would be approximately \$1,400 per linear foot at Harbor Point.

It should be noted that the combined new housing units of Sound View Ridge and Harbor Point in the proposed land use plan is likely near or exceeding the 50-100 new housing unit threshold before a new electrical substation may be required. The cost of a new substation has not been included in either construction estimate, and it will drive project costs up substantially. This should be carefully evaluated before proceeding with the recommendations and options in this land use plan.

These costs have been provided as ROM, budgetary-level tools to assist with broad-scale planning, and do not encompass all aspects of any given project.



*Harbor Point Estimated Construction Costs for
Utilities and Access Road*

Item No.	Item	Quantity	Unit	Unit Cost	Total Cost
1	Mobilization	All Req'd	Lump Sum	\$120,000	\$120,000
2	Clearing and Grubbing	2	Acre	\$10,000	\$20,000
3	Unusable Excavation	5,000	Cubic Yard	\$20	\$100,000
4	Usable Rock Excavation	1,000	Cubic Yard	\$10	\$10,000
5	Backfill	11,000	Cubic Yard	\$40	\$440,000
6	Surface Course	1,200	Cubic Yard	\$60	\$72,000
7	Concrete Road Patch, 8-inch Thick	30	Square Yard	\$200	\$6,000
8	Storm Drain Culvert	240	Linear Feet	\$75	\$18,000
9	Water Pipe, 10-inch HDPE	2,500	Linear Feet	\$100	\$250,000
10	Sanitary Sewer Pipe, 10-inch HDPE	2500	Linear Feet	\$100	\$250,000
11	Sanitary Sewer Manhole	16	Each	\$10,000	\$160,000
12	Sanitary Sewer Lift/Pump Station	1	Each	\$500,000	\$500,000
13	Electrical (Primary Conductor)	2500	Linear Feet	\$70	\$175,000
14	Electrical Transformer	4	Each	\$6,000	\$24,000
15	Erosion and Sediment Control	All Req'd	Lump Sum	\$20,000	\$20,000
16	Traffic Control	All Req'd	Lump Sum	\$20,000	\$20,000
17	Construction Surveying	All Req'd	Lump Sum	\$50,000	\$50,000
Subtotal Construction Cost					\$2,315,000
Recommended Contingency (20%)					\$463,000
Total Construction Cost with Contingency (20%)					\$2,778,000

Professional Services

Pre-Design Services (5% of Total Construction) <i>Permitting, Surveying, Geotechnical</i>	\$138,900
Design Services (10% of Total Construction) <i>Final Design, Bid Phase Assistance</i>	\$277,800
Contract Administration/Construction Inspection (10% of Total Construction)	\$277,800
Total Project ROM Design and Construction Cost Estimate	\$3,472,500

*Does not include wetland mitigation costs



4951 Halibut Point Road

A portion of Lot 1, USS 3670

Assembly Special Report
February 25, 2020

Agenda



Overview and description of area



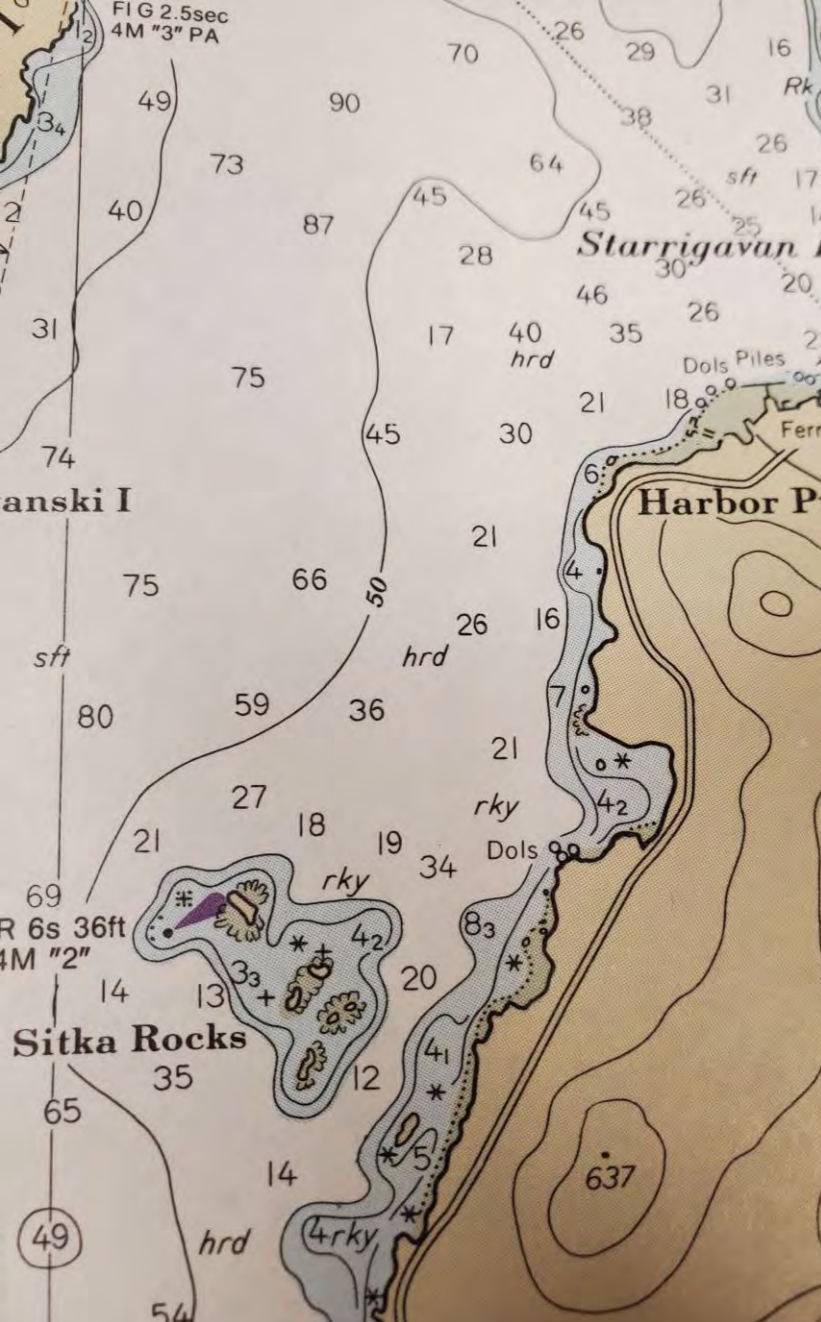
History and patent restrictions



Current zoning



Utility infrastructure



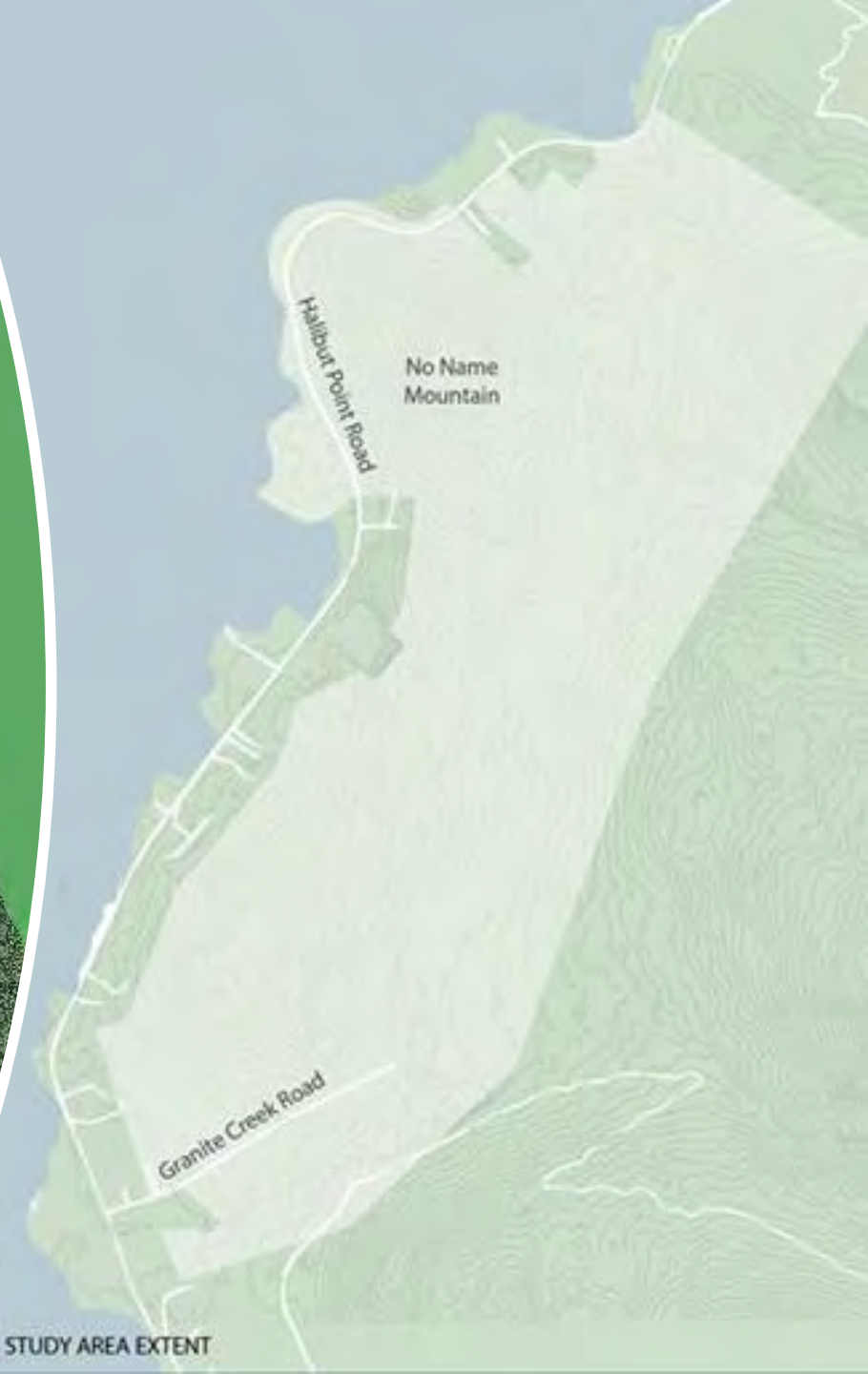
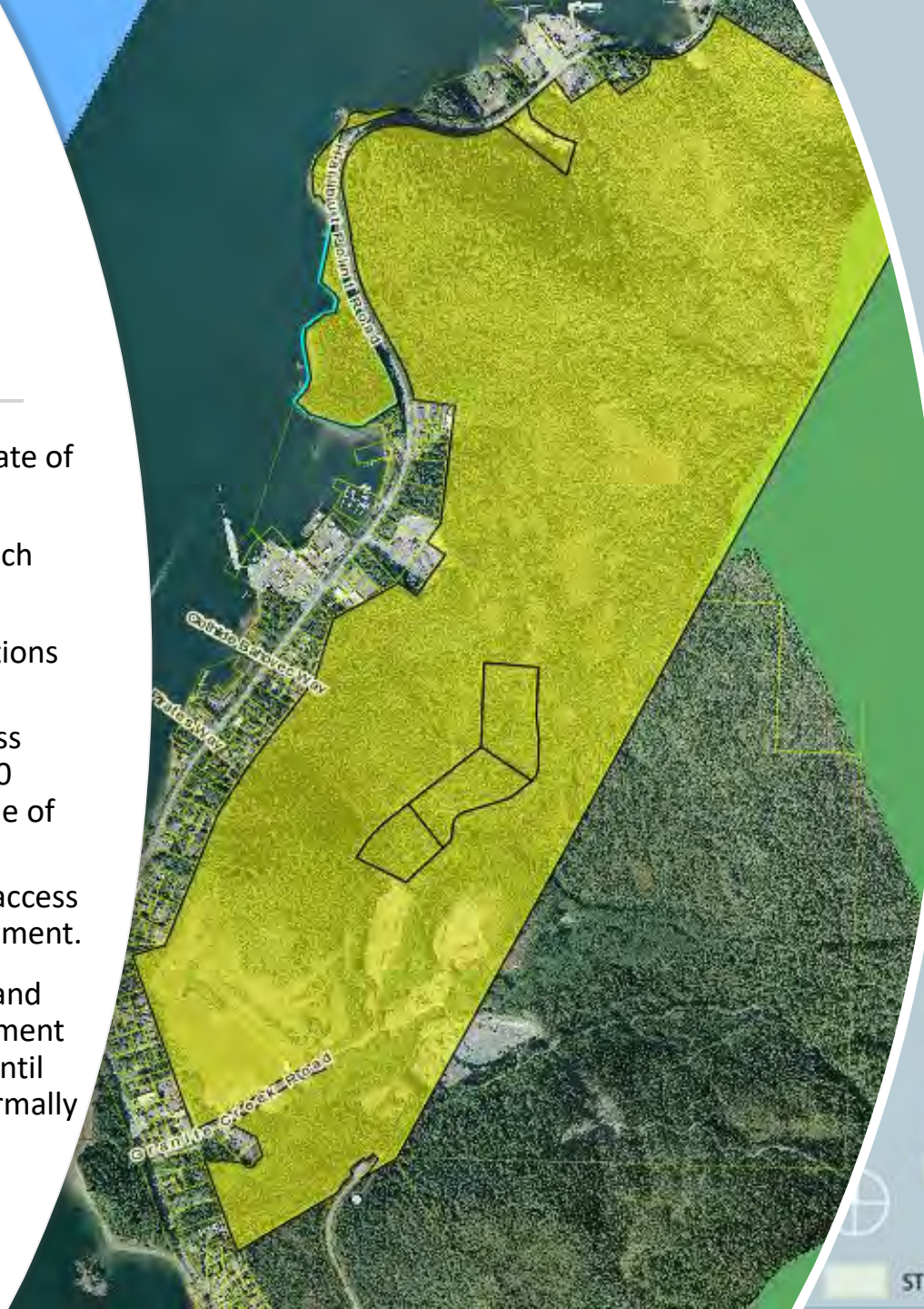
Overview and Description

- ~17.18 acres
- Waterfront
- Wooded
- Relatively level topography
- Deep water access
- Unique in municipal holdings
- Valuable for recreational, residential, or commercial/industrial use
- Not surveyed for cultural/historical/archeological resources
- Why now: Land swap discussion, Master Plan



History and Patent Restrictions

- Transferred to CBS July 21, 1988 via State of Alaska Patent No. 9743.
- CBS selected all of Lot 1, USS 3670 which conveyed 801.14 acres.
- The patent had two provisions/restrictions that are applicable to 4951 HPR:
 - 1. A 100 foot perpetual public access easement 50 feet shoreward and 50 seaward of the mean high water line of Sitka Sound
 - 2. A 50 foot wide perpetual public access easement to access the above easement.
- These easements are to be identified and subject to a covenant that no development or conveyance can occur on the land until CBS has platted the easements and formally notified the State.





Current Zoning

- Currently zoned as R-1: Single family and duplex residential district
- R-1 often used as a “holding” designation
- Adjacent to Industrial and Commercial-2 zones
- Rezone possibilities: C-2, Industrial, Waterfront
- Spot zoning concerns

Utilities

- Electric

- 3 phase distribution power line runs along HPR
- Service voltage transformers would be needed to supply power to property
- Cost ranges with intended use: As low as \$5k for limited residential use, \$100k+ for underground power distribution system and communications facilities for higher demand commercial/industrial use

- Water

- Water is on upland/outbound lane of highway
- Extension would need to cross highway

- Sewer

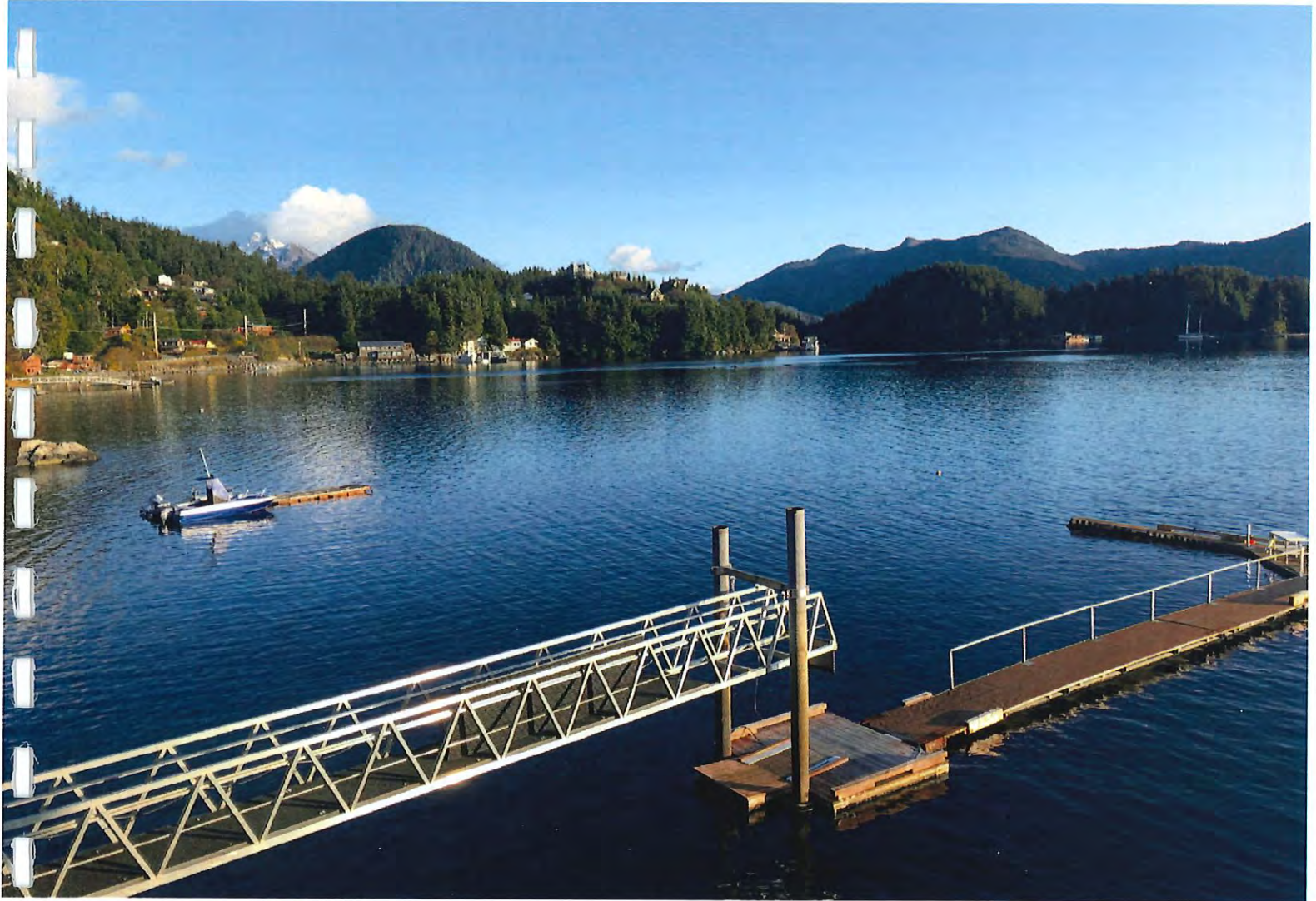
- Sewer ends at 4802 HPR
- Extension would need to cross highway



REQUEST FOR PROPOSALS - RESPONSE

Lease/Sale for Development of a
Portion of Lot 1, USS 3670

4951 Halibut Point Road, Sitka, Alaska



CITY & BOROUGH OF SITKA

ALASKA

FEBRUARY 2, 2021

SUBMITTED BY:
SHEE ATIKÁ, INC.
315 LINCOLN ST # 300
SITKA, ALASKA 99835

CONTACT:
KARL POTTS
PRESIDENT & CEO
(907) 747-3534

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Kayaking in Sitka Sound



February 2, 2021

City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

RE: Request for Proposal
Lease/Sale for Development of 4951 Halibut Road Sitka, AK 99835

Dear Evaluation Committee,

Shee Atiká Incorporated (SAI) is based in Sitka, AK. SAI was organized in 1974 under the Alaska Native Claims Settlement Act. Many of our shareholders are from the SE Alaska region and of Tlingit descent. One of our corporate values is to build sustainable, financially successful businesses in the Sitka community. As such, SAI is dedicated to promoting positive impacts to the City and Borough of Sitka (CBS) region and its residents.

Adventure Sitka LLC is owned and operated by Chris McGraw and Dennis McDonnell. Chris and Dennis are experienced, successful professionals in the cruise industry. Both are part of long-time Sitka and SE Alaska based families dedicated to sharing Sitka's beautiful and adventure-filled community with others. Together, SAI and Adventure Sitka are united in their dedication to the Sitka community. We share a common devotion to promoting its people and cultural heritage, and enhancing the overall economic benefit that tourism brings to Sitka.

The CBS has a comprehensive evaluation of the property in the 2020 NNM/GC Master Plan. The master plan concludes that there are a limited number of feasible uses of the parcel. Of the two recommended uses, well over 51% of survey respondents were in favor of a visitor-oriented use.

SAI will attain the ground lease from CBS and develop the Harbor Point site. SAI will then rent the infrastructure to Adventure Sitka, who will operate the tour offerings. We have the financial resources and leadership know-how to successfully implement this project which is rooted in the culture and people of Sitka, past and present. In this proposal, you will learn more about our Harbor Point Recreation Park. We are excited to present this proposal featuring cultural, recreational, adventure, and environment-friendly activities for Sitka visitors and residents.

We are an experienced team that will thoughtfully develop the Harbor Point tract for this innovative tourist attraction. Dedicated to providing an environmentally sensitive development, this team can create place for those seeking to interact with the unparalleled Southeast Alaska landscapes and learn about the rich culture of Sitka and our Tlingit people. Our goal is to create a destination that serves both tourists and residents alike, contributing financially to CBS and the greater community of Sitka.

We are the authorized representatives of Shee Atiká Inc and Adventure Sitka LLC respectively. Please feel free to contact us with any questions or comments regarding this proposal.

Thank you for your time,



Karl Potts, CEO
Shee Atiká, Inc.



Chris McGraw
Adventure Sitka LLC



I. STATEMENT OF QUALIFICATIONS

Shee Atiká Inc. - Developer

Shee Atiká, Incorporated (SAI) is an urban corporation organized pursuant to the Alaska Native Claims Settlement Act (ANCSA), as amended. Most of our shareholders are of Tlingit descent. Our shareholder ancestry positions SAI to be a solid resource for the cultural and interpretive components of tourism developments.

SAI will be the Prime Developer for Harbor Point Recreation Park, working together with Adventure Sitka, LLC. SAI will attain the ground lease from CBS and develop the Harbor Point site. SAI will then rent the infrastructure to Adventure Sitka, who will operate the tour offerings.

SAI has extensive developer experience with commercial real estate serving as a landlord, tenant, and property manager for multiple properties in Alaska and Colorado. Tourism property development is a strategic competency for SAI.

SAI currently owns over 3,000 acres of property around Katlian Bay near Sitka, and additional commercial development properties on Alice and Charcoal Islands adjacent to the Sitka Airport.

SAI has also owned and operated local hotel businesses involved in tourism, owning first the Shee Atiká "Westmark" Lodge and then the Totem Square Inn. Both facilities had more than 65 rooms and associated retail space leased to other businesses. A component of our property management has been to manage all aspects of tenant improvement projects and property upgrades.

SAI and its affiliated companies currently own and operate several real estate-oriented companies in the Sitka area. These holdings include:

- William Paul Subdivision, currently being developed for residential / commercial purposes
- The AT&T Cell phone tower facility
- The Sealing Cove Business Center, which houses 5 tenants and is over 16,000 sq.ft.
- The Dr. Walter Soboleff Subdivision, currently being developed for residential housing
- Lincoln Street Building at 315 Lincoln Street in Sitka, which houses 3-4 tenant and is almost 14,000 sq.ft.
- The Academy Park Loop "MITRE" Building in Colorado Springs, Colorado which is approximately 50,000 sq.ft.

SAI also owns and operates a number of subsidiaries in support of U.S. Government activities and commercial endeavors on contracts valued at \$50 million, including in the areas of IT/Cybersecurity, Physical Science and Research Support Services, Marine / Technical Services and Healthcare Management IT. Shee Atiká businesses have performed almost \$1 billion in contract revenue over the course of the past 20 years.

SAI owns and operates Balanced Accounting Solutions which was started several years ago to service our growing accounting / HR requirements for federal client businesses.



SHEE ATIKÁ
Incorporated



Adventure Sitka LLC - Operator

Adventure Sitka, LLC was formed in 2019, after three years of planning between Halibut Point Marine Services, (Chris and Chuck McGraw) and Alaska Coach Tours (ACT), (Dennis McDonnell). The Company will develop and operate the tour offerings conceived during their early planning years. Adventure Sitka is 50% owned by HPMS and 50% by Latitude49 (which is made up of the owners from ACT). The partnership leverages their combined strengths as dock, and tour operators, forming a cohesive company that provides recreational tourism in Sitka.

Adventure Sitka will be the Operator for Harbor Point Recreation Park, and will work seamlessly in conjunction with Shee Atiká on the design, development and construction of the project.

Adventure Sitka is expanding their shore excursion program offerings for cruise ship visitors by acquiring additional businesses. Sitka Sound Ocean Adventures (SSOA) (a long-time adventure kayak company based in Sitka) was acquired last year to fulfill the first development in the Siginaka Islands located at short boat ride from the dock. SSOA's existing business remains active and is complimentary to the newly developed kayak programs.

Sitka Cruise Ship History

On September 18, 2012, the first cruise ship, Celebrity Century, docked at the Halibut Point Marine facility in Sitka. ACT ferried a fleet of motor coaches from Juneau to Sitka to support the efficient shuttle of cruise passengers. The call was such a success that it cemented a long-term relationship between HPMS and ACT.

In 2013, ACT expanded their motor coach tour operations to Sitka in an agreement with HPMS. HPMS owns the coaches and ACT operates them and also hosts tours from the dock facility to generate incremental revenue. Since then, the business relationship has expanded from a single port call

to over 150,000 guests per year calling at the dock. As the calls to the dock in Sitka increased, both companies recognized the need for additional shore excursions offerings to boost port revenue and provide more opportunities for passengers.

Since 2012, and the construction of the cruise ship dock facility, cruise lines have had more incentive to call on Sitka. Initially there were limited attractions such as the Alaska Raptor Center, Sitka National Park and Fortress of the Bear. Sitka lacked a broad port of call tour offering. Adventure Sitka is a response to that need.

The recent construction of additional shelters and infrastructure to improve the visitor experience at the terminal are a significant investment at the cruise terminal. This investment demonstrates a confidence in the growth of the industry and the draw of Sitka for cruise lines.



New shelters under construction

McG Construction

McG Construction, Inc. is a Sitka-based general contractor that has been in business since 1979. The company has worked in Sitka and throughout Alaska on commercial, residential, and industrial construction projects. The company has completed over \$700 million worth of construction in the past 40 years.



2. QUALIFICATIONS of TEAM MEMBERS

Project Manager & Superintendent:

Chuck McGraw, McG Construction

Chuck McGraw's experience in the construction industry has spanned over 30 years. Chuck began working in residential construction in his teens with his family members, who were all lifelong carpenters. Chuck continued in residential construction until 1978 when he formed McGraw's Custom Construction, Inc. and began to work in the commercial and industrial construction sector. Chuck has personally managed over \$350 million worth of construction. He has worked on concrete tilt-up structures, large poured in place concrete water reservoir, numerous water and wastewater treatment facilities, large steel and concrete structures, and large wood frame structures. For the first 17 years Chuck performed all office administration, scheduling, subcontracting, estimating, and procurement functions for McG, leading him to become proficient in construction management. He has managed all sizes and types of construction projects from small \$100,000 residential projects to \$25 million dollar commercial and industrial projects.

Civil Engineer: Big City Engineers, Inc.

Melissa Branch, owner and operator of Big City Engineers, attended the University of Alaska Anchorage earning a Bachelor of Science in Civil Engineering. She has 16 years of experience as a civil engineer in Alaska working on commercial, municipal, and military projects. Her work includes site grading and drainage, water and wastewater systems, and roadway design.

Surveyor: R&M Engineering Ketchikan, Inc.

R&M Engineering offers a broad spectrum of engineering and surveying services throughout Southeast Alaska. R&M's surveying experience and capabilities include residential, commercial and industrial subdivisions of all sizes, topographic surveys for site developments, building, utility and road design projects, as-built surveys for projects of all sizes, and quantities surveys for developments, stockpiles, landfills and containment areas. R&M employs two registered engineers, two registered surveyors, four field surveyors, and three engineering technicians.

Aerial Park Structure Company: Synergo

Since 1994, Synergo has been providing experiential outdoor adventure experiences in the Pacific Northwest. Co-owners Erik and Jennifer Marter have grown the organization over the past 20 years into an internationally-recognized company specializing in the high-quality design and installation of challenge courses, zip line tours and aerial adventure parks. Synergo continues to deliver numerous transformational programs to youth and adults through their experiential education programs. Synergo's Training Department caters to the specialized needs of hundreds of clients a year through their rigorous and relevant training curriculum. Their Inspection Department provides qualified course inspections using leading edge tools and technologies nationwide. Synergo is an accredited full-service organization and a Professional Vendor Member of the Association for Challenge Course Technology (ACCT), the nationally recognized standards-setting organization for the challenge course industry.



3. LIST OF PROJECT EXPERIENCE

The following projects were completed by McG Construction, showing a wide array of construction experience in Southeast Alaska and many projects geared toward cultural facilities, as well as the tourism industry.

Halibut Point Cruise Terminal Expansion 2021

3 Million

Siginaka Kayak Pavilion 2020

0.15 Million

Private Residence 2017

2.5 Million

Harrigan Centennial Hall Renewal 2017

12.1 Million

Petersburg Municipal Building Reno 2016

6 Million

Juneau Airport Renovation 2011

10.1 Million

Juneau Aquatic Center 2011

14.4 Million

Indian River Road Improvements 2009

2.5 Million

Kake SEARHC Clinic 2009

4.2 Million

Annette Island Health Center 2006

11.3 Million

Sitka Fire Hall 2003

3.4 Million

Blatchley Middle School Renovations 2001

0.5 Million

Sitka High School Renovations 2000

9.2 Million

Ketchikan Tribal Health Clinic 2000

5.6 Million

Mendenhall Glacier Visitor Center Reno 1999

4.7 Million

Juneau DZ Middle School 1994



Halibut Point Cruise Terminal



Harrigan Centennial Hall



Siginaka Kayak Pavilion



Petersburg Municipal Bldg



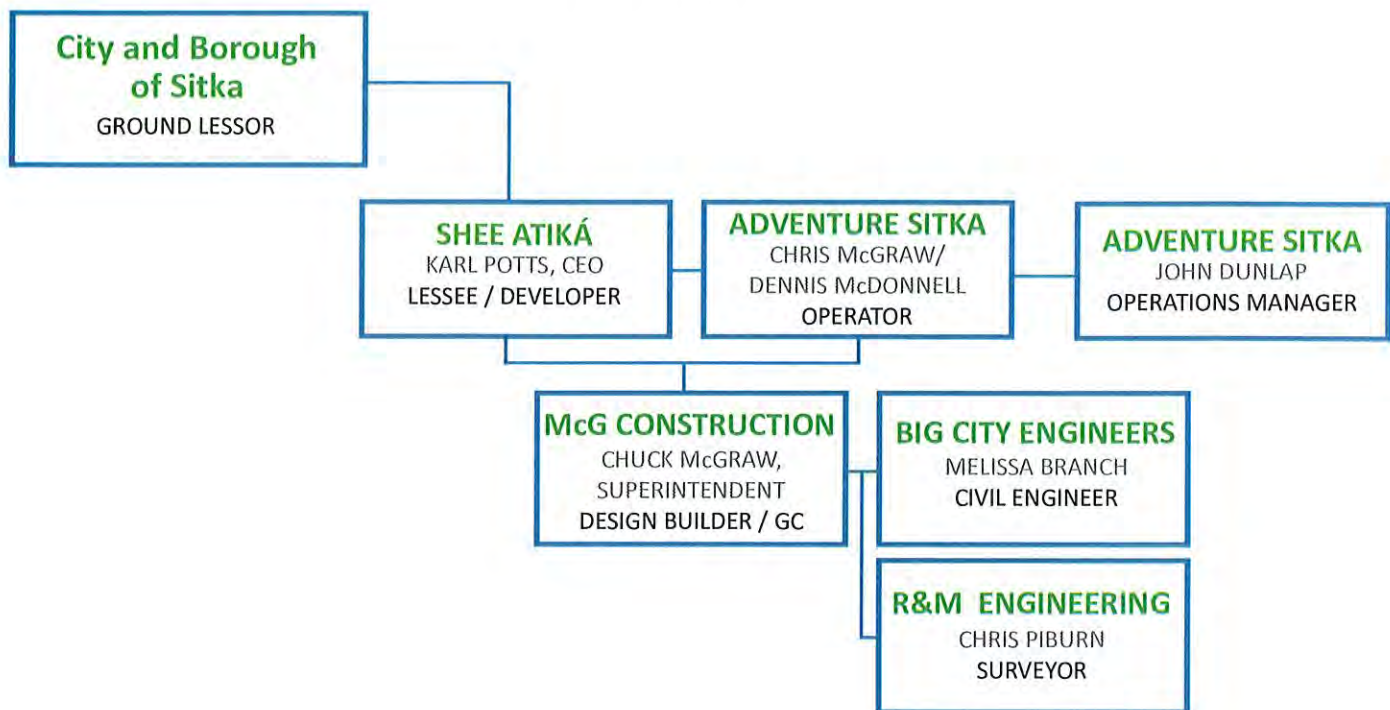
Annette Island Health Center



City & Borough of Sitka

RFP Response _4951 HPR Development Proposal

4. ORGANIZATIONAL CHART



5. STATEMENT OF FIRM'S EXPERIENCE

Adventure Sitka is lead by Chris McGraw and Dennis McDonnell in executive management roles, and with John Dunlap serving as the General Manager of operations.

Since Adventure Sitka is a new entity, the experience of the individuals at it's helm will be it's success. The timeline of Adventure Sitka has been outlined in Section 2.

Chris McGraw attended the University of Alaska Southeast and earned a bachelor's degree in Business Administration. Chris attended graduate school for construction management and began his professional career as a project manager and estimator for his family's construction company.

Chris spent 15 years in construction project management estimating and managing large commercial

and marine construction projects including performing all design oversight, permitting, and construction management of the Halibut Point cruise terminal facility. In 2015, Chris transitioned from his primary role as a construction project manager to the General Manager of Halibut Point Marine Services where he was responsible for the daily management and operation of the Halibut Point cruise terminal. This role included all marketing, budgeting, financial accounting, ship scheduling, long-shore operations, coordination of tour vendors, and property management functions associated with onsite retail and food and beverage tenants.

Chris's vast local knowledge of the recreational opportunities in Sitka along with his experience in both the construction sector and cruise ship industry in Sitka, provides Adventure Sitka with the knowledge and capacity for applicable tour development as well as infrastructure needs assessment for growing its busi-



ness in Sitka. Having worked on numerous stages of the cruise ship dock development, Chris is uniquely versed in the challenges of project completion in Southeast Alaska.

Chris is a lifelong Alaskan, born and raised in Sitka where he has been active on the ocean and in the mountains around Sitka his entire life.

Dennis McDonnell has lived in Alaska for over 30-years spending all of it working in the Alaska Visitor Industry. While working in the visitor industry, Dennis attended the University of Alaska Anchorage earning an Associate of Applied Science in Small Business Management.

Dennis spent 10 years working for Princess Tours and held positions including motor-coach maintenance foreman, port operations manager, and Division Manager. He left to oversee the flight seeing division of a large helicopter company in Alaska. He went on to start Alaska Coach Tours where he now serves as President and majority owner.

Dennis's background and education has focused on every aspect of successfully operating a business in the visitor industry. He has served on multiple tourism Boards and was Chair of the Alaska Tourism Industry Association for 2 years.

Dennis is also an outdoor enthusiast spending time mountain biking, kayaking, and paddle boarding.

John Dunlap is the General Manager of Adventure Sitka. John has 30 years of experience working at Allen Marine Tours and is responsible for developing many of the whale watching tours that are sold on-board ships today.

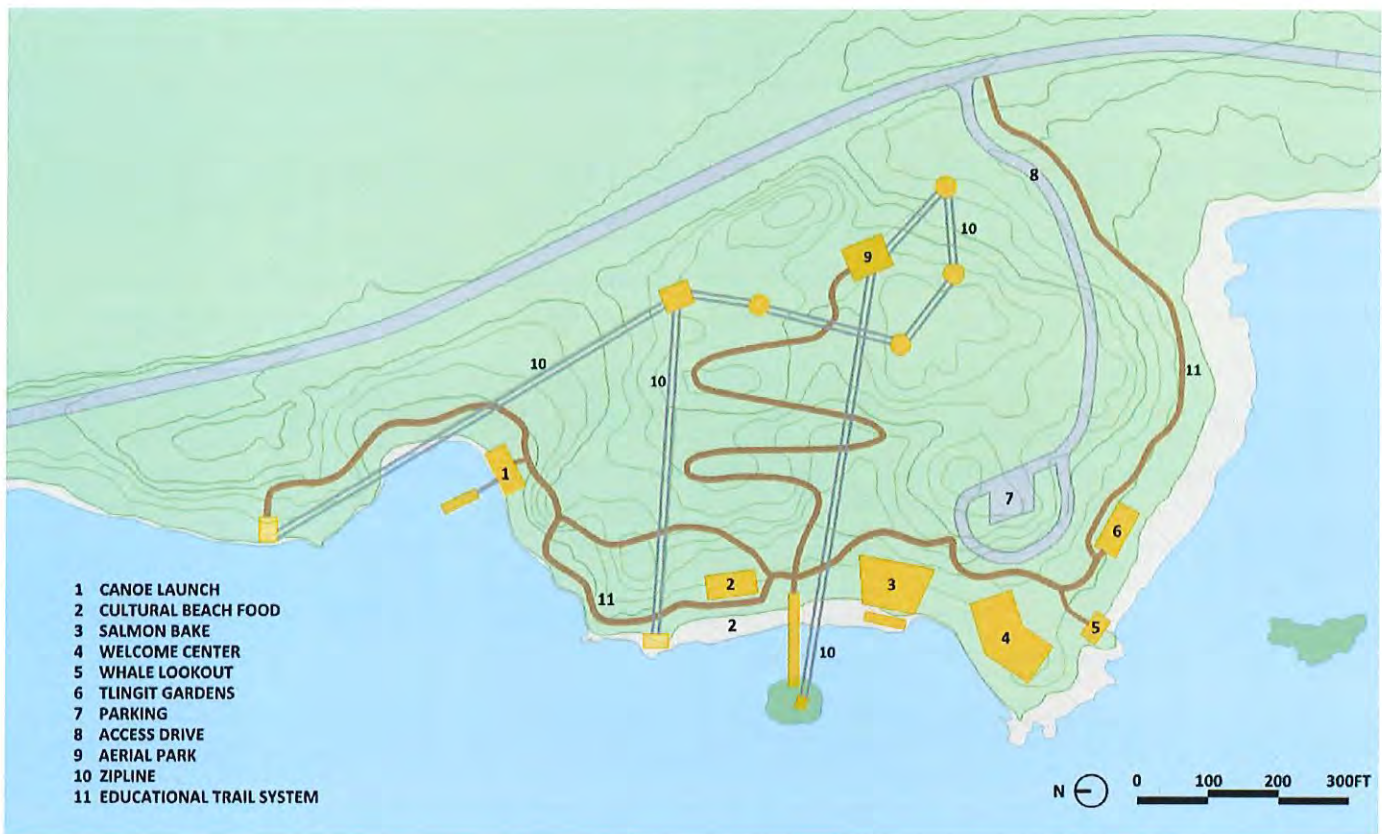
John left his job at Allen Marine to focus on the family kayak business which was acquired by Adventure Sitka. John has his captain's license and will be leading our overall operations at Adventure Sitka. John's focus has been in operations and providing the logistics for the new tour developments. Significant time has been invested in this critical part to ensure accurate and safe programs. John works under Chris's leadership.

Value of Adventure Sitka

Adventure Sitka will have distinct product lines that have no competition and will have direct access from the dock. The entity will control all sales outlets at the pier and will have the exclusive ability to distribute tour capacity on the products owned by the entity.



6. SITE PLAN



7. PROPOSED ROADS, UTILITIES, & DRAINAGE IMPROVEMENTS

Utilities for the recreational development will be limited to electrical service, which would be run underground from Halibut Point Road to the Welcome Center (shown as item 4 on the site plan above). Electrical distribution on the site will be limited and run only to the Welcome Center, the Salmon Bake Pavilion and to the Gardens Pavilion for lighting and limited power.

No sewer or water utilities are anticipated to be run to the site. The plan for restroom facilities will include vault toilets that will be served by pump truck. Water for washing hands and utensils at the salmon bake will be provided using a tank and propane fired on demand water heater.

The roadway and trails will be constructed by removing trees, stumps, and overburden from the road or trail. Geotextile fabric will be laid down as a base and then shot rock backfill will be utilized to bring the trails and roadways up to sub-base level. A 6" D-I base course will be placed on top of the roadway and trails. The roadway will have drainage ditches on each side and culverts placed at all natural drainage crossings at both the driveway and trails.

Tree removal will be limited to conserve the forest.

The main trail along the perimeter of the site, the visitor areas, and the toilets will meet ADA standards for accessibility.



8. CONCEPT NARRATIVE of DEVELOPMENT PLAN

Should our team be selected, Shee Atiká and Adventure Sitka intend to work with CBS to develop a recreational and cultural tourism destination at Harbor Point. The project will maximize the potential of the wooded waterfront parcel and meet Sitka's desire for expanding tourism while maintaining the natural environment.

Sitka is largely defined by its extraordinary scenic beauty and cultural heritage, which continuously provide vast opportunities for tourism. Over the last two decades, there has been a marked generational shift towards gathering memories instead of possessions. Likewise, as our world becomes increasingly sterilized and globalized, people yearn for authentic experiences. Travelers of all ages are in search of immersive, multi-faceted, active "educational recreation" opportunities. Our proposed development will focus on providing an experience to visiting cruise ship and independent travelers. The site is currently enveloped with old growth Sitka Spruce and Western Hemlock trees. Structures and trails will be developed that take advantage of the large trees that shield the adjacent cruise port and allow guests to fully experience the ocean, beach, and forest.

Developing Harbor Point as a recreational site that incorporates interpretive trails, water-based activities, as well as cultural interpretive areas, would be the first of its kind on Baranof Island. With a development such as this, the port of call opportunities for cruise ship passengers would be expanded to include an active, all ages, family-oriented experience. It would provide travelers a window into the rich Alaska Native history of Sitka, coupled with a multiple avenues to engage with the landscape.

Harbor Point is conveniently located just a ¼ mile, or five minute walk from the existing Halibut Point cruise ship terminal, positioning the site as a prime location for introducing thousands of summertime cruise visitors to the pristine environments of Sitka.

Approximately 82% of Sitka visitors arrive by cruise each year. Given the close proximity to the existing cruise ship terminal, high capacity vehicle passenger trams would be utilized to transport guests from Halibut Point to the site. This allows for large volumes of passenger to access the site and experience the shore excursion products with the least amount of impact to Harbor Point Road, and with the goal of moving as many passengers back and forth between the terminal, Harbor Point, and downtown as efficiently as possible.

Independent travelers already in Sitka would have easy access via shuttle from downtown to the site and its wide range of outdoor recreation and cultural activities. The topography of the Harbor Point parcel permits for recreational tourism activities to be constructed with minimal site development allowing the site to maintain its secluded natural atmosphere.

The shore excursions to be developed and offered at Harbor Point are:

• Sitka Cultural Experience

Harbor Point provides an untouched old growth timber and native beach setting in a close proximity to the cruise ship port. This allows for easy access for guests, while being able to offer a unique authentic wilderness atmosphere.

• Subsistence Lifeway

The focus of the tour product would be to introduce guest to the Subsistence Lifeway of the Tlingit people. Five individual experiences would be developed that would provide a well-rounded experience and education of the Tlingit people's traditional subsistence life. These would include the ocean canoe, beach food gathering, salmon preparation and cooking, potato gardening and berry gathering. Timber-frame structures would be constructed at each of these experiences to provide shelter to the guests and a setting for educational demonstrations. A large accessible trail network would be constructed connecting the various experiences.



• Beach Food

The Tlingit gathered various sea creatures and other sea plants on the beach and they were normally cooked over an open fire or boiled. Guests would be guided through and exploration the tidal zone, learning to identify the various types of species and traditional foods that the Tlingit gathered from the beaches.

• Salmon Bake

Guests would be seated in a large covered pavilion where they would be introduced to the methods of salmon harvest and would watch a demonstration of a traditional Tlingit salmon preparation and cooking. Guests would then get to enjoy a sampling of salmon.

• Garden and Berry Gathering

Guests would learn about the various types of berries that the Tlingit people gathered as well as other gardening techniques and crops, such as the Tlingit potatoes, that have grown in Tlingit gardens for generations.

• Ocean Canoe

Tlingit people depended upon the canoe as the sole means to access the bounty of Southeast Alaska. They would paddle in canoes to summer fishing camps, and return home with their canoes full of salmon, halibut and deer to store for the winter. Guests would have the opportunity to learn about the design and construction of the canoes, with further opportunities to launch and paddle should they choose.

• Aerial Adventure Park

Born from the French Challenge Course world in the early 1900's, aerial adventure parks combine the physicality and self-discovery of the traditional ropes course with a freedom of movement and an exploratory feel, aerial adventure parks have bridged the gap between purely commercial endeavors and the outcome-based world of experiential learning.

Supports the Sitka 2030 Comp Plan

Recreational tourism at Harbor Point is consistent with the Comprehensive Plan:

- Supports growth and diversification of cruise related and cultural tourism
- Maintains a healthy natural environment
- Expands heritage and cultural tourism
- Supports the link between recreation, tourism and a strong local economy

Revenue to Small Businesses in Sitka from Increased Tourist Traffic

A private sector development at Harbor Point can help offset the 2020 revenue losses for businesses located in the core downtown district and elsewhere in Sitka for many years to come.

A dynamic educational and recreation development will boost retail, and leisure and hospitality sectors resulting in job opportunities, which are the 4th and 5th highest ranking opportunity/sectors.



With the continued growth of the cruise industry over the next decade, an efficient balance of passenger dispersal is essential. 95% of passengers calling in Sitka travel into town, and as more passengers dock in Sitka, the number of passengers going into town is going to increase, even with additional offerings. With this development, the goal is to expand and increase the tour offerings available in Sitka. With two ships at the terminal, the goal of the operators of this development is to disperse visitors to different areas of Sitka, thereby ensuring that not one area is overwhelmed. Visitors' enjoyment of Sitka is paramount, which would be undermined in a crowded situation. Thus the goal is to work with downtown partners, Fortress of the Bear, and the Raptor Center to ensure a viable visitor experience is coordinated by shuttling passengers between locations.

Unique to Sitka

Currently there are no excursions that compare to the uniqueness of an aerial adventure park in Sitka. With Sitka's rising number of cruise ship passengers it is likely that this excursion would be popular among many of the lines that call in Sitka. In addition, Sitka has a significant number of independent travelers each summer. The park would be marketed to the independent travelers in addition to cruise ship passengers. The course would feature a large lookout tower that would provide views of the ships and surrounding area and be the centerpiece of the ropes and zip line courses.

Importantly, Harbor Point Recreation Park amenities will be available for rental to local Sitka organizations, when safe and reasonable, during off-season periods.

Operations Plan

Adventure Sitka has an excellent reputation for Customer Satisfaction with its customers throughout Alaska and Southeast. They will operate Harbor Point Recreation Park with the same focus on unparalleled Customer Satisfaction. A thorough Op-



Tlingit potatoes



erations Plan involves a commitment to safety, for both customers and employees. Adventure Sitka's managers are thoroughly trained in municipal, state and federal regulations pertaining to cruise and passenger activities such as ours. Each year, prior to season opening, employees will go through rigorous training updates. Their safety protocols and equipment are state of the art. Adventure Sitka's repair and maintenance programs are routine and part of the company DNA.



9. SOURCES of FUNDING & DEVELOPMENT TIMETABLE

Shee Atiká will privately fund the development, thus eliminating the need for timeline contingencies for funding from public agencies.

If awarded, Shee Atiká and Adventure Sitka are ready to start the project planning and permitting immediately. The team is 100% committed to completing the project for the 2022 summer sailing season.

Due to the relationship between the cruise ship docking in a port of call and the availability of attractive tour offerings, the completion of the project in 2022 will be imperative to ensure the satisfaction of the cruise lines and visitors alike.

Development Timing

The draft cruise schedule for 2022 is currently showing total anticipated cruise ship passengers calling in Sitka to be close to 400,000. This significant number of passengers will create a healthy demand for shore excursions. The Harbor Point development would be completed to take advantage of this large increase in cruise deployment.

Assuming that our proposal is approved in the first quarter of 2021. We will begin design development for the project immediately. This process would take three months at which time any required permits would be applied for. In addition, during the permitting process, material procurement for any long lead materials would occur. It is anticipated

that permitting would take approximately an additional 3 months. Construction would begin in late Summer of 2021 and continue during the winter with completion in early 2022.

A zoning change will be required. If we are awarded the lease we will submit a rezone application to change the property from R1 to Commercial 2 or Recreational concurrently with the permitting timeline identified above. The zoning designation change will be discussed thoroughly with the planning department and the new designation will be decided based on the planning department's recommendation and conformance with the intent of the 2030 Comprehensive Plan.



Projections indicate that the number of cruise ship passengers disembarking in Sitka will increase by 52% over the next decade, if the tour offerings are in place to support the visitor demand.



10. ITEMIZATION OF REVENUES to CBS

	Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10 Year Total	Years 2032- 2041	20 Year Total
Cultural Experience														
Shore Ex Customers		27,029	26,883	26,883	28,443	31,472	35,779	35,779	41,108	41,108	41,108	335,593	411,080	746,673
Revenue to CBS (fee per person)	\$ 4	\$ 108,118	\$ 134,417	\$ 134,417	\$ 142,213	\$ 157,360	\$ 178,895	\$ 178,895	\$ 205,540	\$ 205,540	\$ 205,540	\$ 1,650,936	\$ 1,808,752	\$ 3,459,688
Aerial Adventure Park														
Shore Ex Customers		7,776	7,734	7,734	8,182	9,054	10,293	10,293	11,826	11,826	11,826	96,540	118,260	214,800
Revenue to CBS (fee per person)	\$ 4	\$ 31,102	\$ 38,668	\$ 38,668	\$ 40,911	\$ 45,268	\$ 51,463	\$ 51,463	\$ 59,128	\$ 59,128	\$ 59,128	\$ 474,927	\$ 520,344	\$ 995,271
Total Revenue Sharing to CBS		\$ 139,220	\$ 173,085	\$ 173,085	\$ 183,123	\$ 202,628	\$ 230,358	\$ 230,358	\$ 264,668	\$ 264,668	\$ 264,668	\$ 2,125,863	\$ 2,329,096	\$ 4,454,959
Base Lease		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Annual Revenue to CBS		\$ 189,220	\$ 223,085	\$ 223,085	\$ 233,123	\$ 252,628	\$ 280,358	\$ 280,358	\$ 314,668	\$ 314,668	\$ 314,668	\$ 2,625,863	\$ 2,829,096	\$ 5,454,959



II. PROPOSED LENGTH OF LEASE

Shee Atiká's ground lease proposal is comprised of two components:

1) Proposed Base Annual Lease: \$50,000 for the entirety of the Subject 17 acre Parcel, Lot 1 USS 3670

2) A Revenue Share equal to \$4.00 (four dollars) per customer for each Shore Excursion product (Cultural, Aerial Park and /or any additional paid program feature added during lease term). The Revenue Share will be paid to CBS at end of each Cruise Ship Season beginning in 2022.

Lease Term

Shee Atiká proposes the initial ground lease term to be 20 years with two 10 year options for renewal. Shee Atiká will be making a capital investment of over \$3,000,000 to develop the property. In addition, there will be annual repair and maintenance expenses incurred on the infrastructure. In order to break-even and recover our capital and R&M expenditures, Shee Atiká will require a minimum of 20 years commitment to utilize the CBS parcel.

Ia. DEVELOPMENT DOLLARS INVESTED by PROPOSER

Rough Order of Magnitude Development Capital Investment	
Item	Investment
Civil and Infrastructure	\$ 735,000
Program Features	\$ 2,505,000
Total	\$ 3,240,000
Estimated Annual Operating Business Capital Investment	
Item	Investment
Training	\$ 40,000
Marketing	\$ 25,000
Equipment / Supplies	\$ 100,000
Vehicles / Maintenance	\$ 125,000
Cultural Research	\$ 50,000
Employee Housing	\$ 700,000
Total	\$ 1,040,000



2a. EMPLOYMENT IMPACT

The development of Harbor Point will create approximately three full-time management jobs ranging in the \$45-75K annual range, and 25 seasonal positions ranging in the \$13-25 per hour range.

During construction, between 5 and 10 part-time and full-time jobs will be created. At full operations, the expected average annual payroll will be between \$500,000 and \$700,000.

These positions will include; walking guides, adventure guides for the aerial park and zip-line, cultural center representatives, food cooks, greeters, and

local entertainment talent. The seasonal positions will directly benefit the community by providing jobs for local college students who return home and work for the summer, rather than remaining out of state. Individuals working in winter seasonal positions, such as the school system, would also have an opportunity to supplement their income.

Adventure Sitka, as operator and employer, will provide the training necessary for all employees at Harbor Point Adventure Park. The skills these employees gain will contribute to the professional development opportunities within the community over the long term.

3a. LONG-TERM, RECREATIONAL BENEFITS to the COMMUNITY

Shee Atiká and Adventure Sitka's proposed plan to develop the property includes year-round activities catering to independent travelers and year-round Sitka residents.

The development of a recreational tourism site in Sitka would enhance the quality of life for many Sitka residents. Access to aspects of the development, would be open year round, and with the success of the initial recreational development there would be long-term potential to tie into the Cross Trail for local users, as well as open up the possibility of developing mountain and down-hill biking courses in the future. The development would provide venues for community events in the off-season and during days and hours when tours are not being held.

The long-term vision for the development includes engagement with organizations who could bring a conservation education aspect to the interpretive offerings. Tourism data shows that interest in marine mega-fauna continues to grow and the potential value of that interest to the Southeast Alaska tourism industry is in the millions annually.

The topography of the Harbor Point parcel allows for the access trails and activity areas to be constructed with minimal site development. The prime goal of the development is to allow, to the greatest extent possible, the site to retain its secluded and unspoiled natural atmosphere for all to enjoy.



4a ESTIMATE of LONG-TERM, RECURRING REVENUES & SALE / LEASE REVENUES to CBS

Long Term Recurring Revenue	Basis Value	Percentage	Average Annual		
			Total	10 Year Total	20 Year Total
Sales Tax From Tour Sales	\$ 1,448,000	6.0%	\$ 86,880	\$ 868,800	\$ 1,737,600
Property Tax on Structures	\$ 1,015,000	0.6%	\$ 6,090	\$ 60,900	\$ 121,800
Revenue Sharing			\$ 212,586	\$ 2,125,863	\$ 4,454,959
Total			\$ 305,556	\$ 3,055,563	\$ 6,314,359

Annual Lease Fee	\$ 50,000	\$ 500,000	\$ 1,000,000
Total Potential CBS Revenue from all Sources	\$ 661,113	\$ 3,555,563	\$ 7,314,359





City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

March 5, 2021

VIA CERTIFIED MAIL/EMAIL
karl@sheeatika.com

Mr. Karl Potts
President and CEO
Shee Atika, Inc.
315 Lincoln Street # 300
Sitka, AK 99835

Re: Response to Request for Proposals: 4951 Halibut Point Road

Dear Mr. Potts,

The City and Borough of Sitka (CBS) would like to thank you and your partners for submitting a response to the Request for Proposals (RFP) for Lease/Sale for Development of a Portion of Lot 1, USS 3670, 4951 Halibut Point Road, Sitka, Alaska. Our internal review team has reviewed your response but felt unanimously that there were a few areas of clarification needed before a comprehensive evaluation can take place. Please find the areas requiring further explanation or detail below:

1. Site Plan

- a. The site plan provided in your response lacked the details requested in the RFP, particularly the approximate dimensions of buildings and improvements. It would be helpful for CBS to have a sense of the structure types proposed, particularly for the larger Salmon Bake and Welcome Center buildings. Please submit a site plan that provides these details.
- b. More specification on the parking area, including number of parking spots, is needed.
- c. CBS also wanted to note (as was described in Section A of the RFP) that the tidelands identified for use in your site plan, including the small offshore island for the Zipline use, are State of Alaska tidelands. Shee Atika and its partners will need to approach the State of Alaska to secure necessary approvals for use of these tidelands were the proposal to be accepted.

2. Utilities

- a. CBS will require the installation of permanent sewer services for development of this parcel per SGC 15.04.030 and cannot accept use of vault toilets for this site. A modified proposal with sewer infrastructure will be needed for CBS to evaluate the response.

3. Operating Plan

- a. Details on operating plan were not provided in the RFP response. In particular, CBS would like site control and operating hours to be addressed. Additionally, CBS would like more detail on the "high capacity vehicle passenger trams" to be utilized for transportation to the site from the cruise ship dock.

4. Financial Information

- a. In Section 10, Itemization of Revenues to CBS, we found an inconsistency in the data and could not replicate the total revenues based on the customer numbers and per person fee provided. Based on the provided assumptions, CBS found that total revenue sharing to CBS was overstated by approximately 25%. Please resubmit this section with assumptions and totals that are replicable.
- b. Section 4a, Estimate of Long-Term, Recurring Revenues & Sale/Lease Revenues to CBS, had similar data inconsistencies; the revenue sharing figures from Section 10 were used in the Section 4a analysis (which requires clarification per the above note). It also appears that in the Average Annual Total column, the Long-Term Recurring Revenue was doubled in arriving at the bottom line "Total Potential CBS Revenue from all Sources". Please resubmit this section with assumptions and totals that are replicable.

5. Public Access

- a. One of the evaluation criteria for the RFP is long-term, recreational benefits to the community. The response stated that "some aspects" of the development will be open year-round but didn't provide any specifics. Please provide more detail on the recreation benefits your proposal provides to the community.
- b. As described in Section A of the RFP, there is a public access easement along the mean high water of this property. The response did not address how development of the site will interact with, enhance, and/or manage public access rights to the tidelands. Please address how the site plan and operation plan will account for public access to tidelands.

6. Local Employment

- a. Section 2a of the response speaks to employment impacts as a result of the proposal, stating that seasonal positions directly benefit the community by providing jobs for local college students returning home for the summer and individuals working in winter seasonal positions such as the school system. However, Section 1a forecasts \$700,000 annual expense in employee housing which indicates that a significant portion of the positions will be filled by non-resident workers. Please provide anticipated resident versus non-resident employment for the development.

CBS requests that the modified submission be delivered by close of business on Monday, April 5, 2021. If Shee Atika and its partners require more time, please notify us of a more appropriate timeline. If a new timeline is not agreed upon, and a new submission is not received by April 5th, CBS will assume that SAI and its partners do not wish to modify their response and will evaluate it "as is".

Sincerely,



John M. Leach
Municipal Administrator

cc: Via Email Only:
Brian Hanson, Municipal Attorney
Amy Ainslie, Planning Director



April 2, 2021

John M. Leach
Municipal Administrator
100 Lincoln St.
Sitka, AK 99835

Re: Response to additional information requested with respect to Request for Proposals: 4951
Halibut Point Road

Dear Mr. Leach,

Please find below additional clarification as requested to complete our RFP response:

1. Site Plan

- a. The site plan provided in your response lacked the details requested in the RFP, particularly the approximate dimensions of buildings and improvements. It would be helpful for CBS to have a sense of the structure types proposed, particularly for the larger Salmon Bake and Welcome Center buildings. Please submit a site plan that provides these details
 - *A Site Plan is attached. All structures will be open on at least 3 sides and will be heavy timber frame construction.*
- b. More specification on the parking area, including number of parking spots, is needed.
 - *An additional parking area near Halibut Point Road that would contain 20 spaces is being proposed. The parking area shown on the site plan would contain 10 parking spaces. The City of Sitka General code does not contain a definition for this type of development and required parking. However, for retail developments, 1 parking space is required for every 300 SF of building space. A total of 6000 SF of total building space for all the structures is estimated, which would equate to 20 parking spaces being required. 30 spaces minimum will be provided. Parking is primarily for the tour shuttles. When tours are in operation, community access to the interior lot will not be accommodated. For potential community events in the off season, the lot adjacent to the road is being proposed. 30 spaces would exceed the City Code requirement.*
- c. CBS also wanted to note (as was described in Section A of the RFP) that the tidelands identified for use in your site plan, including the small offshore island for the Zipline use, are State of Alaska tidelands. Shee Atiká and its partners will need to

approach the State of Alaska to secure necessary approvals for use of these tidelands were the proposal to be accepted.

- *Shee Atiká and its partners acknowledge and accept that any proposed structures in, or use of, the tidelands will require approval by the State of Alaska. The Site Plan submitted is conceptual in nature. It is the goal of the developer to locate structures outside of the tidelands once the site layout is formally designed and the locations for the structures surveyed.*

2. Utilities

- a. CBS will require the installation of permanent sewer services for development of this parcel per SGC 15.04.030 and cannot accept use of vault toilets for this site. A modified proposal with sewer infrastructure will be needed for CBS to evaluate the response.
 - *The response from CBS indicated that there is a sewer line that is in the tidelands south of the property. The exact location of the sewer line is not known however a location for restrooms and the sewer line connection has been indicated on the site plan. A utility easement to run the sewer line is likely required, and thus we will connect to utilities per CBS code that are within 200 feet and we assume that a utility easement will be required either through the adjacent private property or from CBS in the tidelands.*

3. Operating Plan

- a. Details on operating plan were not provided in the RFP response. In particular, CBS would like site control and operating hours to be addressed. Additionally, CBS would like more detail on the “high-capacity vehicle passenger trams” to be utilized for transportation to the site from the cruise ship dock.
 - *Harbor Point will be overseen by the General Manager of Adventure Sitka. There will be 3 onsite Managers overseeing the welcome center, adventure attractions, and salmon bake. The hours of operations would generally complement the daily ship schedule. Typical port calls are between 7am and 6pm. Access to the site from the cruise pier would be provided by continuous shuttles of up to 4 buses with capacity of 48-62 passengers. There will be at least one bus that is equipped with an ADA lift for passengers with mobility restrictions.*

4. Financial Information

- a. In Section 10, Itemization of Revenues to CBS, we found an inconsistency in the data and could not replicate the total revenues based on the customer numbers and per person fee provided. Based on the provided assumptions, CBS found that total revenue sharing to CBS was overstated by approximately 25%. Please resubmit this

section with assumptions and totals that are replicable.

- *See revised table attached.*
- b. Section 4a, Estimate of Long-Term, Recurring Revenues & Sale/Lease Revenues to CBS, had similar data inconsistencies; the revenue sharing figures from Section 10 were used in the Section 4a analysis (which requires clarification per the above note). It also appears that in the Average Annual Total column, the Long-Term Recurring Revenue was doubled in arriving at the bottom line "Total Potential CBS Revenue from all Sources". Please resubmit this section with assumptions and totals that are replicable.
 - *See revised table attached.*
 - *Please note that excursions sold on the ships are subject to Sitka sales tax, which is paid by local tour operators. At a recent Planning Commission meeting, there were public comments that indicate a misunderstanding that cruises take a percentage of the tour price from the operator. It would seem that non-tour businesses and community members do not understand the relationship between vendors and cruise lines. We understand that the Chamber is working hard to correct the misperception and get the facts into public domain.*

5. Public Access

- a. One of the evaluation criteria for the RFP is long-term, recreational benefits to the community. The response stated that "some aspects" of the development will be open year-round but didn't provide any specifics. Please provide more detail on the recreation benefits your proposal provides to the community.
 - *Per pages 12 and 16 of the original proposal response: "Harbor Point recreation Park amenities will be available for rental to local Sitka organizations, when safe and reasonable, during off-season periods." "Access to aspects of the development would be open year-round..... The development would provide venues for community events in the off-season and during days and hours when tours are not being held."*
- b. As described in Section A of the RFP, there is a public access easement along the mean high water of this property. The response did not address how development of the site will interact with, enhance, and/or manage public access rights to the tidelands. Please address how the site plan and operation plan will account for public access to tidelands.
 - *The proposed development structures will not encroach on the public access easement. The proposed trail will likely come up alongside the easement to facilitate the occasional low tide guided educational exploration of the tidelands as an integral aspect of the cultural heritage of the Tlingit people. The proposed dock gangway will bridge across the tidelands. Public access to the tidelands will remain. The public will be encouraged to use*

one the proposed trails to access the tidelands as opposed to the social trails that are currently used.

6. Local Employment

- a. Section 2a of the response speaks to employment impacts as a result of the proposal, stating that seasonal positions directly benefit the community by providing jobs for local college students returning home for the summer and individuals working in winter seasonal positions such as the school system. However, Section 1a forecasts \$700,000 annual expense in employee housing which indicates that a significant portion of the positions will be filled by non-resident workers. Please provide anticipated resident versus non-resident employment for the development.
 - *100% local hire is the goal for Harbor Point. Based on past experience in Alaskan cruise ports, the labor demand exceeds local interest. Adventure Sitka has typically filled positions with 40% local hire then they have to recruit outside of the community for the remaining demand. The goal to attract more local hire including for the full-time positions. The housing outlined in the RFP is for the full Adventure Sitka operation which includes other tour activities outside of the Harbor Point site. It is not feasible to try to identify the portion of HP employees that will use the proposed housing at this point in time, as local hire will fluctuate year to year. Adventure Sitka will be providing employee housing for up to 18 people for their operations without the Harbor Point development, so that the local housing market is not impacted by the seasonal demand tour operators typically place on the location.*

Shee Atiká and Adventure Sitka would like to conclude by emphasizing that our proposed lease arrangement with the CBS has upside potential in that as the number of cruise passengers increase over time, the revenue sharing potential for the CBS increases as well. "The tide" of increased demand for excursion capacity will "float all boats" in the Sitka community. We intend for this project to be as beneficial for the community as we can possibly make it. Conversely, if we don't expand our offerings, we will lose port calls from ships and we thus risk losing out as a community. This is contrasted to other discussed uses of the subject property such as housing which would be a static, one-time transaction and will result in loss of public property to private ownership and risk denuding the shore-side grandeur and beauty of the area.

Sincerely,

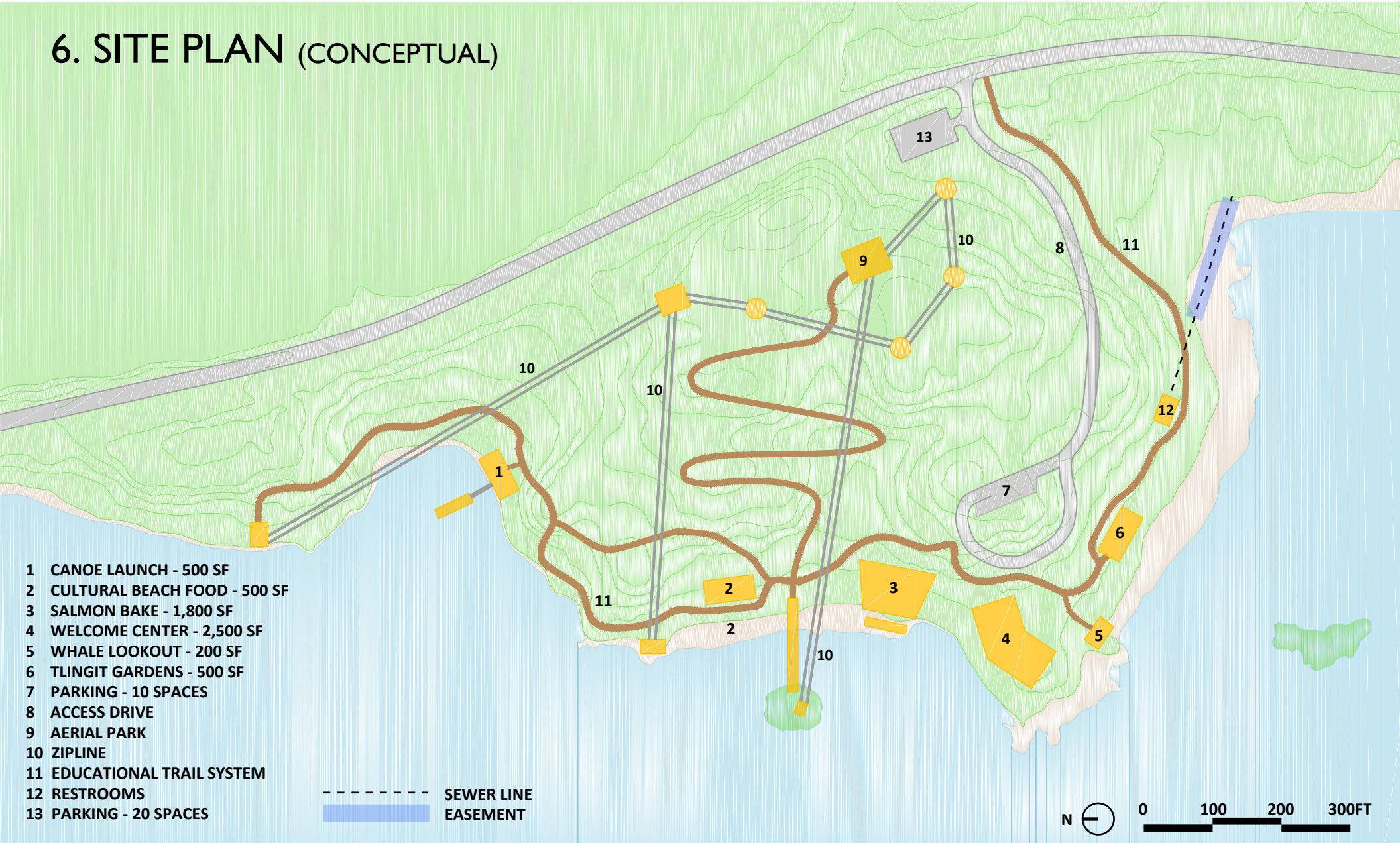


Karl Potts
Shee Atiká CEO

6. SITE PLAN (CONCEPTUAL)

- 1 CANOE LAUNCH - 500 SF
- 2 CULTURAL BEACH FOOD - 500 SF
- 3 SALMON BAKE - 1,800 SF
- 4 WELCOME CENTER - 2,500 SF
- 5 WHALE LOOKOUT - 200 SF
- 6 TLINGIT GARDENS - 500 SF
- 7 PARKING - 10 SPACES
- 8 ACCESS DRIVE
- 9 AERIAL PARK
- 10 ZIPLINE
- 11 EDUCATIONAL TRAIL SYSTEM
- 12 RESTROOMS
- 13 PARKING - 20 SPACES

----- SEWER LINE
EASEMENT



I0. ITEMIZATION OF REVENUES to CBS

	Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10 Year Total	Years 2032- 2041***	20 Year Total
Anticipated Passenger Count		370266	368266	368266	389624	431124	490124	490124	563124	563124	563124			
Cultural Experience														
Shore Ex Customers*		27,029	26,883	26,883	28,443	31,472	35,779	35,779	41,108	41,108	41,108	335,593	411,081	746,674
Revenue to CBS (fee per person)	\$ 4	\$ 108,118	\$ 107,534	\$ 107,534	\$ 113,770	\$ 125,888	\$ 143,116	\$ 143,116	\$ 164,432	\$ 164,432	\$ 164,432	\$ 1,342,372	\$ 1,808,754	\$ 3,151,127
Aerial Adventure Park														
Shore Ex Customers**		7,776	7,734	7,734	8,182	9,054	10,293	10,293	11,826	11,826	11,826	96,540	118,256	214,797
Revenue to CBS (fee per person)	\$ 4	\$ 31,102	\$ 38,668	\$ 38,668	\$ 40,911	\$ 45,268	\$ 51,463	\$ 51,463	\$ 59,128	\$ 59,128	\$ 59,128	\$ 474,927	\$ 520,327	\$ 995,253
Total Revenue Sharing to CBS		\$ 139,220	\$ 146,202	\$ 146,202	\$ 154,681	\$ 171,156	\$ 194,579	\$ 194,579	\$ 223,560	\$ 223,560	\$ 223,560	\$ 1,817,299	\$ 2,329,081	\$ 4,146,380
Base Lease		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Annual Revenue to CBS		\$ 189,220	\$ 196,202	\$ 196,202	\$ 204,681	\$ 221,156	\$ 244,579	\$ 244,579	\$ 273,560	\$ 273,560	\$ 273,560	\$ 2,317,299	\$ 2,829,081	\$ 5,146,380

* Cultural Experience Shore Ex is projected to be **7.3%** of the annual anticipated passenger count

Aerial Adventure Park Shore Ex is projected to be **2.1% of the annual anticipated passenger count

*** Years 2032-2041 there will be a 10% increase in the fee per person = \$4.40

4a. ESTIMATE of LONG-TERM, RECURRING REVENUES & SALE/LEASE REVENUES to CBS

Long Term Recurring Revenue to CBS	Basis Value	Percentage	Average Annual		
			Total	10 Year Total	20 Year Total
Sales Tax From Tour Sales	\$ 207,319	6.0%	\$ 12,439	\$ 124,391	\$ 248,783
Property Tax on Structures	\$ 1,015,000	0.6%	\$ 6,090	\$ 60,900	\$ 121,800
Revenue Sharing			\$ 207,319	\$ 1,817,299	\$ 4,146,380
Total			\$ 225,848	\$ 2,002,591	\$ 4,516,963
Annual Lease Fee			\$ 50,000	\$ 500,000	\$ 1,000,000
Total Potential CBS Revenue from all Sources			\$ 275,848	\$ 2,502,591	\$ 5,516,963

Sent Tues 4/13/2021 1:00 PM

Karl,

We're moving forward with the scoring of your proposal and presentation to the Assembly. In reviewing your resubmission, we still found a few inconsistencies that I hope you could clarify. We won't hold up the process waiting for the corrections, but wanted to give you the opportunity to correct them, nonetheless.

On Section 10. Itemization of Revenues to CBS:

The total revenue sharing to CBS in years 2023-2031 still appears to be overstated. We back calculated the anticipated revenues based on your assumptions, and still find that your bottom line numbers for "Total Revenue Sharing to CBS" is overstated. Either the fee per person you used to get to your bottom line is higher than \$4 (we calculate that if the revenue numbers are right, and the visitor numbers are right, the fee per person is \$4.22), or the visitor numbers are higher than your stated numbers (we calculate that if the revenue numbers are right, and the fee per person is \$4 in this timeframe, visitor numbers are off by ~2000-3000 visitors per year). The totals that you provided for the 2032-2041 timeframe are replicable, so those appear accurate.

On Section 4a. Estimate of Long-term, Recurring Revenues & Sale/Lease Revenues to CBS:

The basis value for sales tax as stated is \$207,319, which is oddly the same number as the average annual total for Revenue Sharing with CBS. This would imply that the price for the tours is significantly lower than the prior submission – can we confirm that this is correct? Also, the numbers that appear inaccurate in Section 10 are an input for this table, so that will need to be updated in this section as well.

Thanks in advance for the clarification, and we hope to have some results out soon.

Best,



John M. Leach
Municipal Administrator
City and Borough of Sitka, Alaska
100 Lincoln Street, Sitka, Alaska, 99835
(907) 747-1812
administrator@cityofsitka.org

Received Thurs 4/15/2021 2:04 PM

Good afternoon John,

Please find attached the corrected versions of the spreadsheets associated with Sections 10 and 4a. Rather than sending you a flat file, you now have the actual Excel sheet. Your staff was correct in identifying the errors, the source of which seemed to primarily that a couple of cells had hard coded entries rather than formulas. Since the tables were linked, the error in one rippled into the next. The result of course is a reduction in the 20 year projection of approximately \$90,000. As you know, this is merely a projection but from an evaluative perspective, it is important to be able to validate the estimation.

We hope this correction finds good favor with you. As always, we stand ready to respond to any further questions you may have. Feel free to contact me at any time.

Very respectfully yours,



Karl Potts
President / CEO
Shee Atiká, Inc.
315 Lincoln Street, Suite 300
Sitka, AK 99835
O: 907.747.3534
E: karl@sheeatika.com
Website: www.sheeatika.com

		Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10 Year Total	Years 2032- 2041***	20 Year Total
Anticipated Passenger Count			370,266	368,266	368,266	389,624	431,124	490,124	490,124	563,124	563,124	563,124			
Cultural Experience															
Shore Ex Customers*			27,029	26,883	26,883	28,443	31,472	35,779	35,779	41,108	41,108	41,108	335,593	411,081	746,674
Revenue to CBS (fee per person)	\$ 4	\$	108,118	\$ 107,534	\$ 107,534	\$ 113,770	\$ 125,888	\$ 143,116	\$ 143,116	\$ 164,432	\$ 164,432	\$ 164,432	\$ 1,342,372	\$ 1,808,754	\$ 3,151,127
Aerial Adventure Park															
Shore Ex Customers**			7,776	7,734	7,734	8,182	9,054	10,293	10,293	11,826	11,826	11,826	96,540	118,256	214,797
Revenue to CBS (fee per person)	\$ 4	\$	31,102	\$ 30,934	\$ 30,934	\$ 32,728	\$ 36,214	\$ 41,170	\$ 41,170	\$ 47,302	\$ 47,302	\$ 47,302	\$ 386,162	\$ 520,327	\$ 906,489
Total Revenue Sharing to CBS			\$ 139,220	\$ 138,468	\$ 138,468	\$ 146,499	\$ 162,103	\$ 184,287	\$ 184,287	\$ 211,735	\$ 211,735	\$ 211,735	\$ 1,728,534	\$ 2,329,081	\$ 4,057,615
Base Lease															
		\$	50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Annual Revenue to CBS			\$ 189,220	\$ 188,468	\$ 188,468	\$ 196,499	\$ 212,103	\$ 234,287	\$ 234,287	\$ 261,735	\$ 261,735	\$ 261,735	\$ 2,228,534	\$ 2,829,081	\$ 5,057,615

* Cultural Experience Shore Ex is projected to be **7.3%** of the annual anticipated passenger count

Aerial Adventure Park Shore Ex is projected to be **2.1% of the annual anticipated passenger count

*** Years 2032-2041 there will be a 10% increase in the fee per person = \$4.40

Long Term Recurring Revenue to CBS	Basis Value	Percentage	Average Annual		
			Total	10 Year Total	20 Year Total
Sales Tax From Tour Sales	\$ 202,881	6.0%	\$ 12,173	\$ 121,728	\$ 243,457
Property Tax on Structures	\$ 1,015,000	0.6%	\$ 6,090	\$ 60,900	\$ 121,800
Revenue Sharing			\$ 202,881	\$ 1,728,534	\$ 4,057,615
Total			\$ 221,144	\$ 1,911,163	\$ 4,422,872

Annual Lease Fee	\$ 50,000	\$ 500,000	\$ 1,000,000
Total Potential CBS Revenue from all Sources	\$ 271,144	\$ 2,411,163	\$ 5,422,872

Sent Mon 4/19/2021 12:37 PM

Karl,

Thank you for finding those errors in the 20 Year Projection, those now appear to be consistent with the provided assumptions. However, on the Total Revenue sheet, the basis value for sales tax still seems off. Based on the formula in the provided Excel sheet, your basis value for sales tax is your 20 year total of "Total Revenue Sharing to CBS" (which is cell Q23 on the 20 Year Projection tab) divided by 20 – i.e. an annual average of CBS revenues. Does this mean that the intended ticket price/entrance fee for visitors is \$8, half of which goes to CBS? On your original submission, the basis value for sales tax was \$1,448,000 – based on the average of the 2022-2031 customer numbers you provided, ~43,213 customers annually, this would result in an average ticket price of ~\$33.50. Was this an intentional change between submissions?

Best,



John M. Leach

Municipal Administrator

City and Borough of Sitka, Alaska

100 Lincoln Street, Sitka, Alaska, 99835

(907) 747-1812

administrator@cityofsitka.org

Received Wed 4/21/2021 11:50 AM

Greetings John,

Thanks for your note. I've attached a memo to you with explanations to both of your questions from Monday. I hope my response provides clarity and aids in your evaluation of our proposal. We view this opportunity as an important driver to the community of Sitka, both in terms of development work to be done in 2021 and more importantly, in 2022 and for years to come.

Please feel free to contact me with any additional questions you may have.

Cheers,

Karl

Karl Potts

President / CEO

Shee Atika, Inc.

315 Lincoln St., Suite 300

Sitka, AK 99835

O: 907.747.3534

Email: karl@sheeatika.com

Website: www.sheeatika.com





SHEE ATIKÁ
Incorporated

April 21, 2021

John M. Leach
Municipal Administrator
100 Lincoln St.
Sitka, AK 99835

Re: Response to questions with respect to Request for Proposals: 4951 Halibut Point Road

Greetings John,

Please find below Shee Atika's additional clarification to your questions dated April 19, requested to complete our RFP response:

- 1. "Based on the formula in the provided Excel sheet, your basis value for sales tax is your 20 year total of "Total Revenue Sharing to CBS" (which is cell Q23 on the 20 Year Projection tab) divided by 20 – i.e. an annual average of CBS revenues. Does this mean that the intended ticket price/entrance fee for visitors is \$8, half of which goes to CBS?"**

The intended ticket price to be presented to the cruise lines is estimated to be \$45 per person for the Cultural program and \$122 per person for the Aerial Adventure program. Shee Atika had indicated that the "revenue sharing" to CBS as presented were estimations for evaluation purposes, based on what we know of cruise schedules in 2022 and out-years. For each year of the initial lease, \$4 per person for each program will be paid to CBS as payment on the lease. It is important to note that until negotiations are finalized with the cruise lines, all numbers are estimates and provided as a gauge of possible anticipated revenues. This will vary from year to year.

2. **“On your original submission, the basis value for sales tax was \$1,448,000 – based on the average of the 2022-2031 customer numbers you provided, ~43,213 customers annually, this would result in an average ticket price of ~\$33.50. Was this an intentional change between submissions?”**

- a. *There was a formulaic error in the spreadsheet used for the original submission which has been corrected in the attached spreadsheet. On the “CBS Total Revenue” tab, the Basis Value (BV) is essentially the average annual total sales over a 20-year time frame. BV is projected to be \$2,990,274. Assuming the sales tax rate remains at 6%, the average annualized sales tax revenue is computed as \$179,416. The 10 year and 20 year totals are extrapolated accordingly.*

It is important to note that all numbers are estimates and will vary based on actual landed passengers and cruise ship visits. The projections are provided as a gauge of possible anticipated revenues, which will vary from year to year.

As always, please contact me should you have additional questions.

Very respectfully yours,

A handwritten signature in black ink, appearing to read 'Karl Potts', with a stylized flourish at the end.

Karl Potts

President & CEO

E: karl@sheeatika.com

	Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10 Year Total	Years 2032- 2041***	20 Year Total
Anticipated Passenger Count		370,266	368,266	368,266	389,624	431,124	490,124	490,124	563,124	563,124	563,124			
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Shore Ex Customers*		27,029	26,883	26,883	28,443	31,472	35,779	35,779	41,108	41,108	41,108	335,593	411,081	746,674
Revenue to CBS (fee per person)	\$ 4	\$ 108,118	\$ 107,534	\$ 107,534	\$ 113,770	\$ 125,888	\$ 143,116	\$ 143,116	\$ 164,432	\$ 164,432	\$ 164,432	\$ 1,342,372	\$ 1,808,754	\$ 3,151,127
Aerial Adventure Park														
Shore Ex Customers**		7,776	7,734	7,734	8,182	9,054	10,293	10,293	11,826	11,826	11,826	96,540	118,256	214,797
Revenue to CBS (fee per person)	\$ 4	\$ 31,102	\$ 30,934	\$ 30,934	\$ 32,728	\$ 36,214	\$ 41,170	\$ 41,170	\$ 47,302	\$ 47,302	\$ 47,302	\$ 386,162	\$ 520,327	\$ 906,489
Total Revenue Sharing to CBS		\$ 139,220	\$ 138,468	\$ 138,468	\$ 146,499	\$ 162,103	\$ 184,287	\$ 184,287	\$ 211,735	\$ 211,735	\$ 211,735	\$ 1,728,534	\$ 2,329,081	\$ 4,057,615
Base Lease		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Total Annual Revenue to CBS		\$ 189,220	\$ 188,468	\$ 188,468	\$ 196,499	\$ 212,103	\$ 234,287	\$ 234,287	\$ 261,735	\$ 261,735	\$ 261,735	\$ 2,228,534	\$ 2,829,081	\$ 5,057,615

* Cultural Experience Shore Ex is projected to be **7.3%** of the annual anticipated passenger count

Aerial Adventure Park Shore Ex is projected to be **2.1% of the annual anticipated passenger count

*** Years 2032-2041 there will be a 10% increase in the fee per person = \$4.40

Long Term Recurring Revenue to CBS	Basis Value	Percentage	<i>Average Annual</i>		
			<i>Total</i>	10 Year Total	20 Year Total
Sales Tax From Tour Sales	\$ 2,990,274	6.0%	\$ 179,416	\$ 1,794,165	\$ 3,588,329
Property Tax on Structures	\$ 1,015,000	0.6%	\$ 6,090	\$ 60,900	\$ 121,800
Revenue Sharing			\$ 202,881	\$ 1,728,534	\$ 4,057,615
Total			\$ 388,387	\$ 3,583,599	\$ 7,767,745

Annual Lease Fee	\$ 50,000	\$ 500,000	\$ 1,000,000
Total Potential CBS Revenue from all Sources	\$ 438,387	\$ 4,083,599	\$ 8,767,745

RFP for Lease/Sale for Development of a portion of Lot 1, USS 3670
Physical Address 4951 Halibut Point Road, Sitka, AK 99835

Proposer: Shee Atika Inc., Adventure Sitka, McG Construction

Scoring Date: April 19, 2021

Criteria	Min to Max Points Available	Score
1. Development Dollars Invested by Proposer <i>Investments in development ripple throughout the economy. How much investment will be made in developing the property, and what are the local benefits of that investment?</i>	0 to 15	8.4
2. Employment Impact <i>What employment opportunities does sale/lease/development of this parcel create? Are the jobs created year-round positions with living wages? Are the positions short-term (temporary) or long-term (permanent)?</i>	0 to 15	7.3
3. Long-term, Recreational Benefits to the Community <i>Public access easements to the waterfront must be maintained. What improvements will be made to enhance the long-term, recreational benefits to the community as a whole?</i>	0 to 10	5.9
4. Long-term, Recurring Revenues to CBS <i>What are the anticipated revenues from property tax, sales tax, utility usage, and any special revenues (revenue sharing, royalties, etc.) that CBS can expect as a result of the proposal? Are all assumptions and background information for calculating anticipated revenues clear, reasonable, and replicable? How vulnerable are these anticipated revenues to changes in market/economic conditions? How soon after execution of a sale or lease will CBS realize these revenues?</i>	0 to 25	15.5
5. CBS Sale/Lease Revenues <i>What is the proposed sale/lease price, and how does that compare to other proposals? Points in this category will be based upon the following formulas: Proposed Sale: (Your Purchase Price/Highest Purchase Price) X 35 points Proposed Lease: (Your Lease Price/Highest Lease Price) X 35 points</i>	0 to 35	35
TOTAL	100	72.1