

Step 1

Update on the proposal for a marine haulout at the Gary Paxton Industrial Park / land trade

Step 2

Discussion / Direction / Decision to proceed with a Request for Proposals for approximately 17 acres of Lot 1 USS 3670 known as 4951 Halibut Point Road.

Step 3

Possible Motion

I MOVE to direct the Interim Municipal Administrator to prepare a Request for Proposals for approximately 17 acres of Lot 1 USS 3670 using a best value to the community evaluation.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members

From: Hugh Bevan, Interim Municipal Administrator *AB*

Date: December 16, 2019

Subject: Gary Paxton Industrial Park Haul Out and City and Borough of Sitka Land Trade

Background

On November 19, 2019 we received a proposal from Halibut Point Marine (HPM) that acknowledged public statements that they were eliminating their public vessel haul out business in summer 2021.

To address the concerns of the community that this essential public service be preserved HPM proposed financing and constructing a haul out at Gary Paxton Industrial Park (GPIP) in exchange for a certain 17 acre parcel of City land.

The 17-acre parcel is part of a larger 801-acre conveyance from the State of Alaska that occurred in 1988 named Lot 1, USS 3670. A subdivision of Lot 1 is required to separate the 17- acre parcel.

On December 4, 2019 the GPIP Board took extensive public testimony on the haul out concept. This testimony was overwhelmingly in favor of constructing a haul out at GPIP.

The Board passed the following motion:

“ M/S Stevens/Morrison moved to recommend the CBS Assembly moves forward with negotiations on Mr. McGraw’s proposal contingent on that the marine piers are at least 26 feet wide, that the 100 ton Marine Travel Lift is new and not used equipment, that additional wash down space is added to the proposal, that a finger float is added, that additional infrastructure on marine piers is added to allow for people to exit the vessels before vessel is hauled”

Motion Passed 5-0

Legal Analysis

Both Charter Section 11.14(b) and Sitka General Code Section 18.12.010 state that sale of municipal property shall be by competitive bid unless the Assembly finds that competitive bid is inappropriate. The examples given for “inappropriate” do not fit well with the concept of trading land for a haul out.

Charter Section 11.16, Permanent Fund, requires that the net proceeds for the sale of any municipal property shall be deposited into the Sitka Permanent Fund. However, if there is a trade based on “best value” no net proceeds would be available or necessary to deposit into the Permanent Fund.

A request-for-proposals process could occur that allows respondents to offer cash and cash equivalent compensation for the land in question. A set of criteria for evaluating the offers can be written that will lead to a “best value” to the community recommendation.

The competitive process, RFP method satisfies the Charter and the Code.

Fiscal Note

An initial value by the Assessor of the 17 acres after re-zoning to Waterfront District is about \$1.95 million.

The estimated costs to CBS are:

- A General Fund expense of \$35,000 to perform the survey, plat and appraisal work for the 17-acre parcel of land.
- A GPIIP expense of \$30,000 to relocate certain electric utilities that presently exist and conflict with the proposal haul out location.

Recommendation

Direct staff to prepare a Request for Proposals that will offer approximately 17 acres of Lot 1 USS 3670 known as 4951 Halibut Point Road for cash or a cash equivalent benefit using a best value to the community evaluation.

Attachments: GPIIP haul out location map
Location map for the 17-acre CBS land parcel