



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, June 30, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

V. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VI. NEW BUSINESS:

- A** [20-135](#) Appoint an Assembly Member to the University of Alaska Southeast Sitka Campus Advisory Council

Attachments: [01 Appointment](#)

[02 UAS Campus Advisory Councils _ University of Alaska Southeast](#)

[03 UAS Sitka Campus Advisory Council letter](#)

[04 Sitka Start Flyer](#)

- B** [20-134](#) Discussion / Direction / Decision regarding a contract to construct, maintain, and operate a haulout and shipyard at the Gary Paxton Industrial Park with Sitka Industrial Marine Shipyard, LLC (SIMS) formerly WC Enterprises

Attachments: [01 Discussion Direction Decision](#)

[02 Memo](#)

[04 SIMS Terms](#)

VII. PERSONS TO BE HEARD

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

VIII. EXECUTIVE SESSION

Not anticipated.

IX. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Regular Assembly meetings are livestreamed through the City's website, aired live on KCAW FM 104.7, and broadcast live on local television channel 11. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Melissa Henshaw, CMC, Acting Municipal Clerk
Publish: June 26, 2020*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-135 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 6/25/2020 **In control:** City and Borough Assembly

On agenda: 6/30/2020 **Final action:**

Title: Appoint an Assembly Member to the University of Alaska Southeast Sitka Campus Advisory Council

Sponsors:

Indexes:

Code sections:

Attachments: [01 Appointment](#)
[02 UAS Campus Advisory Councils _ University of Alaska Southeast](#)
[03 UAS Sitka Campus Advisory Council letter](#)
[04 Sitka Start Flyer](#)

Date	Ver.	Action By	Action	Result
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Appointment to the University of Alaska Southeast Sitka Campus Advisory Council

I nominate _____, to the University of Alaska
Southeast Sitka Campus Advisory Council.

MAYOR PAXTON				
MR. EISENBEISZ				
MR. MOSHER				
MR. KNOX				
DR. WEIN				
MS. NELSON				
MR. CHRISTIANSON				

Campus Advisory Councils

Board of Regents Policy [02.04.04](#)

In recognition of the importance of citizen involvement in the planning and implementation of higher education programs and services for the state of Alaska, the Board of Regents hereby establishes Campus Councils for the University of Alaska Southeast. These councils, advisory in nature, shall offer guidance to each local educational unit and serve as a link for its public constituencies to the Board of Regents.

The chancellor shall appoint no fewer than 7 and no more than 15 persons to serve on a council in Juneau and in each community or region where a university campus is located. Council membership should be broadly representative of the constituencies served by the campus.

Council members shall serve without compensation but may be reimbursed for reasonable and necessary travel expenses in accordance with Policy and Regulation.

- [Membership](#)
- [Juneau](#)
- [Ketchikan](#)
- [Sitka](#)

Sitka Campus Advisory Council

Name	Business / Organization
Garry White Chair	Sitka Economic Development Association
Lisa Busch	Sitka Sound Science Center
Tristan Guevin	Sitka Tribe of Alaska
John Leach	City and Borough of Sitka, City Administrator
Cdr. Brian McLaughlin	US Coast Guard Air Station
Bonnie Richards	Retired, Business
Rachel Roy	Greater Sitka Chamber of Commerce, Executive Director
Tim Ryan	North Pacific Seafoods
Bob Sam	Sitka Tribe of Alaska
Roger Schmidt	Sitka Fine Arts Camp, Executive Director
Fran Schwuchow	Alaska Employment Services
John Stein	Retired, Business
Janelle Vanasse	Mt. Edgecumbe High School, Superintendent

Ex-Officio Members

Dr. Richard A Caulfield	UAS Chancellor
Dr. Karen Carey	UAS Provost
Dr. Paul Kraft	UAS Sitka Campus Director

Sitka Campus Advisory Council meetings are held once a semester.

Meetings are held from 11:30 a.m. to 1:00 p.m. in room 229.

**President Jim Johnsen
University of Alaska System
ua.president@alaska.edu**

**University of Alaska Board of Regents
c/o Board of Regents Chair, Sheri Buretta
ua-bor@alaska.edu**

Dear President Johnsen and the University of Alaska Board of Regents,

As the University of Alaska Southeast (UAS) Sitka Campus Advisory Council, we are committed to supporting UAS and the UAS Sitka Campus in its mission of "student learning enhanced by faculty scholarship, undergraduate research and creative activities, community engagement, and the cultures and environment of Southeast Alaska," and to ensuring that UAS is recognized as a destination of choice for students seeking excellent academic programs and engaging learning opportunities that integrate the environment and cultures of Southeast Alaska.

Much like UAS, the Sitka Campus Advisory Council (SCAC) leads with the values of excellence, diversity, access, collaboration, sustainability, and stewardship, and works to ensure that these values are upheld within the SCAC, at the Sitka Campus, and throughout the whole of the UAS and University of Alaska (UA) systems.

The UAS SCAC has been closely following the discussions leading up the Board of Regents' Amended Transformation Motion to study a structural option involving the merger of UAS and the University of Alaska Fairbanks (UAF), and to produce a conceptual plan by October 15, 2020.

Much like our counterparts on the UAS Juneau Campus Advisory Council, the UAS Sitka Campus Advisory Council shares the concerns expressed in the "Comments on UA Board of Regents Structural Options for UA Transformation that Impact UAS," as well as the concerns and sentiments expressed by the City and Borough of Sitka in their June 3, 2020 letter opposing any options that would eliminate UAS as a separate university within the UA system. You have heard similar concerns from communities throughout Southeast Alaska, and from the many individuals and organizations with whom UAS and the UAS Sitka Campus partner to make it the exceptional university and economic driver that it represents for our region and state.

It thus came as a disappointment to see the concerns of Southeast Alaska communities seemingly ignored and rejected when the motion to explore a structural option passed on a vote of 7 to 4 at the June 4, 2020 UA Board of Regents meeting.

As we understand it, the UA Board of Regents has subsequently stressed that the motion was made not to eliminate UAS, but rather to look for opportunities to strengthen and enhance the UA system in Southeast Alaska.

As representatives of the UAS Sitka Campus, its many community partners, and the community of Sitka as a whole, we are requesting that the UA Board of Regents include the UAS SCAC in the entire process of exploring UA structural options. We are requesting involvement in the study and conceptual planning outlined in the Amended Transformation Motion of June 4, 2020, as well as any subsequent discussions and decision making that affect UAS and the UAS Sitka Campus.

As the UAS SCAC, we hope to be actively and equitably involved in exploring the many options that we believe can meet the UA Board of Regents' larger goals for the UA system, and we are committed to working with the UA Board of Regents and other community advisory councils to help determine a future for the UA system and UAS that will ensure access to a high-quality university education in our region through a separately accredited university that has existed for more than 30 years.

Sincerely,

Garry White, Chair
On Behalf of the UAS Sitka Campus Advisory Council

cc:
UA Board of Regents
UAS Sitka Campus Advisory Council

Two hikers with backpacks stand on a rocky mountain peak, looking out over a vast landscape of green valleys and distant mountain ranges under a blue sky with scattered clouds.

SITKA START

LOOKING TOWARD YOUR FUTURE NOW

- ★ Transferable & affordable classes
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- ★ Flexible schedule



UNIVERSITY
of ALASKA
SOUTHEAST

SITKA CAMPUS

907-747-7717

sitka.advising@alaska.edu

UA is an AA/EO employer and educational institution and prohibits illegal discrimination against any individual: www.alaska.edu/nondiscrimination.

Students of any age residing in Sitka with less than 30 college credits are eligible.

Help is available to:

- Apply for admission to a UAS Sitka Campus degree program
- Complete the online University of Alaska Scholarship application
- Register for Humanities 120, A Sense of Place: Alaska and Beyond (3 credits)
- Register for at least another 3 credits from the Fall 2020 UAS Semester Course Schedule
- Attend the August 2020 Sitka Start Orientation
- Receive a \$250 book stipend and a one-credit tuition waiver for each advisor approved class (\$234 per course)

Talk with an Advisor today!

Additional Benefits and Opportunities:

- An affordable way to start your college career
- Take general education classes that apply to multiple fields of interest
- Study with local professors
- Get personalized assistance with obtaining financial aid
- Access local tutoring and student support
- Work on campus as a student worker
- Participate in student leadership activities
- Build connections that support your education and career goals



UNIVERSITY
of ALASKA
SOUTHEAST

SITKA CAMPUS

907-747-7717

sitka.advising@alaska.edu



Sitka Programs

HealthCare

Fisheries Technology

Arts & Sciences & Other

The following programs are available at the University of Alaska Southeast Sitka Campus*

HEALTHCARE

Occupational Endorsements

Certified Nurse Aide
Healthcare Information Technology

Certificates

Coding Specialist
Healthcare Privacy & Security
Medical Assisting
Pre-Nursing Qualifications
Pre-Radiologic Tech Qualifications

Associate of Applied Science

Health Sciences
Health Information Management
Nursing**

** Available in Sitka through the University of Alaska Anchorage

FISHERIES TECHNOLOGY

Occupational Endorsements

Alaska Salmon Enhancement
Fisheries Management

Certificates

Alaska Salmon Enhancement
Fisheries Management

Associate of Applied Science

Fisheries Technology

ARTS & SCIENCES

Occupational Endorsements

Northwest Coast Art

Associate Degrees

Associate of Arts
❖ General Studies
❖ Northwest Coast Art
Associate of Science

OTHER

Occupational Endorsements

Welding
Scientific Diving

*UAS Sitka also supports all of the available online courses through UAS

Talk with an advisor today!

Cheryl Stromme | 907-747-7781 | cstromme@alaska.edu

David Felts | 907-747-7705 | dgfelts@alaska.edu

catalog.uas.alaska.edu | uas.alaska.edu/apply/programs

UAS Sitka Campus | 1332 Seward Ave | Sitka AK 99835

907-747-7717 | sitka.advising@alaska.edu

May 2020

Online Programs

Health Care

Fisheries

Arts & Sciences

Business

Education

The following programs are available entirely online through the University of Alaska Southeast

HEALTHCARE

Occupational Endorsements

Healthcare Information Technology

Behavioral Health Assistant

Certificates

Coding Specialist

Healthcare Privacy & Security

Medical Assisting (requires in-person clinicals)

Pre-Radiologic Tech Qualifications

Associate of Applied Science

Health Information Management

FISHERIES TECHNOLOGY

Occupational Endorsements

Alaska Salmon Enhancement

Fisheries Management

Certificates

Alaska Salmon Enhancement

Fisheries Management

Associate of Applied Science

Fisheries Technology

ARTS & SCIENCES

Associate Degrees

Associate of Arts

❖ General Studies

❖ Northwest Coast Art

Associate of Science

Bachelor Degrees

Bachelor of Arts in Social Science

Bachelor of Liberal Arts

BUSINESS

Occupational Endorsements

Accountant

Financial Institutions

Certificates

Accounting Technician

Small Business Management

Associate of Applied Science

Business Administration

Bachelors Degrees

Business Administration

Masters

Public Administration

EDUCATION*

Bachelors Degrees

Elementary Education

Special Education

Masters Degrees

Master of Arts in Teaching

Master of Education

*All education programs require in-person student teaching which can be completed in communities throughout Alaska

Talk with an advisor today!

Cheryl Stromme | 907-747-7781 | cstromme@alaska.edu

David Felts | 907-747-7705 | dgfelts@alaska.edu

catalog.uas.alaska.edu | uas.alaska.edu/apply/programs

UAS Sitka Campus | 1332 Seward Ave | Sitka AK 99835

907-747-7717 | sitka.advising@alaska.edu



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-134 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/24/2020 In control: City and Borough Assembly

On agenda: 6/30/2020 Final action:

Title: Discussion / Direction / Decision regarding a contract to construct, maintain, and operate a haulout and shipyard at the Gary Paxton Industrial Park with Sitka Industrial Marine Shipyard, LLC (SIMS) formerly WC Enterprises

Sponsors:

Indexes:

Code sections:

Attachments: [01 Discussion Direction Decision](#)
[02 Memo](#)
[04 SIMS Terms](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction / Decision

regarding a contract to construct, maintain, and operate a haulout and shipyard at the Gary Paxton Industrial Park with Sitka industrial marine Shipyard, LLC (SIMS) formerly WC Enterprises.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members

From: John Leach, Municipal Administrator

Date: June 25, 2020

Subject: GPIIP Haul Out Request for Proposal

Background

The CBS haul out negotiation team has met the past month with WC Enterprises (now SIMS), the entity selected by the CBS Selection Committee from the CBS RFP process to develop a marine haul out facility. WC Enterprises has since changed its entity name to Sitka Industrial Marine Shipyard, LLC (SIMS).

The GPIIP Board of Directors met on June 22nd, 2020 and approved the following motion:

MOTION: **M/S Johnson/Stevens** Moved to recommend that the CBS Assembly approve the terms presented by the CBS negotiation team contingent on legal review of the RFP process

ACTION: **Motion PASSED 4/0 on a roll call vote.**

Attached are proposed terms for the development of a haul out and shipyard at the GPIIP for the CBS Assembly's consideration.

Analysis

The CBS has long recognized the importance of the fishing and maritime industry to the community of Sitka. The GPIIP Board and CBS have been working together on vessel haul out development concepts since the GPIIP properties were acquired.

The public announcement in the fall of 2019, that Halibut Point Marina (HPM) will cease public haul out operations in the summer of 2021 has intensified the priority of establishing a marine haul out facility.

The GPIIP Board and Assembly held a joint work session on January 30th, 2020 to discuss different concepts regarding; ownership of facility and operations, infrastructure

needed to support the fleet, and funding for the haul out construction and operations. The Assembly gave direction to develop an RFP to investigate private ownership and operations of a haul out. The GPIIP Board met on February 27th, 2020 to recommend approval of the RFP. The CBS Assembly met on March 10th, 2020 and approved the RFP for release. On March 11th, 2020, the City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and Operation of a Marine Haul Out and Shipyard. The RFP was open until April 15th, 2020. The CBS received two proposals from the RFP process.

The GPIIP Board met on April 27th to discuss and score both proposals as part of the CBS RFP Selection Committee. The CBS Selection Committee scored the proposal from WC Enterprises (Now SIMS) with the highest score. The CBS Assembly accepted the GPIIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIIP with WC/SIMS at its May 12th, 2020 meeting.

The CBS negotiation teams consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director met multiple times since May 12th with the SIMS' principal owners and have presented the attached proposed terms for consideration.

CBS negotiation team brought forward points regarding haul out operations and equipment types presented by the public during the GPIIP and Assembly meetings.

The SIMS team has provided the following points to the CBS negotiation team which resulted in the proposed terms presented:

1. After considering all available information and studies provided concerning the existing ramp, SIMS has concluded that its use for a large amphibious marine lift is not possible. SIMS will continue usage of the ramp for smaller vessels, public use, and be available for barge repairs through SIMS scheduled access. SIMS has also concluded that the associated cost and negative impact on the environment that would result from improving the ramp to accommodate a large amphibious lift is too great.
2. Due to the negative environmental impact resulting from any ramp improvements as well as the input we received from the public, SIMS has decided to use a traditional sling lift and slip to haul the majority of the fleet. SIMS believes that using a sling lift will shorten the construction timeline, reduce the overall construction cost, and reduce environmental impact. This plan change also provides a marine lift that will satisfy the requirements stated in this agreement while meeting the needs and desires of the fleet.
3. A modern 200 to 300-ton marine travel lift is capable of hauling vessels from 32 ft to 100 ft which allows us to haul a larger percentage of the fleet with a machine that the fleet is accustomed to and comfortable with which will improve their overall haul out experience.

I believe, and the Municipal Attorney concurs, that although SIMS' shift from the ramp to pier style haul out was not a substantial shift in the proposal, the new funding design and City infrastructure requirement is. If their bid now relies on the outcome of a BUILD grant, and they shifted from a \$1.5M loan request to a City infrastructure requirement (financial investment), SIMS has gone outside the scope of their original bid.

Recommendation

Recommend the Assembly reject all bids, wait for a BUILD grant funding decision, and then resolicit with more structured requirements.

Encl: (1) June 22, 2020 GPIP Board Meeting Minutes
(2) CBS and SIMS Proposed Lease Terms



329 Harbor Drive, Suite 202
Sitka, AK 99835
Phone: 907-747-2660

Thursday, June 25, 2020

MEMORANDUM

To: John Leach – CBS Administrator

From: Garry White, GPIIP Director

Subject: GPIIP Waterfront Development/Haul Out Proposal

Introduction

The CBS haul out negotiation team has met the past month with WC Enterprises, the entity selected by the CBS Selection Committee from the CBS RFP process to develop a haul out the GPIIP. WC Enterprises has since changed its entity name to Sitka Industrial Marine Shipyard, LLC (SIMS).

The GPIIP Board of Directors met on June 22nd, 2020 and approved the following motion:

MOTION: M/S Johnson/Stevens Moved to recommend that the CBS Assembly approve the terms presented by the CBS negotiation team contingent on legal review of the RFP process

ACTION: Motion PASSED 4/0 on a roll call vote.

.Attached are proposed terms for the development of a haul out and shipyard at the GPIIP for the CBS Assembly's consideration.

Background

The GPIIP Board has long recognized the importance of the fishing and maritime industry to the community of Sitka. The GPIIP Board and CBS have been working on vessel haul out development concepts since the GPIIP properties were acquired.

The public announcement in the fall of 2019, that Halibut Point Marina (HPM) will cease public haul out operations in the next few years has intensified the priority of establishing a marine haul out facility at the GPIIP.

The GPIIP Board and Assembly held a joint work session on January 30th, 2020 to discuss different concept regarding; ownership of facility and operations, infrastructure needed to support the fleet, and funding for the haul out construction and operations. The Assembly gave direction to develop a RFP to investigate private ownership and operations of a haul out. The GPIIP Board met on February 27th, 2020 to recommend approval of the RFP. The CBS Assembly met on March 10th, 2020 and approved the RFP for release. On March 11th, 2020, the City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and

Operation of a Marine Haul Out and Shipyard. The RFP was open until April 15th, 2020. The CBS received two proposals from the RFP process.

The GPIIP Board met on April 27th to discuss and score both proposal as part of the CBS RFP Selection Committee. The CBS Selection Committee scored the proposal from WC Enterprises (Now SIMS) with the highest score. The CBS Assembly accepted the GPIIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIIP with WC/SIMS at its May 12th, 2020 meeting.

Negotiations

The CBS negotiation teams consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director met multiple times since May 12th with the SIMS' principal owners and have presented the attached proposed terms for consideration and recommendation.

CBS negotiation team brought forward points regarding haul out operations and equipment types presented by the public during the GPIIP and Assembly meetings.

The SIMS team has provided the following points to the CBS negotiation team which resulted in the proposed terms presented:

1. After considering all available information and studies provided concerning the existing ramp, SIMS has concluded that its use for a large amphibious marine lift is not possible. Sims will continue usage of the ramp for smaller vessels, public use, and be available for barge repairs through SIMS scheduled access. SIMS has also concluded that the associated cost and negative impact on the environment that would result from improving the ramp to accommodate a large amphibious lift is too great.
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3. A modern 200 to 300-ton marine travel lift is capable of hauling vessels from 32 ft to 100 ft which allows us to haul a larger percentage of the fleet with a machine that the fleet is accustomed to and comfortable with which will improve their overall haul out experience.

Action

- CBS Assembly discussion and approval of haul out terms.

CITY AND BOROUGH OF SITKA (CBS) PROPOSED LEASE TERMS WITH SITKA INDUSTRIAL MARINE SHIPYARD, LLC (SIMS) FOR A MARINE HAULOUT AT THE GARY PAXTON INDUSTRIAL PARK (GPIP)

A. PROJECT FINANCING:

1. CBS: will offer financial assistance of 25% of third party loan up to \$375,000 at an interest rate of 2.5%, with the following payment schedule:
 - Principal and Interest lump sum due at 24 months of loan execution.
 - Principal and interest lump sum due annually for remaining 13 years on loan execution date.

*Based off 15 year term.

*CBS will take a second position in equipment collateral.

B. LEASE TERMS:

1. SIMS: Initial lease term of 5 years with option to renew for an additional 10-year term with the following lease rates. A long-term lease of up to 99 years would be available following the full payoff of the initial CBS loan and successfully meeting performance benchmarks.
- *Lease rate CPI Adjustment will start year 6. (Not to exceed 2% per year)

• **Phase 1: Lots 9A, 9B, 9C and 15 totaling 199,225 SF**

Month	Rate/Sq. Ft./YR	Space	Monthly Payment	Total
1 st through 36 th	\$0.00	199,225 sq. ft.	\$0	\$0
37 th - 60 th	\$0.245	199,225 sq. ft.	\$4,067.50	\$48,810

• **Phase 2: Lots 6, 7 and 8 totaling 106,269 SF**

- SIMS will evaluate success of Phase 1 to determine start date or release of right to lease Phase 2 lots within 5 years of Phase 1 lease execution.
 - CBS Reserves the right to lease these lots on a short term month to month basis.
- *Lease rate CPI Adjustment will start year 6. (Not to exceed 2% per year)

Month	Rate/Sq. Ft./YR	Space	Monthly Payment	Total
1 st through 12 th	\$0.06	106,268 sq. ft.	\$531.33	\$6,376
13 th – 24 th	\$0.12	106,268 sq. ft.	\$1,062.66	\$12,752
25 th – 36 th	\$0.18	106,268 sq. ft.	\$1,594	\$19,128
37 th – 60 th	\$0.245	106,268 sq. ft.	\$2,169.67	\$26,036

• **Phase 3: Lots 16B, 19, & 20**

SIMS Enterprises reserves the right to refusal to lease these lots during contract terms. Lease rates will be based on \$0.245/SF with CPI adjustments starting in year 3 (Not to exceed 2% per year). SIMS is requesting that CBS consider a lease purchase option on these lots

SIMS would like the option to lease Block 4 Lot 1 to use for additional vessel storage during Phase 3 of the shipyard expansion.

C. CBS PERFORMANCE REQUIREMENTS for SIMS:

1. SIMS Enterprises is required to perform the following or the CBS has rights to terminate the lease agreement:
 - I. SIMS must provide analysis or an operational plan that demonstrates equipment and operation can service vessels 32' - 86' in length within 6 months of lease execution. This plan will be vetted by the GPIP Board and/or Assembly.
 - II. SIMS must provide documentation that 100 vessels have been hauled within 24 months of CBS completion infrastructure requirements. This provides SIMS a "ramp-up" period to build their operation up to capacity.
 - III. SIMS must provide documentation that it has ability to lift at least 5 vessels per day.
 - IV. SIMS must provide vessel haul out numbers annually and no later than 30 days prior to lease anniversary date for first five years of lease.

D. Infrastructure Requirements for CBS (Contingent on CBS being award Build or PDIP Grant):

1. CBS will provide a pier supported haul out slip capable of supporting at least a 150 metric ton Marine Travel Lift. (If awarded grant, CBS will pursue grant adjustment to allow 300 metric ton lift.)
2. CBS will provide a 40 ft by 80 ft EPA approved Wash Rack.
3. CBS will ensure that all roadway and utilities will accommodate at least a 150 metric ton Marine Travel Lift. (If awarded grant, CBS will pursue grant adjustment to allow 300 metric ton lift)
4. CBS will provide upland utilities to mutually agree upon locations for adequate yard, SIMS shop and SIMS office needs.

E. Additional Terms

1. SIMS shall be an independent contractor who has the exclusive right to operate a marine haul out and shipyard at GPIP. SIMS shall lease upland areas from CBS and SIMS shall have the right to sublease those lands.
2. SIMS shall be responsible for operating in accordance with all codes and laws and for enforcing the same requirements with any subleases that SIMS may create.
3. SIMS will be required to pay all published CBS utility fees and charges.
4. SIMS shall collect and remit CBS sales tax for services or sales that WC provides at GPIP.
5. SIMS is responsible for the safety of persons using facilities.
6. SIMS shall provide a port security plan, if required in the future
7. SIMS shall be responsible for maintenance of SIMS' infrastructure and equipment.

8. CBS will be responsible for maintaining all CBS infrastructure.
9. SIMS shall provide insurance requirements outlined in the RFP.
10. SIMS will maintain, ensure non-competitive access, and scheduled use of the waterfront access ramp for existing business of the GPIIP. Any issues will be vetted by GPIIP Board.
11. SIMS shall provide annually user agreements of tenants of the haul out yard to ensure all environmental and safety precautions are being followed.
12. All other standard CBS lease agreement terms.

F. Phased Construction

1. CBS recommends that SIMS initial construction focuses on haul out equipment.
2. If CBS is awarded BUILD or PIDP grant funding within Phase 1 of this lease agreement, lease credits to SIMS will cease, SIMS will continue to pay the initial CBS loan, and CBS will fund necessary capital improvements with grant funds. Federal procurement policies may apply, and SIMS will remain the contracted operator of the haul out. SIMS shall be responsible for maintenance of SIMS' infrastructure.

REQUEST FOR PROPOSALS (RFP)
by
THE CITY AND BOROUGH OF SITKA, ALASKA
for
THE CONSTRUCTION AND OPERATION OF A MARINE HAULOUT AND SHIPYARD

Overview

The City and Borough of Sitka (CBS) is requesting proposals from qualified Developers for the project described herein. The following subjects are discussed in this RFP to assist you in preparing your proposal.

Table of Contents

- i. Introduction and Additional Information
- ii. Preferred Outcome
- iii. Scope of Services
- iv. Insurance Requirements
- v. Facility Operations
- vi. Relationship with the City and Borough of Sitka
- vii. Proposal Format and Content
- viii. Evaluation Criteria and Selection Process
- ix. Schedule

A. Introduction and Additional Information

In 1999 the Gary Paxton Industrial Park (GPIP) property was transferred from Alaska Pulp Corporation to the City and Borough of Sitka. (CBS).

The property and the near-shore, submerged tidelands were extensively studied, and an environmental Memorandum of Understanding was concluded between CBS and the State of Alaska. Details of that memorandum are included in the Appendices.

GPIP is managed by a five-member Board of Directors (GPIP Board) who are appointed by the CBS Assembly.

During the ensuing years some of the original GPIP property has been sold and leased, and portions of the GPIP infrastructure have been improved. In 2018 the GPIP Board began actively planning for a private entity to fund, construct and operate a marine vessel haulout and related marine shipyard services.

B. Preferred Outcome

The goal of CBS is to create a privately funded and managed marine services shipyard at the GPIP. Specifically, CBS is seeking a private sector Developer to construct and operate a marine vessel haul out facility and an EPA approved boat washdown area(s).

CBS desires that Developer have a functional vessel haul out system in place by June 1, 2021.

Additionally, CBS has available for long-term lease up to 6.8 acres of GPIIP uplands for the Developer to create opportunities for marine tradesmen and support businesses that support Sitka's commercial and sport fishing fleets.

A map and a listing of the GPIIP uplands that are available for lease under this RFP are included in the Appendices.

Developer will be able to sublease the GPIIP parcels and set its own haul out service fees and sublease rates for the GPIIP uplands.

Any long-term lease of GPIIP property to the Developer will have use restrictions consistent with the preferred outcome as negotiated with CBS. All use of any leased GPIIP property will be subject to regulatory action by federal, state, and municipal regulators, which is the sole responsibility of the selected Developer to determine.

Access to the existing waterfront ramp by the public must be maintained to assure access to the GPIIP uplands for those entities who have existing businesses at the Park. However, the Developer will be authorized to schedule and manage third party access to the ramp if Developer elects to use the ramp in its boat haul out operations.

C. Scope of Services

Developer shall perform environmental permitting, design and construction of infrastructure necessary to support its marine haul out and shipyard operations. Additional permits may be required from the City and Borough of Sitka for connections to City utilities and construction of structures at the site.

Developer shall also be responsible for its own investigations to determine subsurface construction conditions at the GPIIP site. There are buried concrete foundations and other remnants from the pulp mill that may increase the cost of construction.

Sitka has a substantial marine customer base. Approximately 665 vessels between 32 feet and 86 feet are permanently moored in the Sitka harbor system. Of those 665 vessels about 97% are 58 feet or less. Developer is expected to provide vessel haul out equipment and services that will support the Sitka fleet.

D. Insurance Requirements

The Developer shall provide the following types of insurance:

1. Worker's Compensation at the limits required by the Alaska State Worker's Compensation Statutes.

2. Comprehensive General Liability	Minimum Limits
Single Limit	\$1,000,000
General Aggregate	\$2,000,000

3. Comprehensive Automobile Liability	\$1,000,000
Including all owned, hired and non-owned vehicles	

Developer's insurance shall name CBS as an additional insured and shall contain a waiver of subrogation against CBS.

E. Facility Operations

Developer shall be responsible for the day to day operation of the marine haul out and marine shipyard sublease areas. Developer is expected to work closely with the CBS and the GPIIP Board to create a fully functional marine haul out service sector at GPIIP.

CBS has a established a retail and business use zoning code for the GPIIP. This information is included in the Appendices.

F. Relationship with CBS

Developer shall be an independent contractor who has the exclusive right to operate a marine haul out and shipyard at GPIIP. Developer shall lease upland areas from CBS and Developer shall have the right to sublease those lands.

Developer shall be responsible for operating in accordance with all codes and laws and for enforcing the same requirements with any subleases that Developer may create.

CBS will operate all municipal utility systems such as electricity, water and sewer. Developer will be expected to connect to CBS utilities at Developer's expense.

Developer will also be required to pay all published CBS utility fees and charges.

Developer shall collect and remit CBS sales tax for services or sales that Developer provides at GPIIP.

Developer is responsible for the safety of persons using Developer's facilities.

Developer shall provide a port security plan, if required in the future.

Developer shall provide a spill prevention, control and countermeasure plan, if required in the future.

G. Proposal Format and Content

Please direct questions regarding this RFP to:

Garry White
Gary Paxton Industrial Park Director
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835
907-747-2660
garrywhite@gci.net

Proposal Format

1. Letter of Transmittal

2. Narrative

Brief description of your company including its experience and the experience of its key individuals. Include sufficient financial information to demonstrate your ability to finance this project.

3. Provide a list of other, similar marine facilities owned or operated.

4. Include a time schedule for providing vessel haul out services and for developing uplands marine service sector businesses at GPIIP.

5. Provide a listing of proposed haul out equipment and a concept level layout of upland facilities.

6. Provide a concept level operations plan for the facility including the number of employees.

Submit three (3) copies of your Proposal in a sealed, secure envelope marked as follow:

Gary Paxton Industrial Park

Proposal to Fund, Construct and Operate a Marine Haul Out and Shipyard

Proposal Dated: _____, 2020

Proposals shall be addressed to:

Municipal Clerk

City and Borough of Sitka

100 Lincoln Street

Sitka, Alaska 99835

Proposals shall be received until 2:00 PM on April 15, 2020.

H. Evaluation Criteria and Selection Process

A selection committee consisting of the GPIIP Board of Directors and the CBS Public Works Department will evaluate the proposals and make a recommendation of award to the CBS Assembly.

The committee will use the following criteria in deriving a numerical score for each proposal:

1. Award 0 to 30 points based upon the proposer's plan to finance and operate a marine vessel haul out facility.
2. Award 0 to 15 points based upon the proposer's plan to accommodate public use of the existing waterfront ramp.
3. Award 0 to 30 points for proposer's plan to develop and facilitate the creation of an uplands marine services sector shipyard.

4. Award up to 25 points for proposer's bid price to lease the GPIIP uplands

Points will be awarded based upon this formula:

$$\frac{\text{Proposer's lease price per square foot}}{\text{Highest lease price received per square foot}} \times 25 = \text{Bid Price Points}$$

The total maximum number of points = 100

CBS reserves the right to negotiate with any proposer, to waive informalities in any of the proposals and to award the marine shipyard development contract to whichever proposer is deemed to provide the best value for the Municipality at the sole discretion of CBS. CBS will notify the selected proposer and work with that selected proposer to draft and enter into an exclusive agreement that best satisfies the preferred outcome of this RFP.

I. Schedule

Advertise Request for Proposals	March 11, 2020 to April 12, 2020
Proposals Due	April 15, 2020
Internal Review and Negotiations	April 16, 2020 to April 30, 2020
Possible CBS Assembly Award	May 2020

I. Appendices

Appendix A Environmental MOU between the State of Alaska and CBS

Appendix B GPIIP Uplands Lease Lots and Their Areas

Appendix C GPIIP Uplands Parcel Map of Potential Lease Lots

Appendix D GPIIP Zoning Code Table of Permitted Uses

Appendix E GPIIP Utilities

RFP Requested Proposal Format

1.

04/15/2020

Proposal: Marine Haul-out Facility

From:

Kelly Warren 907-752-0676 and Dan Cooper 907-738-8430

WC Enterprises

Formal proposal to locally fund and operate the Marine Haul-out Facility (MHF) at the Gary Paxton Industrial Park (GPIP) in the City and Borough of Sitka, AK (CBS)

2.

Our company (The Company), which will be created upon the acceptance of the proposal by CBS will be a new company specifically designed to manage and operate the new Marine Haul-out Facility in Sitka. The partners forming the Company are Kelly Warren with 29 years in the fishing and boat repair industries and Dan Cooper with over 30 years in commercial and industrial electrical, refrigeration, environmental compliance, and project management areas.

3.

The Company has no previous experience operating other marine haul out facilities, however the industries that each partner does have experience within is more than adequate to effectively and safely operate the new MHF.

4.

There will be three phases of construction to complete the proposed MHF.

Phase One of the MHF will be completed on or about 6/1/2021

Phase Two of the MHF will be completed as funds allow on or about 6/1/2023

Phase Three of the MHF will be completed as funds allow on or about 6/1/2025

The completion schedule for all three phases are subject to change based on contractor availability, equipment delivery schedules, income availability and financing approval.

CBS will be responsible for any and all clean up and debris removal on all lots leased by The Company prior to beginning construction.

Phase One: Lot 8, Lot 9A and Lot 15.

Lot 8 utilized for office, restroom, and EPA approved wash rack. The Company will contract out for minimal grading, construction of the wash rack, wash rack support building with waste water processing equipment, office and restroom.

Lot 9A East utilized for ramp access. The Company will contract services for minimal grading and necessary repairs to the existing ramp.

Lot 15 utilized for vessel storage and work area. The Company will contract services for minimal grading as required for this purpose.

The Company will contract services for electrical and power pedestal installation as required for the purposes stated for each lot during the construction of Phase One of the MHF.

Phase One will also include accommodating as much as is possible marine service businesses in order to promote as many services as possible during this phase of construction. The Company hopes to construct at least one covered area during this phase to make certain work on vessels possible that would otherwise not be able to be done.

Phase Two: Lot 6, Lot 7 and Lot 9C

Lots 6, 7 and 9C will be utilized for additional boat storage and repair locations.

The Company will contract out for minimal grading, electrical and power pedestals as required.

During Phase Two, The Company will continue to seek and promote marine service businesses to serve the needs of the fleet.

Lease rates for Lots 6, 7 and 9C of Phase Two will be the same per square foot as agreed by CBS and The Company for Phase One Lots 8, 9A and 15.

Phase Three: Lot 16B, 19, 20

Lots 16B, 19 and 20 will be utilized for additional boat storage and work area.

At the completion of Phase Three, The Company will have a fully functioning MHF to include as many marine services as possible and the infrastructure to facilitate meeting the needs of a multifaceted fleet.

Lease rates for the lots included in Phase Two and Phase Three of the MHF will remain the same as the agreed upon rates for all lots used in Phase One of the MHF.

Please see attached lease rate proposal.

5.

The Company will provide a marine boat lift that will utilize the existing ramp on Lot 9A to haul and transport vessels to the wash rack and storage area for repairs. The proposed lift will be capable of

lifting vessels from 35 feet up to 100 feet weighing as much as 300 tons. The company will also provide all jack stands and necessary equipment for blocking up vessels for work or storage

6.

The Company's conceptual operation plan will consist of a minimum of two full time employees for equipment operation, book keeping, maintenance of equipment and wash rack, monitoring waste water treatment system and ensuring safe operation in all areas of the MHF.

RFP Subsection Responses from the Company

Section A

It is our desire to construct and operate a marine haul out facility to support Sitka's growing marine industry. Our intention is to construct this facility in three phases. Building in three phases allows us to minimize the overall construction time by completing Phase One, which is a basic facility utilizing the current ramp structure, a new EPA approved wash rack, a 300T haul out machine and lots 8, 9A and 15 for boat storage and work area with the funds currently available by June of 2021. During the Phase One construction we will be actively seeking marine service businesses to support the fleet while they are hauled out at the facility in an effort to be able to provide a full service marine shipyard to meet the needs of a growing fleet.

Phase Two of the facility which will expand the facility by including lots 6, 7 and 9C for boat storage and work area will begin during the first year of operation and is scheduled to be completed by June of 2023 using funds generated by the facility during the first two years of operation.

Once Phase Two has been completed we will immediately begin construction of Phase Three which will again expand the shipyard by including lots 16B, 19 and 20 for boat storage and work area.

The Company proposes to Lease GPIP lots 8, 9A East and 15 for Phase One of the MHF for five years at which time the Company will have the right to extend the lease up to 99 years or purchase these lots. Additionally, The Company intends to lease lots 6, 7, 9C, 16B, 19 and 20 at values stated in this proposal. See Appendix 1 for the Companies proposed lease rates and purchase values.

For the purposes of the MHF The Company requires that lots 6, 7, 8, 9A, 9C and 15 remain available to The Company in order to complete the first two phases of construction. Furthermore The Company requires First Right of Refusal on lots 16B, 19 and 20 before they are leased or sold to any other entity in order to ensure the success of the MHF.

Section B

Funding. The Company proposes using the economic development fund through SEDA for the purchase of equipment, construction, permitting, and associated startup costs for Phase One of the MHF. We propose the fund be used in a loan form that The Company will pay back using proceeds from the MHF. The Loan amount would be approximately \$1.5m with a 15 year term, not to exceed a 4.5% interest rate

with the first payment due in the fall of 2021. The Company also proposes that CBS redirect 25% of The Company's loan payments per year back to The Company for infrastructure improvements at the MHF.

Ramp Utilization. The existing ramp will be managed and used by The Company for the MHF operation. The company will make the ramp available to the public for other uses such as hauling barges to and from an area to have work done or hauling other such equipment that could not otherwise be hauled without the use of the ramp as long as there is no risk of damage to the ramp and it is being used in a safe manner. The Company will maintain the right to refuse use of the ramp for any reason if its use impairs the safe operation of the MHF. Public use will also be available by scheduled use managed by The Company. The Company will not be held liable for any damage to property or persons arising from use of the ramp for operations other than or outside of the MHF.

Section C

Existing conditions, disclosed or undisclosed by CBS, that limit or prevent the marine haul out as proposed by The Company and that have incurred expenses by The Company shall be reimbursed to the company by CBS.

Significant changes to the land development requirements, permitting, environmental cleanup, environment studies, and local, State, and Federal requirements that are unforeseen where The Company has incurred expenses shall be reimbursed to The Company by CBS.

The Company will not assume responsibility or associated expenses for the remediation of any existing environmental contamination or conditions that require repair, replacement, installation, engineering, or other associated expenses.

Preliminary baseline environmental testing will be completed by The Company prior to final acceptance of a contract and construction of the MHF.

No dredging or tideland construction is required for this plan at this time.

Section D

The Company will provide insurance as required and additionally name CBS upon lease acceptance.

Section E

The Company will provide marine services and haul out services and will consider all suggestions from CBS and the GPIP Board.

Section F

The Company will operate within all Lease, Zoning, and Environmental requirements and will pay appropriate sales taxes on all services and sub-leases The Company provides.

The Company will provide a Port Security Plan and a Spill Prevention, Control and Countermeasure Plan as necessary.

We hope you will consider The Company's proposal and look forward to negotiating the fine details of this project with CBS and the GPIP Board. Sitka needs this facility, let's make it happen.

Kelly Warren



Daniel K Cooper

____ DanielKCooper ____

Date

04/15/2020

Appendix 1

Land Lease		SqFt	Per SqFt	Annually
	Lot 8	32,362	\$0.245	\$7,929
	Lot 9A East	43,634	\$0.245	\$10,690
	Lot 15	113,369	\$0.245	\$27,775
			Total	\$46,394

Lease rates based on previous sale of adjacent land at 2.61/ft at 9% value per year = 0.245/ SqFt
with tax included