

POSSIBLE MOTION

I MOVE TO approve the Gary Paxton Industrial Park Port Tariff No. 1 as recommended by the Gary Paxton Industrial Park Board of Directors.



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Tuesday, February 27th, 2018

MEMORANDUM

To: Keith Brady – CBS Administrator
From: Garry White, Director
Subject: Gary Paxton Industrial Park (GPIP) Port Tariff

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is recommending that the City and Borough of Sitka Assembly approved the attached Gary Paxton Industrial Park Port Tariff #1.

The GPIP Board met on February 20th and approved the following motion:

MOTION: M/S: Finkenbinder/ Horan moved to accept the tariff for the Port of Sitka with suggested amendments and present it to the Assembly for approval.

ACTION: Motion PASSED 3/0
Yes: 3-Finkenbinder, Horan, Wagner
No: 0

A Port Tariff is a document filed with the Federal Maritime Commission (FMC) that contains published charges, rules, and requirements of the port. The Port Tariff is an implied contract that allows for rapid arrangements without the need for complicated agreements for use of the facility.

GPIP Port Background

The development of a port facility to accommodate the maritime industry at the Gary Paxton Industrial Park (GPIP) is a top priority of the GPIP Board. The GPIP Port facility will include a deep water, multi-purpose dock, a water access ramp, as well as maritime uses of the tidelands and uplands of the GPIP.

GPIP Deep Water, Multi-purpose Dock Background

The GPIP deep water, multi-purpose dock is a multi-purpose, floating dock facility located at the GPIP to serve a range of industries, including but not limited to fishing and container/cargo shipping. The primary floating dock is a repurposed double hull steel barge, 250 feet long and 74 feet wide, and is accessible by a drive-down ramp with a width of 20 feet. The structure will

accommodate the handling of loaded containers, truck and trailers, and vehicles intended to support vessels with a maximum draft 40 feet.

A separate, new floating dock is attached to the primary dock to allow for 120 feet of transient moorage for smaller vessels. Some features of the facility include lighting, electrical power sources, and a fire suppression system. Fenders, life rings, and access ladders are installed to provide for safe operation. The facility will have a 50-year design life and meet or exceed industry standards relating to corrosion resistance with minimal long-term maintenance.

A portion of the existing deteriorated in-water structures have been removed as required to install the new facility. The final design and location does not unreasonably restrict opportunities for future upgrades that will enhance accommodation of larger vessels, bulk water distribution, or other new industry.

A Security Camera system will be installed at the site to monitor the facility. The Harbor Department and GPIIP Director will have access to review live and recorded footage of the facility.

The GPIIP Dock is substantially complete.

Access Ramp Background

The GPIIP Board and CBS Assembly approved a lease between Northline Seafoods and the CBS on the northern portion of Lot 9a for a 2-year term in the summer of 2017. Northline has construct an access ramp to accommodate the hauling of its barges for maintenance work. The GPIIP Board intends to further modify the access ramp install by Northline or construct a new ramp to accommodate other uses, such as vessel haul outs. The CBS Assembly has approved \$40,000 in funding for design, engineering, and permitting of the multi-use access ramp. Access ramp cost estimates and funding sources are currently being investigated.

Tideland and Upland Use Background

The GPIIP Board has identified lots 3, 6, 7, 8, 9a, 9b, 9c, & 15 to support the maritime industry at the GPIIP. Additionally, the tidelands seaward of the GPIIP are intended to be used to support the maritime industry as well.

GPIIP Port Tariff

The attached Gary Paxton Industrial Park Port Tariff #1 was drafted, with input by the GPIIP Director and GPIIP Board, by Parrish, Blessing, & Associates Inc. (PBA), a regulatory and economics consulting firm from Anchorage. PBA has experience if port tariff development having worked with the Port of Alaska (formerly port of Anchorage) on its port tariff development and financial management.

The GPIIP Port will be a “landlord” Port, which means that the GPIIP will charge users for real estate and dock use and are responsible for maintenance, management and upkeep. The GPIIP Port Tariff will cover all properties of the GPIIP uplands and tidelands.

The GPIIP Port Tariff covers general rules and regulations for use of the port. Additionally, the tariff covers the schedule of charges for use of the port, including docking, wharfage, etc...

In addition to PBA's work to establish the GPIIP Port Tariff, PBA will be assisting the GPIIP with filing the tariff with the FMC and will provide instructions on how to update tariff with the FMC in the future.

Port Management/Restrictions

The GPIIP Director has recommended the following port management operations and restrictions to the GPIIP Board.

GPIIP Dock Operations

- The CBS Harbor Department will assist the GPIIP Director with dock moorage to include scheduling, monitoring, billing, and collections for users that moor to the dock.
- The CBS Harbor Department will split dock moorage revenue 50/50 with the GPIIP Enterprise Fund.
- The GPIIP Director will monitor freight moving across the dock and will send billing information to CBS finance.
 - In the event that freight traffic increases to a volume outside of the ability of the GPIIP Director to maintain, it is recommended that a third party or another employee be hired.
 - In the event a third party is contracted to manage dock, it is recommended that the third party is responsible for billing of customers and submitting tariff fees to the CBS, with the ability for the CBS to audit the third party against shipping manifests.
- The CBS Harbor Department or a contracted third party will assist with O&M maintenance.

GPIIP Dock Restrictions

The GPIIP dock currently has restrictions in use due to current infrastructure limitations and funding.

Vessel Size

- The largest vessel size to be able to use the facility is restricted to a 400' x 100' barge with its own fender system.
- Additional infrastructure can be added to accommodate large vessels in the future if a demand arises and funding is identified.

Equipment

- Currently the GPIIP Dock does not have equipment available to assist off-loading of freight. Vessels wishing to off load freight will be required to provide their own equipment.
- The GPIIP Director recommends that if the demand for larger freight operations arises, that a lease be established with a third party terminal operator to manage continuous freight operations and acquire necessary equipment.

Port Security

- The USCG requires a Facility Security Plan (FSP) at ports that accept foreign-flagged vessel and various other reasons. The GPIIP Port currently does not have a FSP as the current anticipated use of the dock would does not require a FSP, other than bulk water vessels.
 - The CBS previous had a FSP for the GPIIP Port specific to bulk water tanker vessels. The FSP was terminated concurrent with the ABWI water purchase agreement termination and can be relatively quickly reestablished.
 - A FSP requires a Facility Security Officer and potentially security staff.
 - The Harbor Master and the GPIIP Director both have their FSO Certifications.
- In the event that the need arises, a FSP will be established for the GPIIP.

GPIIP Upland and Tideland Operations

The GPIIP Director will continue to assist the CBS with marketing, development, and management of the GPIIP upland and tideland property operations under the direction of the GPIIP Board of Directors.

Action

- CBS Assembly approval of the establishment of GPIIP Port Tariff #1.