

## **POSSIBLE MOTION**

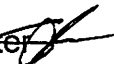


**I MOVE TO** approve Ordinance 2018-06 on  
second and final reading.


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## MEMORANDUM

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**To:** Mayor Hunter and Assembly Members  
Keith Brady, Municipal Administrator

**From:** Stan Eliason, Harbormaster   
Michael Harmon, P.E., Public Works Director   
Dan Tadic, P.E., Municipal Engineer 

**Reviewed:** Jay Sweeney, Chief Finance and Administrative Officer 

**Date:** March 6, 2018

**Subject:** **O'Connell Bridge Lightering Float Pile Replacement  
Additional Appropriation**

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### **Background**

With lightering traffic at the O'Connell Bridge Lightering Float (OBLF) reduced due to cruise ships choosing to berth at the Old Sitka Dock, Harbor Staff have found OBLF to be a popular moorage location for yacht customers. However, the existing piles at the OBLF were installed too shallow to support yacht moorage as evidenced by several piles that were displaced during a 2017 storm event and confirmed by a subsequent engineering assessment.

On September 12, 2017 the Assembly approved an appropriation of \$280,000 from the Harbor Fund undesignated working capital to a new Capital Project, O'Connell Lightering Float Pile Replacement (Proj. No. 90850) on 2<sup>nd</sup> reading. This amount included \$10,000 to conduct marketing research for the facility.

Staff efforts to fast track the project (to take advantage of the presence of a marine contractor in Sitka and thus save on mobilization costs) were stalled when regulatory agency feedback indicated they would impose extreme conditions which would render the project difficult if not impossible to complete under a general permit.

### **Analysis**

In the opinion of Staff, the only practical way to complete the project is to obtain an Incidental Harassment Authorization (IHA) permit under the Marine Mammal Protection Act. This permit can take 9-12 months to obtain at costs ranging from \$80,000-\$120,000 or more. This permit requires very specific information on Contractor means and methods. Rather than speculate on those details, Staff feels it prudent to make the permitting the responsibility of the Contractor as was done for the Gary Paxton Industrial Park Dock. In this scenario, the CBS would remain the permit applicant with all legwork and risk transferring to the Contractor.

The results of the marketing research study indicate that cost is of little concern to yacht customers and rates could be increased significantly over the current level. While there are additional facility improvements the yacht customers would like to see completed,

the author of the study went on to conclude that OBLF can cover its direct cost and make a reasonable contribution to the Harbor Fund as well.

Bid documents have been prepared and are in the process of being assembled. If additional funds are appropriated, Staff anticipates advertising for bids in late March with contract award likely in early May 2018. It is reasonable to anticipate project completion by May 31, 2019 on time to accommodate the 2019 yacht season.

#### **Fiscal Note**

The current cost estimate for the project to include the marketing study, design, permitting, construction, inspection, and management is \$570,000. With \$280,000 already appropriated, the additional funding required is \$290,000. This number includes a reasonable contingency. This work would be paid for out of the unrestricted balance of the Harbor Fund.

Please refer to the key points outlined in the Fiscal Note within the attached August 15, 2017 memo to the Assembly.

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#### **Recommendation**

Approve Ordinance 2018-06 appropriating \$290,000 from the unrestricted balance of the Harbor Fund to Capital Project No. 90850, O'Connell Bridge Lightering Float Pile Replacement.