



# City and Borough of Sitka

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*Coast Guard City, USA*

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**From:** John Leach, Municipal Administrator

**Date:** December 16, 2020

**Subject:** GPIIP Haul Out RFP

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### **Background**

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 Marine (HPM) will cease public haul out operations in the summer of 2021 has intensified the priority of establishing a marine haul out facility.

### **Summary of project development to date:**

- January 30, 2020 GPIIP Board and Assembly held a joint work session 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.
- February 27, 2020 GPIIP Board met to recommend approval of the RFP.
- March 10, 2020 CBS Assembly met and approved the RFP for release.
- On March 11th, 2020 City and Borough of Sitka (CBS) released a Request for Proposal (RFP) for the Construction and Operation of a Marine Haul Out and Shipyard.
- April 15, 2020 the RFP closed. The CBS received two proposals from the RFP process.
- April 27, 2020 GPIIP Board met 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.
- May 12, 2020 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.

- The CBS negotiation team, consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director, met multiple times since May 12th with the SIMS' principal owners to develop terms for consideration.
- June 22, 2020 SIM's development terms were reviewed by the GPIIP Board. GPIIP Board requested a legal review to determine if the terms expanded beyond what should be allowed in the RFP process given it shifted to requiring a major financial investment by CBS (BUILD grant).
- Legal concurred that the final terms were outside the limits of the RFP process and a recommendation went to the Assembly on June 30, 2020 to reject all bids, wait for a BUILD grant funding decision, and then resolicit with more structured requirements.
- On September 16, 2020, the CBS received news that we were not successful in obtaining a USDOT BUILD grant for haul out development.

### **Analysis**

Based on discussion/direction during the October 13, 2020 Assembly meeting, staff developed an RFP for partial private sector development of a haul out facility at GPIIP. The draft RFP was analyzed by the Haul Out Task Force and then presented to both the GPIIP Board and Ports & Harbors Commission for review, input, and any necessary changes.

The GPIIP Board met on October 29th, 2020 and recommended that the attached Request for Proposal (RFP) be released. The following motion was approved by the Board.

**Motion:**        **M/S Floate/Morrison** moved to forward the RFP to the workgroup with terms as listed in the presented RFP.

**Action:**        **Passed (5/0)** on a voice vote

The RFP was brought to the CBS Ports and Harbors Commission meeting on November 23rd, 2020 and was approved as presented with the following motion.

**Motion:**        **M/S Ystad/Thornton** motioned that the Port and Harbor Commission support the draft RFP for the construction and operation of a vessel haul-out at the GPIIP as written.

**Motion passed 4/0.**

The RFP was presented to the CBS Administrator for review by a working group and future presentation to the CBS Assembly.

The attached RFP is designed to cast a wide net to determine what entities are willing to invest in the development of a haul out at the GPIIP.

### **Fiscal Note**

We have secured an appropriation of \$100,000 to support specialized consultant services for the technical analysis and design related to the development of a haul out basis of design and RFP. Funding for this work will come from the Economic Development Fund when/if it's necessary.

The RFP specifies that the developer or developers must be willing and able to **privately fund** and operate a marine haul out and shipyard, **furnishing all financing, labor, materials, equipment, tools, supervision, and other facilities** to create and manage the marine facility(s)

The GPIIP Board is currently in the process of establishing policies, regulations, a fee schedule, and operating procedures for vessels to be hauled out and worked on at the GPIIP using existing, limited infrastructure and available property. The policies are intended to limit the CBS's exposure to liability and environmental risks.

### **Recommendation**

Approve the release of the RFP for 90 days for partial private sector development of a haul out at GPIIP.

Encl: GPIIP Haul Out Facility Memo  
Marine Haul Out RFP