



# City and Borough of Sitka

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*Coast Guard City*

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**From:** John Leach, Municipal Administrator

**Date:** July 6, 2021

**Subject:** GPIIP Haul Out and Shipyard Proposal

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### **Background**

On February 1, 2021, the City and Borough of Sitka (CBS) released a Request for Proposals (RFP) for private sector development and operation of a Marine Haul Out and Shipyard at the Gary Paxton Industrial Park (GPIP). The RFP was open until April 8th, 2021.

### **Analysis**

The CBS received one response to the RFP for private sector development of the haul out and shipyard.

The proposal was from Jeremy Serka, Sitka Custom Marine and Linda Behnken, ASFT Board President, as principals for a proposed entity called the Sitka Community Boatyard LLC (SCB).

In accordance with Chapter 2.38 of Sitka General Code (SGC), the GPIIP Board evaluated the proposal, determined it to be responsive to the RFP, and negotiated final terms for Assembly consideration.

### **Fiscal Note**

The enclosure and all associated attachments outline the terms of the proposal, to include lease rates and performance benchmarks, that were negotiated and approved by the GPIIP Board.

Lease revenue for each project phase is outlined in the enclosure.

In FY21, the CBS appropriated \$100K "to support specialized consultant services for the technical analysis and design related to the development of a haul out basis of design," but that funding expired with the end of FY21. The SCB has requested staff in-kind support to review and approve their design and permit work which would allow them to receive a possible grant from the Denali Commission to fund their engineering of the project.

If the scope of work for CBS staff proves to be outside our area of expertise, it is possible that the in-kind staff work would have to be provided by outside consultants, and a supplemental appropriation would have to be passed to secure the consultants. This would essentially turn the staff in-kind commitment to a financial commitment. Costs to support these services are unknown until a scope of work is presented to the CBS.

**Recommendation**

Consider the negotiated lease terms and direct the Administrator to either enter into a lease under the proposed terms or renegotiate terms with SCB for additional Assembly consideration.

Encl: GPIP memo and attachments of June 29, 2021