



City and Borough of Wrangell
Borough Assembly Meeting
AGENDA

Tuesday, May 24, 2022
6:00 PM

Location: Borough Assembly Chambers

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Anne Morrison
- b. CEREMONIAL MATTERS - None.

2. ROLL CALL

3. PERSONS TO BE HEARD - *Section WMC 3.05.040 (C) states that: The chair may call to order any person who is breaching the peace or being disorderly by speaking without recognition, engaging in booing or catcalls, speaking vulgarities, name calling, personal attacks, or engaging in other conduct which is determined by the chair to be disruptive of the meeting. Any person so disrupting a meeting of the assembly may be removed and barred from further attendance at the meeting unless permission to return or remain is granted by a majority vote of the assembly.*

- a. CORRESPONDENCE - Aaron Angerman on School Contribution item from the May 10, 2022, meeting
- b. CORRESPONDENCE - Brittani Robbins on School Contribution item from the May 10, 2022, meeting

4. AMENDMENTS TO THE AGENDA

5. CONFLICT OF INTEREST

6. CONSENT AGENDA - *Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. there will be no separate discussion of these items. If the borough mayor, assembly member, manager, or clerk requests discussion on any item, that item will be removed from the consent agenda and will be considered under unfinished business (no motion is necessary to move an item from the consent agenda).*

~~ Administration recommends pulling the following Consent Agenda Item(s) and placing them under Unfinished Business for consideration:

6b (Res No. 05-22-1687) Mill Levy Adoption

MOTION ONLY: Move to Approve the Consent Agenda, as submitted.

- a. **ORDINANCE No. 1026** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 5.14, BOROUGH BUDGET BY ADDING SECTION 5.14.025, ANNUAL REVIEW AND APPROVAL OF FEE AND RATE SCHEDULE REQUIRED, IN THE WRANGELL MUNICIPAL CODE
- b. **RESOLUTION No 05-22-1687** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2022 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2022 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES
- c. **RESOLUTION No. 05-22-1693** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE JOB DESCRIPTION FOR THE MARINE SERVICE

CENTER RELIEF OPERATOR POSITION AND THE AMENDMENT TO THE UNION WAGE AND GRADE TABLE

d. **RESOLUTION No. 05-22-1695** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY22 BUDGET IN THE SEWER FUND BY TRANSFERRING \$18,000 FROM THE FUND RESERVES TO THE CAPITAL EXPENDITURES ACCOUNT AND AUTHORIZING ITS EXPENDITURES FOR THE SEWER SYSTEM CAPACITY ANALYSIS PROJECT

e. Minutes from the May 10, 2022 Regular Assembly Meeting

f. Minutes from the May 17, 2022 Board of Equalization Meeting

g. Minutes from the May 17, 2022 Special Borough Assembly Meeting

h. CORRESPONDENCE: School Board Action from the May 16, 2022 Regular Meeting

7. BOROUGH MANAGER'S REPORT

a. Borough Managers Report

8. BOROUGH CLERK'S FILE

a. Borough Clerk's Report

9. MAYOR AND ASSEMBLY BUSINESS

10. MAYOR AND ASSEMBLY APPOINTMENTS

11. PUBLIC HEARING

a. **ORDINANCE No. 1025** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTIONS 5.02.050, INVESTMENTS AND 5.02.080, MATURITIES, OF THE WRANGELL MUNICIPAL CODE

b. **RESOLUTION No. 05-22-1694** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FEES AND RATES SCHEDULE FOR THE SANITATION DEPARTMENT

12. UNFINISHED BUSINESS

13. NEW BUSINESS

a. Approval of the Modifications to the Wrangell Marine Service Center Leased Lots, extending the Terms and updating the Monthly Lease amounts

b. Approval of the Modification to Wrangell Marine Service Center Leased Mill Dock, Lot 5, Swapping Lot 5 for Lot 8, Extending the Terms and updating the Monthly Lease amount for Metal Head Marine LLC

c. Discussion and Possible Action on Public Safety Building Options Review and Administrative Recommendation

14. ATTORNEY'S FILE – Available for Assembly review in the Borough Clerk's office

15. EXECUTIVE SESSION

a. **EXECUTIVE SESSION:** Potential Mill Property Acquisition Update and Discussion

16. ADJOURNMENT

Ladies and gentlemen of the Assembly,

My apologies for not being here in person, as I have a prior family commitment. I am writing you today regarding the Local Funding Contribution to Wrangell Public Schools for FY2023. As a local WPSD product, and a parent who moved my family home to experience the same quality of life I had in my youth, I am beyond concerned with the level of commitment from our Borough towards education. Our district is in dire straits.

As a member of the WPSD School Board, our vision was to graduate students who are resilient, innovative, and prepared for the future. The lack of local support during my time as a School Board member made me realize that vision may need to be adjusted. Resilient students could still be a product of our school system, but the tools to be innovative and prepared for the future are quickly dwindling due to funding.

My daughter was able to catch the tail-end of a what I would consider a fully-staffed WPSD – challenging her with upper and college-level course, while supplementing her education with a full slate of the arts and extracurriculars. That was just five years ago. My oldest son is just a year from graduation, and we've watched opportunities fall out from under his feet throughout his high school tenure. My youngest son is a student at Evergreen Elementary, and the trajectory of our secondary school offerings due to lack of staffing has our family planning a move out of this community.

I don't say those words lightly, and I don't expect the assembly to care about my family relocating. I do hope that each member takes pause to consider the number of parents and families that may be having these same conversations. We are not alone in fearing that the school system is nearing a point of no return. There are community members much more crucial than me questioning whether Wrangell is the right choice for their children. That a skeleton crew of teachers and staff can only offer so much to our youth. That most students will not be prepared for their post-secondary lives.

We cannot continue to kick the can down the road and defer maintenance on our students. Continued forced staffing reductions will ultimately mean the complete loss of extracurriculars, the vocational program, the arts, and upper-level courses. This would be a community killer. School districts don't typically bounce back.

The last time I spoke on this subject, I was met by members of the Assembly saying they were concerned not just with the population of the school district, but the 2,400 residents of Wrangell. That shortsightedness is why we continue to find ourselves trying to dig out of holes as a community. It's not just the 2,400 that live here now. It's their children and grandchildren that are not born yet. It's the families we're trying to recruit to our town for essential services. It's the Wrangell products that want to return home. Without a proper school district, Wrangell cannot grow and will not survive as the community we all believe it to be.

I urge you to not only fund WPSD for their full request, but to invest even further into our education with local tax reserves. Ensure activities can be offered to our youth, the arts program can be reinvigorated, and high-level/college courses are in the schedule to challenge our students.

Thank you,

Aaron Angerman
725 Evergreen Ave.

Hello Mayor Prysunka, Vice Mayor Gilbert, Assembly, City Manager Good, and Finance Director Villarma,

I am appealing to you today as a parent of children attending Wrangell Public Schools. Additionally I sit on the school board and chair the WPSD Budget committee. The current state of finances within the school district are issues that we cannot change, we hope to be able to run our school district to the highest education possible. Our principals, who are of the higher salaried staff, are being paid for by the second round of COVID funds. If we are not able to acquire more funds, or at least break even with the requested amount, the school will be forced to continue to deficit spend. Deficit spending will only continue the cycle we are being held in. The students have lost the majority of elective classes, no second language is offered, higher education classes will have to be done online and paid for by the students/their families. As a parent of two children, the idea that my kids will be moving through a district that will not both educate, but nourish talents, passions, desires, and out of the box education is frightening. As a student I ONLY made it through school because of the competitive Drama Debate Forensics, and the music program. I am a smart person, I scored very high on my state tests, and attended an amazing college. I truly believe that I wouldn't be here today appealing to you, had it not been for the arts.

The buildings need serious attention, the students need nourishment, and with the budget in front of us after cleaning things up and thoroughly studying the past, present, and future, those needs will NOT be addressed. Rather, we will continue to see cuts in programs, educators, and likely start seeing more students moving to home-school or distance programs. As a student here at WPSD I felt like the school lacked variety in their programs and extra-curriculars. What we have now, is basically nothing. My daughter will be in middle school next year, children moving from elementary to middle are already thrown into a whole new world of moving classes, large amounts of homework, and a whole lot of stress. Having this change come along with only "core" classes, whether students are intelligent or not. Whether some students' favorite topic is Math or Science, can not possibly fill the gap of artistic, or athletic nourishment.

The children of Wrangell are our future, if you look at the majority of teachers, particularly in the elementary school, but some in SMS and WHS, the teachers are people who were raised on this amazing island. They are teaching knowing they are not currently able to provide the same level of education they were given here. Many people who graduate from WPSD get educated, and then come back to our amazing island to seek their career and continue to build the economy. This cycle MUST begin with quality education, and quality education requires a stronger budget for WPSD.

Thank you,
Brittani J Robbins

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 6 |

ORDINANCE No. 1026 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 5.14, BOROUGH BUDGET BY ADDING SECTION 5.14.025, ANNUAL REVIEW AND APPROVAL OF FEE AND RATE SCHEDULE REQUIRED, IN THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Mason Villarma, Finance Director
Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: \$XXX Total

| | | |
|-----------|-----------|----------|
| FY 20: \$ | FY 21: \$ | FY22: \$ |
|-----------|-----------|----------|

Amount Budgeted:

| | |
|--|------------|
| | FY20 \$XXX |
|--|------------|

Account Number(s):

| | |
|--|----------------|
| | XXXXX XXX XXXX |
|--|----------------|

Account Name(s):

| | |
|--|-----------------|
| | Enter Text Here |
|--|-----------------|

Unencumbered Balance(s) (prior to expenditure):

| | |
|--|-------|
| | \$XXX |
|--|-------|

Reviews/Approvals/Recommendations

| | |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. ORD 1026.

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION (*Consent Agenda Item*):

Move to Approve first reading of Ordinance No. 1026 and move to a Second Reading with a Public Hearing to be held on June 14, 2022.

SUMMARY STATEMENT:

This ordinance is being brought forward because the Assembly wishes to approve all fees and rates before the adoption of the annual budget each year. This code amendment would add the language in the code to make sure that the Assembly received the fees and rates for each department that charges such fees and rates.

A Public Hearing would be held before adoption of the official fee and rate schedule.

Currently, the Assembly approves the fees and rates for each department, when needed. This streamlines the process and allows the Assembly to view the fees and rates in one document and to approve the changes at once.

CITY AND BOROUGH OF WRANGELL, ALASKA
ORDINANCE NO. 1026

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF
WRANGELL, ALASKA, AMENDING CHAPTER 5.14, BOROUGH BUDGET BY
ADDING SECTION 5.14.025, ANNUAL REVIEW AND APPROVAL OF FEE
AND RATE SCHEDULE REQUIRED, IN THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF
WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC.1. The purpose of this ordinance is to add Section 5.14.025, Annual Review and Approval of Fee and Rate Schedule Required, in the Wrangell Municipal Code.

SEC. 2. Amendment. Section 5.14.025, Annual review and approval of Fee and Rate Schedule required, is hereby added as follows:

Chapter 5.14
BOROUGH BUDGET

Sections:

5.14.010 Preparation and submission of borough budget.

5.14.020 Fund transfers.

5.14.025 Annual review and approval of Fee and Rate Schedule required.

5.14.030 Interfund lending.

5.14.025 Annual review and approval of Fee and Rate Schedule required.

At the first Regular Assembly meeting in March of each year, the Borough Assembly shall approve the official Fee and Rate Schedule for all fees and rates collected by the City and Borough of Wrangell.

A Public Hearing shall be required on the resolution that establishes such fees and rates.

The official Fee and Rate Schedule shall be included as an appendix to the annual budget for the next fiscal year.

SEC. 3. Severability. If any provision of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to all other persons or circumstances shall not be affected thereby.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2022

PASSED IN SECOND READING: _____, 2022

Stephen Prysunka, Borough Mayor

ATTEST:_____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 6 |

RESOLUTION No 05-22-1687 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2022 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2022 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

| |
|----------------------------------|
| <u>SUBMITTED BY:</u> |
| Mason Villarma, Finance Director |

| <u>Reviews/Approvals/Recommendations</u> | |
|--|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

| | | |
|--|-----------------|----------|
| <u>FISCAL NOTE:</u> | | |
| Expenditure Required: \$XXX Total | | |
| FY 22: \$ | FY 23: \$ | FY24: \$ |
| | | |
| Amount Budgeted: | | |
| | FY22 \$XXX | |
| Account Number(s): | | |
| | XXXXXX XXX XXXX | |
| Account Name(s): | | |
| | Enter Text Here | |
| Unencumbered Balance(s) (prior to expenditure): | | |
| | \$XXX | |

ATTACHMENTS: 1. RES 05-22-1687.

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION (*Consent Agenda Item*):

Move to Approve Resolution No. 05-22-1687.

SUMMARY STATEMENT:

This resolution sets the Mill Levy at 12.75 for the Wrangell Service Area; and at 4.0 for the areas outside the service area and within the tax differential zone. Taxes will be due Thursday, October 15th at 5pm. Property taxes unpaid at that time will begin accruing interest and penalties as provided by law. The Assessor has certified the tax roll for this year and will be formally presented at the June 14th meeting. The full assessed value of property in the Borough (after exemptions) for 2022 is \$151,391,600.

There are two different tax zones, with different mill levies, as outlined below:

| Inside Service Area | | Outside Service Area | |
|-----------------------|--------------------|------------------------|-------------------|
| Mill Rate | 12.75 | Mill Rate | 4.00 |
| Taxable Property: | | Taxable Property: | |
| <i>Land:</i> | 45,062,500 | <i>Land:</i> | 10,470,700 |
| <i>Improvements:</i> | 90,742,997 | <i>Improvements:</i> | 5,115,400 |
| Total | 135,805,497 | Total | 15,586,100 |
| Value per Inside Mill | 10,651,411.53 | Value per Outside Mill | 3,896,525.00 |

| Weighted Average Per Mill Value: | | |
|----------------------------------|--------------------|----------|
| Total Taxable Property | | |
| Inside Service Area | 135,805,497 | A |
| Outside Service Area | 15,586,100 | B |
| Total | 151,391,597 | C |
| WAMR = (A/C*12.75) + (B/C*4) | 11.849 | |
| WAVPM = C/WAMR | 12,776,559.11 | |

| Property Tax Revenue for FY 2023 | | | |
|----------------------------------|--------------------|---------|------------------|
| | Assessed Value | MR/1000 | Tax Revenue |
| Inside Service | 135,805,497 | 0.01275 | 1,731,520.09 |
| Outside Service | 15,586,100 | 0.004 | 62,344.40 |
| Total Property Taxes | 151,391,597 | | 1,793,864 |

The total property tax revenue for 2022 (FY 2023) is estimated at \$1,793,864.

Finance Director Note: The property tax revenue figures above do not include budgeted penalties and interest. The above figure also exempts SEARHC properties per the Tax Contribution Agreement signed and executed 5/17/2022 (Version 3.7). The \$45,000 in PILT revenue will be recorded under the payment in lieu of taxes revenue caption under the FY 2023 General Fund Budget.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 05-22-1687

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2022 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2022 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

WHEREAS, the Borough Assembly sitting as the Board of Equalization, has regularly assessed and equalized all real property within the City and Borough of Wrangell and has fixed a time at which the taxes levied shall be paid, and has fixed the date of delinquency, and has established that taxes remaining unpaid after the delinquent date shall be collected and have penalties and interest added thereto in accordance with law. The Borough Assembly has provided herein for payment and the date of delinquency of all taxes levied on the property assessed on the tax rolls.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1. There is hereby levied upon all taxable real property in the City and Borough of Wrangell, Alaska, as previously taxed by the City of Wrangell, except such property as is exempt by law from taxation, a mill rate of 12.75 mills for the tax year 2022, for the Wrangell Service Area, 4.0 mills for property outside the Service Area, and 4.0 mills for the tax differential zone as described in 5.04.310 (a).

Section 2. Taxes levied pursuant to this resolution shall be due and payable on or before October 14, 2022. Penalty and interest shall accrue on an unpaid installment from 5:00 p.m. on the date the payment becomes due.

Section 3. Taxes remaining unpaid after the delinquent date shall be collected and have penalties and interest added thereto in accordance with law.

Section 4. This resolution shall become effective upon its passage and adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THIS 24TH DAY OF May 2022.

CITY & BOROUGH OF WRANGELL

David Powell, Acting Vice-Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 6 |

RESOLUTION No. 05-22-1693 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE JOB DESCRIPTION FOR THE MARINE SERVICE CENTER RELIEF OPERATOR POSITION AND THE AMENDMENT TO THE UNION WAGE AND GRADE TABLE

SUBMITTED BY:

Steve Miller, Port Director

FISCAL NOTE:

Expenditure Required:

| | | |
|------------|------------|-----------|
| FY 20: N/A | FY 22: N/A | FY23: N/A |
|------------|------------|-----------|

Amount Budgeted:

Account Number(s):

Account Name(s):

Unencumbered Balance(s) (prior to expenditure):

| | |
|--|----|
| | \$ |
|--|----|

Reviews/Approvals/Recommendations

| | |
|-------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> | Commission, Board or Committee |
| Name(s) | IBEW |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS:

1. Resolution No 05-22-1693
2. Union W&G Table
3. Marine Service Center Relief Operator Job Description.

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION (*Consent Agenda Item*):

Move to approve Resolution No. **05-22-1693**

SUMMARY STATEMENT:

This is a new position for the Marine Service Center.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 05-24-1693

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE JOB DESCRIPTION FOR THE MARINE SERVICE CENTER RELIEF OPERATOR POSITION AND THE AMENDMENT TO THE UNION WAGE AND GRADE TABLE

WHEREAS, the addition of this position description allows the City and Borough of Wrangell's Administration Department the ability to hire the position of Marine Service Center Relief Operator and based on the job description reflecting actual work job responsibilities, this position will be a grade 17 on the Union Wage and Grade Table; and

WHEREAS, the rate of pay for the Marine Service Center Relief Operator position pay range will be between \$22.61 to \$28.48; and

WHEREAS, this new position needs to be added to the Union Wage and Grade Table; and

WHEREAS, this position has been reviewed, and approved by the IBEW and Port Commission; and

WHEREAS, it is the desire of the City and Borough of Wrangell to bring all job descriptions before the Assembly; and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,

Section 1. The attached Exhibit "A" includes the job description which describe the duties, responsibilities, and qualifications for the Marine Service Center Relief Operator position.

Section 2. The attached Exhibit "B" is the Union Wage and Grade Table reflecting the addition of the Marine Service Center Relief Operator at grade 17.

Section 3. The job description for the Marine Service Center Relief Operator/ will be effective upon adoption of this Resolution.

ADOPTED: May 24, 2022

David Powell, Acting Vice-Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

Resolution No. 05-22-1693

Wage Scale, IBEW-represented positions, July 1, 2021 to June 30, 2024

As per the IBEW Collective Bargaining Agreement dated December 14, 2021, Section 6.1.4 Effective July 1, 2022, all steps on the July 1, 2021 (Res 12-21-1652) wage and grade table in Appendix B will be increased by two percent (2%).

City & Borough of Wrangell

| Grade | | NEW | | | | | | | | | | | | | |
|-------|--|------|--------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|-------|-------|-------|
| | | Step | STEP 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 13 | Harbor Maintenance/Security | | 18.92 | 19.28 | 19.65 | 20.02 | 20.40 | 20.81 | 21.21 | 21.61 | 22.02 | 22.46 | 22.89 | 23.34 | 23.79 |
| 14 | Maint Specialist I | | 19.77 | 20.15 | 20.54 | 20.94 | 21.34 | 21.75 | 22.17 | 22.60 | 23.03 | 23.47 | 23.92 | 24.39 | 24.86 |
| 15 | Administrative Assistant-Harbors | | 20.67 | 21.06 | 21.46 | 21.87 | 22.31 | 22.74 | 23.17 | 23.61 | 24.08 | 24.54 | 25.02 | 25.50 | 26.00 |
| 15 | Water Trt. Plt. Apprentice | | 20.67 | 21.06 | 21.46 | 21.87 | 22.31 | 22.74 | 23.17 | 23.61 | 24.08 | 24.54 | 25.02 | 25.50 | 26.00 |
| 15 | Maintenance Specialist | | 20.67 | 21.06 | 21.46 | 21.87 | 22.31 | 22.74 | 23.17 | 23.61 | 24.08 | 24.54 | 25.02 | 25.50 | 26.00 |
| 15 | Custodian - Light Maintenance | | 20.67 | 21.06 | 21.46 | 21.87 | 22.31 | 22.74 | 23.17 | 23.61 | 24.08 | 24.54 | 25.02 | 25.50 | 26.00 |
| 16 | Electrical Dispatch Secretary | | 21.60 | 22.01 | 22.45 | 22.88 | 23.32 | 23.77 | 24.25 | 24.70 | 25.17 | 25.66 | 26.16 | 26.67 | 27.19 |
| 16 | Sanitation Worker | | 21.60 | 22.01 | 22.45 | 22.88 | 23.32 | 23.77 | 24.25 | 24.70 | 25.17 | 25.66 | 26.16 | 26.67 | 27.19 |
| 17 | Marine Service Center Relief Operator | | 21.60 | 22.01 | 22.45 | 22.88 | 23.32 | 23.77 | 24.25 | 24.70 | 25.17 | 25.66 | 26.16 | 26.67 | 27.19 |
| 17 | Port & Harbor Maintenance | | 22.61 | 23.04 | 23.48 | 23.94 | 24.41 | 24.88 | 25.36 | 25.87 | 26.37 | 26.88 | 27.40 | 27.93 | 28.48 |
| 19 | Mechanic | | 24.77 | 25.25 | 25.74 | 26.23 | 26.73 | 27.24 | 27.78 | 28.32 | 28.86 | 29.43 | 30.00 | 30.58 | 31.18 |
| 19 | Diesel Electric Mechanic Assistant | | 24.77 | 25.25 | 25.74 | 26.23 | 26.73 | 27.24 | 27.78 | 28.32 | 28.86 | 29.43 | 30.00 | 30.58 | 31.18 |
| 19 | Maint. Specialist II/Heavy Equip Operator | | 24.77 | 25.25 | 25.74 | 26.23 | 26.73 | 27.24 | 27.78 | 28.32 | 28.86 | 29.43 | 30.00 | 30.58 | 31.18 |
| 19 | Water/Wastewater Treatment Operator | | 24.77 | 25.25 | 25.74 | 26.23 | 26.73 | 27.24 | 27.78 | 28.32 | 28.86 | 29.43 | 30.00 | 30.58 | 31.18 |
| 19 | Marine Service Ctr & Harbor Team Leader | | 24.77 | 25.25 | 25.74 | 26.23 | 26.73 | 27.24 | 27.78 | 28.32 | 28.86 | 29.43 | 30.00 | 30.58 | 31.18 |
| 20 | Power Generation Mechanic/Operator | | 25.95 | 26.45 | 26.96 | 27.50 | 28.03 | 28.57 | 29.13 | 29.70 | 30.27 | 30.87 | 31.47 | 32.08 | 32.71 |
| 20 | Maint. Specialist III/Heavy Equip Operator | | 25.95 | 26.45 | 26.96 | 27.50 | 28.03 | 28.57 | 29.13 | 29.70 | 30.27 | 30.87 | 31.47 | 32.08 | 32.71 |
| 23 | Public Works Foreman | | 29.12 | 29.69 | 30.26 | 30.86 | 31.46 | 32.06 | 32.70 | 33.33 | 33.98 | 34.65 | 35.33 | 36.02 | 36.72 |
| 23 | Water Treatment Leadman | | 29.12 | 29.69 | 30.26 | 30.86 | 31.46 | 32.06 | 32.70 | 33.33 | 33.98 | 34.65 | 35.33 | 36.02 | 36.72 |
| 23 | Wastewater Treatment Leadman | | 29.12 | 29.69 | 30.26 | 30.86 | 31.46 | 32.06 | 32.70 | 33.33 | 33.98 | 34.65 | 35.33 | 36.02 | 36.72 |
| 23 | Mechanic Lead | | 29.12 | 29.69 | 30.26 | 30.86 | 31.46 | 32.06 | 32.70 | 33.33 | 33.98 | 34.65 | 35.33 | 36.02 | 36.72 |
| 23 | Facility Maintenance Specialist Lead | | 29.12 | 29.69 | 30.26 | 30.86 | 31.46 | 32.06 | 32.70 | 33.33 | 33.98 | 34.65 | 35.33 | 36.02 | 36.72 |
| 27 | Electrical Lineman | | 34.25 | 34.92 | 35.60 | 36.31 | 37.02 | 37.74 | 38.48 | 39.23 | 40.01 | 40.79 | 41.59 | 42.41 | 43.24 |
| 29 | Electrical Line Foreman | | 37.26 | 38.01 | 38.74 | 39.51 | 40.28 | 41.08 | 41.88 | 42.71 | 43.54 | 44.40 | 45.27 | 46.16 | 47.07 |
| | Lineman Apprentice | | | 50% | 55% | 60% | 65% | 75% | 80% | 85% | 90% | 100% | | | |
| | | | | 18.87 | 20.76 | 22.64 | 24.53 | 28.31 | 30.19 | 32.08 | 33.97 | 37.74 | | | |
| | | | | 12/1/2017 | 6/1/2018 | 12/1/2018 | 6/1/2019 | 12/1/2019 | 6/1/2020 | 12/1/2020 | 6/1/2021 | 12/1/2021 | | | |

City & Borough of Wrangell

Position Description

| | |
|---|----------------------------|
| Position: Marine Service Center Relief Operator | Type: Permanent, Full-Time |
| Department/Site: Harbor Department | FLSA: Non-exempt |
| Reports to/Evaluated by: Harbormaster | Salary Grade: 17 |

Summary

The Marine Service Center Relief Operator daily routine includes but is not limited to safely operating multiple types of heavy equipment to move vessels and materials to designated work and storage areas. Schedules vessel haul-outs, operates the yard equipment and dictates traffic flow and yard usage with all users. Performs preventative maintenance on all Marine service Center equipment and buildings. Keeps daily OSHA logs for equipment compliance. Performs duties as part of the Department of Homeland Security Port Security Plan.

Distinguishing Career Features

The Marine Service Center Relief Operator is responsible for making sure all equipment and blocking is kept in safe working order. Must be able to operate a 150 & 300-ton Mobile vessel crane and 40-ton hydraulic trailer. Must possess a high regard for safety in the workplace.

Essential Duties and Responsibilities

- Operates and maintains boat handling equipment.
- Check equipment daily for proper fluid levels and general operation including hydraulic lines and fittings, forks and straps condition and report any maintenance/repair issues to Port and Harbor Director and Marine Service Center Leadman.
- Organizes and schedules the hauling, launching and movement of vessels.
- Serves as on-site coordinator of boat yard/port yard.
- Coordinates traffic flow and yard usage with all customers.
- Enforces Yard Rules and promotes "Best Management Practices".
- Translates all relevant billable information to Harbor Office.
- Organizes all yard equipment including blocking and boat stands.
- Properly secure vessels on hydraulic trailer
- Places keel blocks, boat stands and support blocks under vessels in accordance with size of vessel.
- Position hull support blocks and frames against boat bottom for vertical support.
- Works in other sub-departments of port and harbor when Marine Service Center is not running.
- Performs and enforces duties outlined in the Wrangell Port Security Plan.
- Serves as acting Port and Harbor Director and Marine Service Center Coordinator when assigned

Qualifications

- **Knowledge and Skills**

Requires a working knowledge of the principals of vessel handling. Requires a working

knowledge of hull types and the differences associated with hauling them. Requires working knowledge of the safety issues associated with boat yards. Requires working knowledge of boatyard Best Management Practices. Requires working knowledge of vessel blocking procedures. Requires working knowledge of container companies' practices and procedures.

- **Abilities**

Ability to operate, or learn to operate port equipment including but not limited to, boats, forklifts, loaders, hydraulic trailers, pressure washers, Travelift and other mechanical equipment. Ability to coordinate safe traffic flow within yard with all users. Ability to coordinate and schedule haul-outs, launches and any other boat yard activities. Ability to communicate courteously and professionally to customers, coworkers and members of the general public.

- **Physical Abilities**

Ability to lift and carry 50 pounds. Ability to work in all weather conditions. Ability to work throughout all hours of the day.

- **Education and Experience**

High School Diploma or GED.

- **Licenses and Certificates**

Valid Alaska Driver's License. Valid CDL. Basic First Aid and CPR certificate or the ability to gain certificate within 6 months. Forklift Certificate

- **Working Conditions**

Work is performed outdoors in all weather conditions and at all hours.

This job/class description, describes the general nature of the work performed, representative duties as well as the typical qualifications needed for acceptable performance. It is not intended to be a complete list of all responsibilities, duties, work steps, and skills required of the job.

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 6 |

RESOLUTION No. 05-22-1695 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY22 BUDGET IN THE SEWER FUND BY TRANSFERRING \$18,000 FROM THE FUND RESERVES TO THE CAPITAL EXPENDITURES ACCOUNT AND AUTHORIZING ITS EXPENDITURES FOR THE SEWER SYSTEM CAPACITY ANALYSIS PROJECT

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

FISCAL NOTE:

Expenditure Required: \$18,000

| | | |
|-----------|-----------------|----------|
| FY 21: \$ | FY 22: \$18,000 | FY23: \$ |
|-----------|-----------------|----------|

Reviews/Approvals/Recommendations

| | |
|-------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> | Commission, Board or Committee |
| Name(s) | Planning and Zoning Commission |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Res 05-22-1695.

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION (*Consent Agenda Item*):

Move to Approve Resolution No. 05-22-1695.

SUMMARY STATEMENT:

The Sewer Department has a need to perform a sewer collection system capacity analysis along Zimovia Highway to identifying areas in the collection system where flow restrictions occur or where pipe capacity is insufficient to pass peak wet weather flow (PWWF) events. Systems that do not have sufficient capacity to pass PWWF can produce backwater effects in the collection system and potentially cause undesirable sanitary sewer overflows.

To accomplish this, a capacity analysis of a modeled collection system should be performed, reviewing the entire sewer collection system from the end of the main line on Zimovia Highway to the Wastewater Treatment Plant. The analysis criteria should address the sewer system capacity based on a specific design storm and should include review of acceptable pipe slopes and depths of flow within pipes, minimum and maximum velocity of flow, and minimum pipe size and pump station capacity to identify pump station deficiencies followed by a corrective action plan outlining an associated cost.

The modeling would consider existing homes on Zimovia Highway, as well as the master plan developed for the Institute property and considerations for development of the former 6-mile mill site property.

With Resolution 05-22-1695 approved, the FY 2022 Budget in the Sewer Fund will be amended to reflect a transfer in the amount of \$18,000 from the Fund Reserves to the Capital Expenditures Budget in Sewer Fund Budget and with expenditure authorized for the procurement of the Sewer System Capacity Analysis project.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 05-22-1695

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY22 BUDGET IN THE SEWER FUND BY TRANSFERRING \$18,000 FROM THE FUND RESERVES TO THE CAPITAL EXPENDITURES ACCOUNT AND AUTHORIZING ITS EXPENDITURES FOR THE SEWER SYSTEM CAPACITY ANALYSIS PROJECT

WHEREAS, the Sewer Department has a need to perform a sewer collection system capacity analysis along Zimovia Highway to identifying areas in the collection system where flow restrictions occur or where pipe capacity is insufficient to pass peak wet weather flow (PWWF) events; and

WHEREAS, to accomplish this, a capacity analysis of a modeled collection system should be performed; and

WHEREAS, an amount of \$18,000 is required to perform the capacity analysis of the sewer collection system.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The City and Borough of Wrangell FY 2022 Budget is amended to reflect a transfer in the amount of \$18,000 from the Sewer Fund Reserves to the Capital Expenditures Account and authorize its expenditure for the Sewer System Capacity Analysis project.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 24th DAY OF MAY, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

David Powell, Acting Vice-Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

Minutes of Regular Assembly Meeting

Held on May 10, 2022

Mayor Prysunka called the Regular Assembly meeting to order at 6:00 p.m., May 10, 2022, in the Borough Assembly Chambers. Assembly Member Dalrymple led the pledge of allegiance, and the roll was called.

PRESENT: DALRYMPLE, POWELL, DEBORD, HOWE, and PRYSUNKA

ABSENT: GILBERT and MORRISON

Borough Manager Jeff Good and Borough Clerk Lane were also present.

CEREMONIAL MATTERS – None.

PERSONS TO BE HEARD / PUBLIC CORRESPONDENCE

Bruce McQueen, resident: submitted a letter regarding the discussion at the last Port Commission meeting on requiring vessel insurance.

Clint Kolarich, USFS, provided a Forest Service update.

AMENDMENTS TO THE AGENDA

M/S: Powell/Dalrymple to remove Items 13c and the Executive Session items from the Agenda. Motion approved unanimously by polled vote.

CONFLICT OF INTEREST

Howe declared a potential conflict of interest to Item 13a – School District Contribution due to his employment with the Wrangell Public School District. Prysunka ruled that Howe did not have a conflict of interest. There were no objections from the Assembly.

CONSENT AGENDA

- 6a** **ORDINANCE No. 1025** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTIONS 5.02.050, INVESTMENTS AND 5.02.080, MATURITIES, OF THE WRANGELL MUNICIPAL CODE
- 6b** **RESOLUTION No. 05-22-1686** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY22 BUDGET IN THE MUNICIPAL LIGHT & POWER FUND BY TRANSFERRING \$330,500 FROM THE FUND RESERVES TO THE CAPITAL EXPENDITURES ACCOUNT AND AUTHORIZING ITS EXPENDITURES FOR THE 12MW POWER PLANT UPGRADES CAPITAL PROJECT
- 6c** Minutes from the April 26, 2022, Regular Assembly Meeting
- 6d** Minutes from the May 4, 2022, Special Assembly Meeting

M/S: Powell/DeBord to approve the Consent Agenda. Motion approved unanimously by polled vote.

BOROUGH MANAGER'S REPORT

Manager Good's report was provided.

BOROUGH CLERK'S REPORT

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Dalrymple reminded the public to take advantage of the comment period to submit your ideas for where you would like to see the Forest Service build a cabin; this is the preliminary phase.

Prysunka stated that he would be in Ketchikan on Thursday for the SEAPA Board Meeting, along with Finance Director Villarma.

MAYOR AND ASSEMBLY APPOINTMENTS – None.PUBLIC HEARING

11a ORDINANCE No. 1024 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS IN CHAPTER 14.13, IMPOUNDMENT OF VESSELS, IN THE WRANGELL MUNICIPAL CODE

Mayor Prysunka called to order the Public Hearing on this item and asked if there were any persons who wanted to speak to this item. Hearing none, Prysunka asked Manager Good for an administrative report.

Manager Good explained why this item was being brought forward for consideration.

Prysunka closed the Public Hearing and asked for a motion on this item.

M/S: Powell/Howe to approve Ordinance No. 1024. Motion approved unanimously by polled vote.

UNFINISHED BUSINESS

12a RESOLUTION No. 04-22-1690 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL RECORDING DISTRICT (*Postponed from the April 26, 2022 Assembly Meeting*)

M/S: Powell/Dalrymple to approve Resolution No. 04-22-1690.

Clerk Lane explained that the stipulation that if the final sale was for over \$1 million dollars, then the approval to sell the property and building would need to go to the voters for approval at the Regular Election in October.

Motion approved with Howe, Dalrymple, Powell and Prysunka voting yes; DeBord voted no.

NEW BUSINESS

13a Approval of FY 2023 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of \$1,592,000

M/S: Powell/Howe to approve to the FY 2023 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of \$1,592,000.

The following persons spoke in favor of fully funding the school district:

- 1. David Wilson, WPSD Board President***
- 2. Tasha Morse, Teacher at WPS***
- 3. Sarah Scheiner, Parent***
- 4. Laurie Hagelman, Teacher at WPS***
- 5. Michelle Clark, Teacher at WPS***
- 6. Kaelene Harrison, Parent***
- 7. Mikki Angerman, Teacher at WPS***
- 8. Kevin Fish, resident***
- 9. Clarissa Young, resident***

Mason Villarma, Finance Director gave a detailed breakdown of where the funding would come from.

In response to Howe on if the Ordinance means that the funding must come from SRS, Villarma stated that no, it does not have to come strictly from SRS funds.

Bill Burr, WPSD Superintendent stated that the funding was set to be funded at the 2017 amount for three years; this upcoming year is the first of three years.

In response from Prysunka on where the \$1,592,000 amount came from and was there opportunity to increase that amount, Villarma stated that the request for \$1,592,000 came from the School District and to increase the amount above what the district asked, it would depend on where those funds came from; in the long term, it would most likely be sustainable to take the funding from both SRS and Sales Tax but probably sustainable at the higher level of contribution if the funding came exclusively from Sales Tax and Property Taxes.

Superintended Burr stated that if the district were to have the additional funding, the district could have more programs and support staff; if the amount that was requested, we cannot do additional programs and services.

Powell expressed that the Work Session that was held earlier on was very enlightening; would like to fully fund the school; wanted the public to know that as an Assembly, there are a lot of things in the Borough that need to be funded.

M/S: DeBord/Powell to amend the motion to change the contribution amount to \$1,617,629

Villarma explained that with the additional funding, the difference would come from the SRS Funds.

Amendment approved unanimously by polled vote.

Main motion, as amended, was approved unanimously by polled vote.

Recessed meeting at 7:50 p.m.

Reconvened meeting at 7:55 p.m.

13b Discussion and possible direction on the Sunny Bay entitlement land.

Good provided detail and options for this item.

DeBord stated that he was aware that this was in the budget for next year however, he did not want to miss the summer opportunity to get boots on the ground to see what is there; do not want to see this delayed another year since timber prices are pretty high, we should strike sooner than later; doesn't want to see us go the "free" route with the Forest Service and then potentially spend millions in the long run.

Direction from the Assembly was for Manager Good to pursue the options with the Forest Service.

Howe agreed that it would be a good idea to move on this sooner than later to determine what is there.

Dalrymple provided detained information on how the process would work and possible steps moving forward.

~~**13c** — Approval of Tax Contribution Agreement between Southeast Alaska Regional Health Consortium (SEARHC) and the City and Borough of Wrangell~~**13d** Approval of City & Borough Tidelands Annual 2022 Five-Year Reassessments

M/S: Howe/DeBord to approve the five-year City Tidelands Reassessments for tax year 2022, as presented. Motion approved unanimously by polled vote.

ATTORNEY'S FILE

14 Available for Assembly review in the Borough Clerk's office.

EXECUTIVE SESSION

~~**15a** — Update and Discussion on the Tax Contribution Agreement Proposal between SEARHC and the City and Borough of Wrangell~~

Regular Assembly meeting adjourned at 8:13 p.m.

Stephen Prysunka, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**Minutes of the Board of Equalization Meeting
Held on May 17, 2022**

Mayor Prysunka called the Board of Equalization meeting to order at 5:30 p.m., May 17, 2022, in the Borough Assembly Chambers.

PRESENT: PRYSUNKA, DEBORD, DALRYMPLE, and POWELL

ABSENT: HOWE, MORRISON, and GILBERT

Borough Manager Good and Borough Clerk Lane were also in attendance.

CONFLICT OF INTEREST

Dalrymple declared a potential conflict of interest on the senior citizen property tax exemption item because he belongs to that class of citizens. Prysunka stated that he did not see that he received an economic gain over anyone else since this benefit was offered to all eligible senior citizens. There were no objections from the Assembly.

ITEM(s) OF BUSINESS

4a Appeals – Real Property

1. Dave Hartung, Appellant for property 02-014-382

Arne Erickson, Borough Assessor, stated that this was the property on Peninsula Avenue; Hartung did not express what he wanted the assessment stated, did not recommend reassessment; land has not changed in value since 1996; recommendation is no change to the assessments as determined.

Mayor Prysunka stated that as the Board of Equalization, they would determine whether the assessments were accurate or not.

Mr. Hartung, appellant, stated that he didn't really know what value to put in there; my particular lot is not waterfront, like my neighbors; thought that the assessed amount was too high; value had been under \$140,000 and as a senior citizen, was under the \$150,000 value allowance; lot is just a sliver on dry land, not waterfront; realized that everything is going up and the City is looking for money; if some portion or half of the value could be lowered, that would be helpful.

Powell voiced that before this assessment, it was valued at \$67,000.

Powell asked if there were any other properties in this area that went up.

Assessor Erickson stated that they all went up in this area.

Dalrymple asked if the percentage was the same amount.

Assessor Erickson stated that they always try to be consistent, but it depends on the land and area.

Powell stated that the only problem he has with this is that it's been 25 years since the value increased; should have gone up gradually and not all at once.

Dalrymple asked Assessor Erickson if they considered Mr. Hartung's concerns.

Assessor Erickson stated that yes, everything was considered; went to the property today to physically inspect it; they consider everything; did not find anything to warrant lowering the value.

M/S: Dalrymple/DeBord moved to accept the Real Property Tax Assessment prepared and presented by Arne Erickson, Borough Assessor, in the amount of \$194,000 for Property Owner Appellant Dave Hartung.

Dalrymple stated that he believed that our role as the BOE was to overturn the Assessors assessment only if they found an error in his assessment.

Motion approved unanimously by polled vote.

2. Jim Bailey, Appellant for property 02-028-309

Mr. Bailey, appellant, stated that this was for one of the lots in the Industrial Lot; this lot value went up 146%; I feel like that's too big of a jump in one year; not saying this is a mistake; seems like there should be some kind of cap that is raised in one year; my issue is not the value but the huge jump in one year.

Assessor Erickson stated that the property was assessed at \$4 per square feet; Mr. Renfro, Borough Assessor, suggested a 50% reduction from \$4 to \$2 per square feet which brings the new assessed value to \$32,000; this is a filled lot; land value has not changed in 1993; agree it's a dramatic increase however it's consistent with property sales in the area.

Dalrymple stated that he sees that the Assessor already lowered the value by 50%.

Powell stated that the area was not assessed for 29 years so one could look at it like it was a tax break.

M/S: Powell/Dalrymple moved to accept the Real Property Tax Assessment prepared and presented by Arne Erickson, Borough Assessor, in the amount of \$32,000 for Property Owner Appellant Jim Bailey. Motion approved unanimously by polled vote.

3. Lindsey Gross, Appellant for property 03-003-252

Ms. Gross was not present for the meeting.

Assessor Erickson stated that Ms. Gross submitted two appeals; around 1 Mile Zimovia Hwy.; looked at the property and surrounding properties and suggested no adjustment; we walked the properties today and based on our assessment, we do not recommend any adjustment.

Prysunka stated that it looks like that in the appeal correspondence from Ms. Gross, there were some timely issues.

M/S: Powell/Dalrymple moved to accept the Real Property Tax Assessment prepared and presented by Arne Erickson, Borough Assessor, in the amount of \$54,500 for Property Owner Appellant Lindsey Gross.

4. Lindsey Gross, Appellant for property 03-003-254

Ms. Gross was not present for the meeting.

Assessor Erickson stated that just like the property above, he walked the property and does not recommend an adjustment.

Dalrymple asked if there was a structure on the property.

Assessor Erickson said that yes there was.

M/S: Powell/DeBord moved to accept the Real Property Tax Assessment prepared and presented by Arne Erickson, Borough Assessor, in the amount of \$95,500 for Property Owner Appellant Lindsey Gross.

Howe arrived at 6:20 p.m.

5. Elizabeth Whitmore, Appellant for property 02-003-260

Assessor Erickson stated that the original assessment was adjusted 20% for the land only; no adjustment recommended for the improvements was recommended.

Erickson read from Ms. Gross's appeal: "Safety is an issue now excessive erosion may cause trees to fall on house. This is a damage report of property continuing due to improper & lack of adequate road runoff control/discharge. Photos on request – or inspect by appointment with tenant."

Erickson also read from Ms. Gross's email from today: "Excessive water discharge from the road modifications and the lack of uphill (grade wise) water deferment by way of absent ditch collection and deferment through needed drainage culvers has resulted in overwhelming discharge through one culvert on our property, discharging at excessive PSI and excessive cubic/ft minimum; resulting in excessive erosion, mature trees damaged and dangerous (now needing to be removed) and removed use of land from tenant's and extreme erosion. At minimum safety first and ultimately, last years "assessed value of land" should be reduced from \$64k to \$30k. Certainly not \$115. Respectfully, Elizabeth W. Whitmore."

Erickson stated again that they walked the property today and they do not believe that the value should be lowered anymore; land was already lowered from \$115,300 to \$92,200, making the total value with land and improvements \$260,600.

Prysunka asked if the reduction was considered due to Ms. Whitmore's concerns.

Assessor Erickson stated that the reduction was made because of the erosion.

M/S: Powell/Dalrymple moved to accept the Real Property Tax Assessment prepared and presented by Arne Erickson, Borough Assessor, in the amount of \$260,600 for Property Owner Appellant Elizabeth Whitmore.

5b Approval of the Fire Suppression Property Tax Exemptions for the Tax Year 2022 for the Total Assessed Value of \$73,628

M/S: Howe/Powell to approve the Fire Suppression Property Tax Exemptions for the Tax Year 2022 for the Total Assessment Value of \$73,628. Motion approved unanimously by polled vote.

5c Approval of the Disabled Veteran Exemptions for the Tax Year 2022 for the Total Assessed Value of \$855,600

M/S: DeBord/Powell to approve the Disabled Veteran Property Tax Exemptions, for the tax year 2022, for the total assessed value of \$855,600. Motion approved unanimously by polled vote.

5d Approval of the Senior Citizen Property Tax Exemptions for the Tax Year 2022 for the Total Assessed Value of \$33,687,575

M/S: Howe/Powell moved to approve the Senior Citizen Property Tax Exemptions for the Tax Year 2022 for the Total Assessed Value of \$33,687,575. Motion approved unanimously by polled vote.

Board of Equalization meeting adjourned at 6:34 p.m.

Stephen Prysunka, Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

Minutes of Special Assembly Meeting

Held on May 17, 2022

Mayor Stephen Prysunka called the Special Assembly meeting to order at 6:39 p.m., May 17, 2022, in the Borough Assembly Chambers.

PRESENT: HOWE, POWELL, DALRYMPLE, AND PRYSUNKA

ABSENT: MORRISON, DEBORD, AND GILBERT

PERSONS TO BE HEARD / PUBLIC CORRESPONDENCE – None.

CONFLICT OF INTEREST

Prysunka asked for Assembly Member Powell to take the gavel as Interim Vice-Mayor and stated that he has a perceived conflict of interest because his wife is the Medical Director for SEARHC.

Powell stated that he does not see a conflict of interest since there is no direct benefit received by him or his wife. There were no objections from the Assembly.

EXECUTIVE SESSION

5a EXECUTIVE SESSION: Update and Discussion on the Tax Contribution Agreement Proposal between SEARHC and the City and Borough of Wrangell

M/S: Powell/Howe pursuant to AS 44.62.310 (c)(1), that we recess into executive session to discuss matters in which the immediate knowledge would clearly have an adverse effect upon the finances of the borough, specifically for an update and to discuss the Tax Contribution Agreement Proposal between SEARHC and the City and Borough of Wrangell. Motion approved unanimously by polled vote.

Recessed into Executive Session at 6:40 p.m.

Reconvened back into Special Session at 7:30 p.m.

5b Approval of Tax Contribution Agreement between Southeast Alaska Regional Health Consortium (SEARHC) and the City and Borough of Wrangell

M/S: Powell/Howe to approve the Tax Contribution Agreement between Southeast Alaska Regional Health Consortium (SEARHC) and the City and Borough of Wrangell with the most recent Contract 3.7.

Prysunka stated that this most current contract was not the contract that was placed in the packet for this meeting.

Motion approved unanimously by polled vote.

Prysunka stated that this was a long process; really appreciates that the SEARHC representatives worked with us and stuck with us through the process; we have come up with an excellent agreement that is good for the city and SEARHC; SEARHC is our healthcare partners in this community, and we are working together to get to the same place; a healthy community and I really believe it's the systems that keep our community going.

Special Assembly meeting adjourned at 7:32 p.m.

Stephen Prysunka, Borough Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

BOARD ACTION**WRANGELL PUBLIC SCHOOL BOARD
REGULAR MEETING (PAGE 1)
MAY 16, 2022****FOR DETAILS, CONTACT:**

BILL BURR

SUPERINTENDENT

DIRECT PHONE: 907-874-2347

- Approved the agenda as written
- Approved the consent agenda as presented
 - Approved the minutes of the April 18, 2022, Regular School Board Meeting
 - Offered Winston Davies a Contract Addendum to serve as Carl Perkins Grant Coordinator
 - Offered Winston Davies a Contract Addendum to serve as IEA Grant Coordinator during the
 - Offered Heather Howe a Contract Addendum to serve as Upward Bound Grant Coordinator
 - Offered Extracurricular Contracts as presented
 - Approved the hire of:
 - Talea Massin, Custodian
 - Tate Miller, Custodian
 - Joshua Murillo, Paraprofessional
 - Reviewed the resignation of:
 - Madison Blackburn, Paraprofessional
 - Raymond Martinez, Custodian
 - Tony Massin, Custodian
 - Jennifer Miller, Teacher
 - Lorna Salchenberg, Elementary Secretary
 - Sabrina Smith, Cross Country Coach
- Adopted the Fiscal Year 2023 Budget
- Revised the Classified Salary Schedule as presented, effective July 1, 2022
- Revised the Substitute Salary Schedule as revised, beginning July 1, 2022
- Approved the Migrant Education Literacy Grant Application
- Accepted the grant award from APEI to provide safety equipment and supplies
- Accepted the donation from the Stikine Sportsmen Association in the amount of \$1,500.00
- Accepted the second reading of Board Policy 0300, Strategic Plan
- Accepted the second reading of Board Policy 3430, Investing and directed the Business Manager to explore additional revisions to allow more diversified investment opportunities
- Accepted the second reading of:
 - Board Policy 7012, Communications to and from the Board
 - Board Policy 7020, Board Standards
 - Board Policy 7021 Governing Style
 - Board Policy 7121, Duties of the President of the Board
 - Repealing Board Policy 7122, Duties of the Vice-president
- Adjourned

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF GOOD
BOROUGH MANAGER**

SUBJECT: MANAGER'S REPORT

DATE: May 24, 2022

INFORMATION:

- The City and Borough of Wrangell's application for a Community Block Development Grant-Coronavirus (CDBG-CV) for the Wrangell Recreation Facility HVAC Upgrade was approved for up to \$806,712.
- The MARAD Port Infrastructure Development Program grant has been submitted for engineering design for the Barge Ramp. Total cost for design is estimated to be \$2,584,560.
- Working to get a rough order of magnitude estimate for a timber cruise for Sunny Bay. In addition, looking to schedule a potential walk through of Sunny Bay.
- Working on scheduling a site visit to all of our entitlement lands.
- The forest service will be conducting an inspection of the Chugach the first 2 weeks in July.

**Public Works
Director: Tom Wetor**

- Wastewater and Smoke Testing
 - Several Inflow and Infiltration issues have been identified during smoke testing of the collection system. 2 different manholes were found to have considerable groundwater flowing in all the way at the very bottom. This will be a big project to fix as it will need to be excavated all the way to the bottom to repair it correctly. Being approximately 12' down will make the excavation challenging while keeping the infrastructure in tact and will likely require some contract work to complete.
 - 1 resident had smoke coming out from underneath their house indicating there is an issue there. This home owner will be notified of the need to address this issue. Another homeowner was found to have their vent pipe end in their wall resulting in their house being filled with smoke during testing.
 - Another manhole cover and a clean out were found to have water running in, especially during heavy rains. It appears that the old drainage ditch had moved/filled in and water had been re routed to where it was going over the manhole and cleanout. Staff have already dug new drainage in these locations.

- In total, 5 areas of inflow and infiltration have been identified. Fixing these issues should have a significant impact on addressing some of our I&I issues going out the road to the end of the collection system.
- Additional manholes that had not been opened in years and that were rusted shut were identified. A winch was needed to remove several of these manhole covers.
- Public Works will be working on plans to fix all I&I issues that have been identified this summer.
- **Additional Public Works Updates**
 - Road maintenance has continued. Materials and supplies have been ordered to prepare for more projects coming up in the summer months. Staff are working with a contractor to address some additional road needs in this fiscal year and will be developing a larger project to go out to bid for the start of next fiscal year.
 - Candidates have been interviewed for the mechanic position and a selection will be made shortly.
 - The Maintenance Specialist position with PW is in the process of being advertised.
 - Staff continue to meet regularly with the DOWL design team working on the new water treatment plant.
 - PW and the finance department have initiated discussions regarding rate increases in the sanitation department.
 - A grant application was submitted for the Solid Waste Transfer Station Loading Dock.
 - Staff are working on 3 additional residential grinder pump requests to be installed on private property.
 - Staff have been working with HDR and have submitted the engineered drawings to DEC for the valve reconfiguration and work inside the clear well at the water treatment plant. These projects were identified in our sanitary survey for the DEC as far back as 2012 with an original deadline to fix in 2018. Once the drawings are approved through DEC we will begin the work needed to get these projects to construction.

Wrangell Municipal Light and Power Department Report May 10, 2022

- **WML&P Status**
 - **Accomplishments-** MSI is on site and the rebuild of generator 5 has begun in earnest. Estimated time of completion is May 25th.

Wrangell Parks and Recreation Director: Kate Thomas

- We had 16 people come forward including staff and board members. Collectively over 60 hours of labor were clocked. Efforts included weeding, trimming, mulching and installing daisies in the garden beds along Front Street. This is the second year

Parks & Rec has overseen the maintenance of the beds through the efforts of staff and volunteers.



**Nolan Center:
Director: Cyni Crary**

- The community is invited to "A Night at the Museum" potluck dinner and Friends of the Museum membership drive - May 28th at 6pm.

NIGHT AT THE MUSEUM

The Friends of the Museum Invite
the Community to a Potluck Dinner



MAY 28  **6PM**

Speakers | Door Prizes | Entertainment
Alaska Airlines Tickets

Membership Drive - Become a Member (\$25-\$100)
New & current members get 10 extra door prize tickets!

~Sweet Tides Pulled Pork Sliders~

THE NOLAN CENTER

CITY & BOROUGH OF WRANGELL, ALASKA

BOROUGH CLERK'S REPORT

SUBMITTED BY: Kim Lane, MMC, Borough Clerk

Upcoming Meetings & Other Informational dates:

Other City Boards/Commissions:

June 1 – Parks & Recreation Board Mtg. at 5:30pm in the Assembly Chambers

June 2 – Port Commission Mtg. at 6pm in the Assembly Chambers

June 9 – Planning & Zoning Commission Mtg. at 6pm in the Assembly Chambers

Community Events:

May 30 – City offices are closed for Memorial Day

Meetings and Other events of the Borough Assembly:

May 31 – Budget Work Session at 5:00 pm in the Assembly Chambers

June 14 – Regular Borough Assembly Mtg. at 6pm in the Assembly Chambers

IIMC Annual Conference – For this Assembly meeting, I am in Little Rock AR attending the 76th Annual International Institute of Municipal Clerks conference. I will be returning to Wrangell on May 27th. It has been two years since I have attended this educational conference. I am really looking forward to reconnecting with other Clerks from around the country and learning new tips and tricks that I can use in my role as the Clerk for Wrangell. Thank you for allowing me this opportunity.

Robbie Marshall, Deputy Clerk is filling in for me while I am away. Thank you, Robbie!!

Annual OMA & Parliamentary Training with our Borough Attorney – It's been well over 2 years since we invited our Borough Attorney to come and give an Open Meetings Act training session. I am pleased to report that we had a good turnout with members of the Port Commission, School Board, Assembly, and others attending! We also had Recording Secretaries attend!

June 11th Special Primary Election for State Representative –

Absentee Voting for this Special Primary Election will take place May 27th – June 10th (excluding May 30th and weekends) from 10am – 4pm in the Borough Assembly Chambers. June 11th is a Saturday however, the Polling Place will be OPEN here at City Hall from 10am to 2pm. This Special Election is a “by mail” election only. If someone who receives a ballot in the mail wants to drop it off at the polling place (city hall – during the absentee voting hours), they can do that. Also, if someone does not receive a mailed ballot, they can come in and absentee vote.

There are 48 candidates on the June 11th Primary Special Election Ballot for United States Representative. There will be four candidates on the August 16th Primary Election, based on the June 11th Special Primary Election.

The November General Election will be a Ranked Choice election where voters will vote their 1st, 2nd, 3rd, and 4th candidate choice. Ranked Choice voting will only occur in State and Federal General elections.

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 11 |

ORDINANCE No. 1025 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTIONS 5.02.050, INVESTMENTS AND 5.02.080, MATURITIES, OF THE WRANGELL MUNICIPAL CODE

| |
|----------------------------------|
| <u>SUBMITTED BY:</u> |
| Mason Villarma, Finance Director |

| <u>Reviews/Approvals/Recommendations</u> | |
|--|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | Planning and Zoning Commission |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

| <u>FISCAL NOTE:</u> | | |
|--|-----------------|----------|
| Expenditure Required: \$XXX Total | | |
| FY 21: \$ | FY 22: \$XXXXXX | FY23: \$ |
| Amount Budgeted: | | |
| FY22 \$XXX | | |
| Account Number(s): | | |
| XXXXXX XXX XXXX | | |
| Account Name(s): | | |
| N/A | | |
| Unencumbered Balance(s) (prior to expenditure): | | |
| \$XXX | | |

ATTACHMENTS: 1. ORD 1025

MAYOR PROCEDURE: Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium. Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

RECOMMENDATION MOTION:
Move to Approve Ordinance No. 1025.

SUMMARY STATEMENT:

During the Alaska Permanent Capital Management presentation by Blake Phillips in March, he recommended the Finance Department should revise the Borough's investment code to include municipal and corporate investment grade bonds. He also recommended expanding the maturity date from 5-years to 10-years so when the Borough experiences economic conditions that have produced high interest rates, the Borough can harbor its money in favorable securities for a longer duration.

Ordinance 1025 satisfies this request. If passed, it will be permissible for the Borough to:

- a) Invest in investment grade municipal and corporate bonds
- b) Invest in assets that do not exceed a 10-year maturity from the investment purchase date

CITY AND BOROUGH OF WRANGELL, ALASKA
ORDINANCE NO. 1025

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND
BOROUGH OF WRANGELL, ALASKA, AMENDING
SECTIONS 5.02.050, INVESTMENTS AND 5.02.080,
MATURITIES, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF
WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC. 1. Action. The purpose of this ordinance is to amend Sections 5.02.050, Investments and 5.02.080, Maturities, of the Wrangell Municipal Code.

SEC. 2. Amendment, Section 5.02.050 of the Wrangell Municipal Code is hereby amended as follows:

5.02.050 Investments.

Investments shall be restricted to the following, at time of purchase:

...

B. [Fully insured certificates of deposit, savings deposits, and other interest-bearing deposit accounts in member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC)] Certificate of Deposit issues which have a secondary market and are issued by a financial institution that is rated at least "A" by one of the major rating services or for which principal and interest is FDIC insured.

C. [Fully collateralized certificates of deposits, savings deposits, or other interest-bearing deposit accounts of member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). Such deposits shall be fully collateralized for any amount of the deposit in excess of the FDIC or FSLIC insurance limits then in force] Commercial paper which is rated at least A-1/P-1.

D. [Repurchase agreements where the general checking balance at the end of each business day is used to buy a security (as allowed under WMC 5.02.050(A), (B) or (C)) from the bank and held overnight. The bank agrees to repurchase the security at the beginning of the next business day and deposit back to the general checking. All repurchase agreements

must meet all the investment guidelines as described in this chapter] Repurchase agreements with at least 102% collateral.

E. US dollar denominated obligations of municipalities and corporations that are rated investment grade by at least two of the major rating agencies.

F. US asset backed securities rated “AAA” by at least one of the major rating agencies.

[E] G. Investment in lower risk equity securities, mutual funds, and exchange traded funds shall be allowed if, and only if, all the following criteria are satisfied:

1. The cash to be invested originates from an enterprise fund; and
2. The enterprise fund has an unrestricted net asset balance of greater than or equal to \$1,000,000; and
3. The cash harbored in a security provided in this subsection (E) does not exceed 10 percent of the enterprise fund’s unrestricted fund balance at the beginning of the most recent fiscal period; and
4. The underlying investment can be readily convertible to cash within 30 days; and
5. All investment income is reinvested or withdrawn and remitted to the respective enterprise fund based proportionally on the principal amount contributed to the initial investment.

5.02.080 Maturities

All investments shall have maturities measured from the date of purchase which do not exceed **[five] ten** years, except for investments that shall be put to specific uses (such as defeasance of debt or establishment of a linking fund) where the matching or maturity to the use is most important.

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: May 10, 2022

PASSED IN SECOND READING: May 24, 2022

David Powell, Acting Vice-Mayor

ATTEST: _____
Robbie Marshall, Deputy Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 11 |

RESOLUTION No. 05-22-1694 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FEES AND RATES SCHEDULE FOR THE SANITATION DEPARTMENT

SUBMITTED BY:

Tom Wetor, Public Works Director
Mason Villarma, Finance Director

FISCAL NOTE:

Expenditure Required: N/A

| | | |
|-----------|-----------|----------|
| FY 22: \$ | FY 23: \$ | FY24: \$ |
|-----------|-----------|----------|

Amount Budgeted:

| | | |
|--|----------|--|
| | FY19 N/A | |
|--|----------|--|

Account Number(s):

| | | |
|--|-----|--|
| | N/A | |
|--|-----|--|

Account Name(s):

| | | |
|--|-----|--|
| | N/A | |
|--|-----|--|

Unencumbered Balance(s) (prior to expenditure):

| | | |
|--|-----|--|
| | N/A | |
|--|-----|--|

Reviews/Approvals/Recommendations

☐

Name(s)

Name(s)

☐

Attorney

☐

Insurance

ATTACHMENTS: 1. Res 05-22-1694 2. Proposed Fee and Rate Schedule

MAYOR PROCEDURE: Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

RECOMMENDATION MOTION:

Move to approve Resolution No. 05-22-1694.

SUMMARY STATEMENT:

The Sanitation Department reserves are projected to be \$157,590 at the end of FY 2023. There is a total of \$10.1M in future value capital purchases that must be executed in the next 40 years to allow for the department to maintain operations. The rate increases allow for the Sanitation Fund to remain fiscally sustainable without overcharging consumers. The proposed rate schedule is still less than the City and Borough of Petersburg's rates as of 2018.

**Financial analysis fully justifying rate increases will be presented to the assembly during the May 24th meeting.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 05-22-1694

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FEES AND RATES SCHEDULE FOR THE SANITATION DEPARTMENT

WHEREAS, at reasonable time increments the fees and/or fee structure for the collection or disposal of refuse must be reviewed; and

WHEREAS, when it is determined operational costs require changes to the fee structure, a resolution must be passed setting the new fee structure; and

WHEREAS, a Public Hearing shall be held on the resolution that requests changes to the Fee Schedule for Sanitation Department; and

WHEREAS, the Public Works sanitation services are operated and maintained under the jurisdiction of the Borough Assembly; and

WHEREAS, the Borough Assembly has determined, as recommended by the Public Works Director, that adjustments in the fees and rates are necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1. The attached schedule of fees shall govern the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Sanitation Department.

Section 2. The attached Exhibit "A" includes the fees for collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Sanitation Department.

Section 3. This resolution shall become effective upon approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 24th DAY OF MAY 2022.

CITY & BOROUGH OF WRANGELL

David Powell, Acting Vice-Mayor

ATTEST: _____
Robbie Marshall, Deputy Clerk

**City and Borough of Wrangell
Sanitation Department
Fee and Rate Schedule**

Approved by Resolution No. 05-22-1694

| Category | Description | Rate |
|--|---|----------------------|
| Container Size <i>Fee Per Collection</i> | 1 Yard | \$ 105.60 |
| | 1.5 Yard | \$ 151.20 |
| | 2 Yard | \$ 192.00 |
| | 48 Gallon | \$ 43.20 |
| | 64 Gallons | \$ 49.60 |
| | 96 Gallons | \$ 62.40 |
| Landfill Charges | Up to 1 cubic yard (minimum charge) | \$ 18.00 |
| | Each additional cubic yard | \$ 8.00 |
| | Cars (each, with no tires, no fluid, and title) | \$ 300.00 |
| | Cars WITH tires and fluids | Will not be accepted |
| | Tires | 4.00/each |
| | Washers or Dryers (each) | \$ 40.00 |
| | Refrigerators and freezers (each with Freon) | \$ 80.00 |
| | Cardboard, glass and aluminum (if separate) | Free |

Specific Requirements for Landfill: The following list is items that need to be separated by the customer prior to bringing to the landfill:

Separation of Garbage:

- A Metal and Appliances
- B Wood and Paper
- C Batteries
- D Refrigerators and Freezers
- E Hazardous Waste, including but not limited to oil, gas, paint, antifreeze, and household
- F Glass
- G Aluminum
- H And other items as posted at the landfill or as directed by landfill personnel

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 13 |

Approval of the Modifications to the Wrangell Marine Service Center Leased Lots, extending the Terms and updating the Monthly Lease amounts

SUBMITTED BY:

Steve Miller, Port & Harbor Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

| | | |
|-----------|-----------|----------|
| FY 22: \$ | FY 23: \$ | FY24: \$ |
|-----------|-----------|----------|

Amount Budgeted:

| | |
|--|------------|
| | FY20 \$XXX |
|--|------------|

Account Number(s):

| | |
|--|----------------|
| | XXXXX XXX XXXX |
|--|----------------|

Account Name(s):

| | |
|--|-----------------|
| | Enter Text Here |
|--|-----------------|

Unencumbered Balance(s) (prior to expenditure):

| | |
|--|-------|
| | \$XXX |
|--|-------|

Reviews/Approvals/Recommendations

| | |
|-------------------------------------|-----------------|
| <input checked="" type="checkbox"/> | Port Commission |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. WMSC Business Plan 2. Lease Modifications for the following:

1. Superior Marine, Yard Lot 1
2. Jenkins Welding, Yard Lot 2
3. Wrangell Machine Shop, Yard Lot 3
4. Keller Marine Repair, Yard Lot 4
5. Alaska Ice Seafoods, Mill Dock 1
6. Sumner Straight Seafoods, Mill Dock 2
7. CTT Marine, Mill Dock 6
8. Superior Marine, Mill Dock 7

RECOMMENDATION MOTION:

Move to Approve the Modifications to the Wrangell Marine Service Center Leased Lots, extending the terms and updating the monthly lease amounts.

SUMMARY STATEMENT:

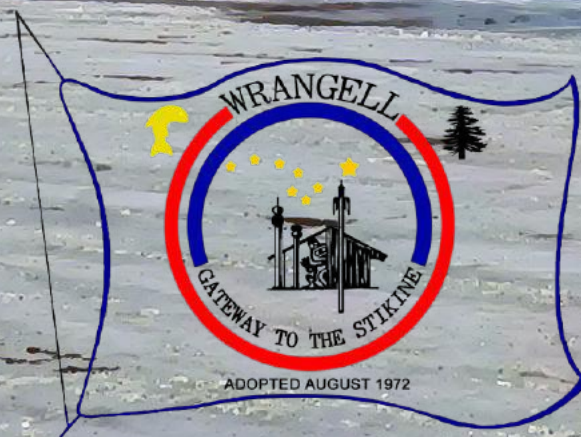
The Port Commission and the Borough Assembly have held off on approving any extensions for the leases in the Wrangell Marine Service Center until the Business Plan was completed to develop both a 30-year cost analysis and a competitive pricing analysis. The Cost-Analysis is attached for the Assembly's review.

This action extends the terms and ensuring that all Leased Lots in the WMSC have the same expiration date, and all have the same price per square foot.

The Port Commission, at its meeting on May 5, 2022, approved these modifications.

Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

January 2022



Prepared by
Rain Coast Data

Rain Coast Data Technical Memo for the City and Borough of Wrangell

January 2022

Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

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Summary of Findings

Project Description

Wrangell's Marine Service Center is a 7-acre area with 150-ton and 300-ton haul-out lifts and a 40-ton hydraulic trailer operated and managed by the City and Borough of Wrangell. It includes a wash down area and upland storage for over 85 boats.



Private businesses that lease space in the area provide repair, maintenance, fabrication, and marine industry skills to serve vessel owner needs. The Marine Service Center primarily caters to commercial fishing boats but also accommodates recreation and other commercial vessels.

The purpose of this technical memo is to assist the City and Borough of Wrangell in understanding the long-term costs and revenues associated with the Marine Service Center.

The Rain Coast Data team developed a Marine Service Center 30-year cost analysis which analyzes the long-term costs of the Wrangell shipyard including maintenance costs, life of infrastructure assessments, replacement costs, operating costs, and income analysis. This includes return-on-investment projections, long-term City and Borough of Wrangell staffing costs, and revenue projections based on user fees and lease rates. The analysis also includes summaries of 5- and 15-year ROI assessments.

Accompanying this document is a dynamic excel-based tool. Because the Marine Service Center includes many differing variables, choices, and lease elements, the tool allows these variables to be changed so that the City and Borough of Wrangell can see how future costs change based on differing input selections.

This study also includes a competitive pricing analysis. Executive interviews were conducted with representatives from shipyards in nine Alaska and Washington communities were conducted to understand comparative cost structures for various services such as boat storage, haul out fees, lease costs by square foot, and other services as directed by Wrangell Ports and Harbors.

Marine Service Center Return on Investment Analysis Summary

Based on the current rate structure, Wrangell's Marine Service Center will operate at a loss over the next 5, 15, and 30 years.

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment. Based on the assumptions programmed into model below, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of just 66 cents for each dollar invested.

Since there are so many variables and choices involved in these calculations, this deliverable includes a dynamic excel-based tool in which variables, such as vessel storage fees, lease agreement elements, capacity used, and annual inflation can be changed and new ROIs calculated. For example, increased utilization of the short-term and longer-term vessel storage yards would result in a ROI greater than 1.

Return on Investment Analysis Summary Results (No rate increases version)

| Measure | 5 years | 15 years | 30 years |
|-----------------------------------|--------------------|--------------------|---------------------|
| Vessel Storage Revenue | \$901,584 | \$2,885,069 | \$5,589,821 |
| Haulout Revenue | \$911,250 | \$2,916,000 | \$5,649,750 |
| Business Lease Revenue | \$286,008 | \$915,226 | \$1,773,250 |
| Other Revenue | \$70,000 | \$224,000 | \$434,000 |
| Total Revenue | \$2,168,842 | \$6,940,294 | \$13,446,820 |
| Labor Costs | \$1,148,943 | \$4,115,163 | \$9,356,491 |
| Capital and Maintenance Costs | \$1,256,823 | \$4,021,833 | \$7,792,302 |
| Other Costs | \$389,002 | \$1,393,287 | \$3,167,863 |
| Total Costs | \$2,794,768 | \$9,530,283 | \$20,316,656 |
| Return on Investment Ratio | 0.78 | 0.73 | 0.66 |

The assumptions that went into the model presented above are detailed in Cost Benefit Analysis section of this report.

Wrangell Marine Service Center Rate Comparison Summary

An analysis of 14 rate structures for shipyards across nine Alaska and Washington communities were analyzed and compared to Wrangell's rates. A summary key of fee comparisons is below:

Short-term vessel storage: Short-term storage areas are generally for vessels that are being actively worked on. In the Wrangell Marine Service Center there are 30 spaces for vessels in this work area. While there are conceptually 34,290 square feet of billable short-term work space in Wrangell, the maximum functional utilization is approximately 21,000 square feet with a fee of \$0.59 per square foot per month. The work yard is full 9 months per year and at a lower capacity during the summer months. The average **short-term** cost of leasing shipyard space to work on a vessel in Wrangell is \$637 for a 60-foot boat. Wrangell's rate is 47% below the study average of \$1,208 per month for a 60-foot vessel. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

Wrangell's Rate
47%
below average
for a 60-ft
vessel

Long-term vessel storage: Long-term storage is for vessels that need to be stored on land for longer periods. Wrangell's Marine Service Center charges \$0.37 per square foot per month for this type of vessel storage, with 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full. The average **long-term** cost of renting shipyard space to store a 60-foot vessel in Wrangell is \$400 per month, which is 52% below the average study rate of \$829 per month. Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

Wrangell's Rate
52%
below average for
a 60-ft vessel

Marine Lift Fee: The Wrangell Marine Service Center has 150-ton and 300-ton boat lifts, and hauls out 250 vessels annually, on average. Wrangell's average rate falls 41% below the average rate for comparable shipyards. The overall average haul out rate for the 11 boat lifts in this analysis is \$13.28 per foot of vessel length, while in Wrangell it is \$9.43 – after adjusting for minimum fees. The cost to lift a 60-foot vessel in Wrangell is currently just under \$600.

Wrangell's Rate
41%
below average fee
per vessel foot

Business Lease Rates: Wrangell has 9 business leases encompassing 46,115 square feet. Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Comparable rates were available at four of the shipyards in the study. Wrangell has the lowest minimum rate and overall average business lease rate. Comparable lease rates in Juneau and Seward are 8 to 10% of assessed property value, with the values reassessed every 5 years.

Wrangell's
Business Lease
Rate
200%
below study
average

Environmental Fee: Most shipyards charge an environmental fee when lifting boats out of the water. Wrangell has the lowest environmental fee of any community at \$15 per vessel. The average environmental fee for a 60-foot vessel is \$84, more than 5 times higher than Wrangell's fee.

Importance of the Marine Service Center to the Wrangell Economy

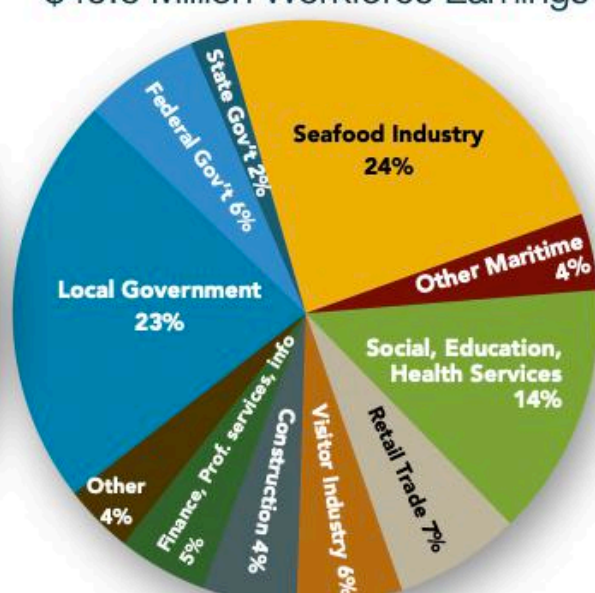
The City and Borough of Wrangell has restructured its economy and identity many times over the years. When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. Reeling from these losses, community leaders reviewed their remaining assets and refocused on developing and supporting maritime resources. Immediately the community set about enhancing its locally-based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The most critical piece of infrastructure is the community's Marine Service Center, as it provides services to the local fishing fleet and other private and commercial vessels. Between 2008 and 2018, the average value of the Wrangell fishery was \$5 million (adjusted for inflation) and the average volume landed was 3.2 million pounds. Wrangell's seafood and industrial maritime sector comprises 23% of all local jobs, and 28% of all local wages. In Wrangell there were 267 private "blue jobs"—as maritime jobs are sometimes called—with \$14 million in associated workforce earnings in 2018. It is the community's largest sector outside of Wrangell's government sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell's maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates an increasingly significant level of jobs and wages. In 2018, there were 50 year-round equivalent annualized jobs associated with the shipyard.

The Whole **Wrangell Alaska Economy** 2018

Annualized Jobs
1,151 Jobs



Employment Earnings
\$49.6 Million Workforce Earnings



Cost Benefit Analysis Overview

To understand long-term economic impacts, a rate of return on investment for public dollars was developed. The following section summarizes the results and outlines the Marine Service Center costs, revenues, and assumptions used in this analysis. The results of the ROI show the value of the cash flows that occur over the analysis period (2022– 2052) with nominal rates in place of discounted rates to show net revenue for each future year (rather than presenting these numbers in 2022 dollars).

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment.

Benefit-Cost Analysis Summary Results

| Measure | 5 years | 15 years | 30 years |
|-----------------------------------|--------------------|--------------------|---------------------|
| Vessel Storage Revenue | \$901,584 | \$2,885,069 | \$5,589,821 |
| Haulout Revenue | \$911,250 | \$2,916,000 | \$5,649,750 |
| Business Lease Revenue | \$286,008 | \$915,226 | \$1,773,250 |
| Other Revenue | \$70,000 | \$224,000 | \$434,000 |
| Total Revenue | \$2,168,842 | \$6,940,294 | \$13,446,820 |
| Labor Costs | \$1,148,943 | \$4,115,163 | \$9,356,491 |
| Capital and Maintenance Costs | \$1,256,823 | \$4,021,833 | \$7,792,302 |
| Other Costs | \$389,002 | \$1,393,287 | \$3,167,863 |
| Total Costs | \$2,794,768 | \$9,530,283 | \$20,316,656 |
| Return on Investment Ratio | 0.78 | 0.73 | 0.66 |

Based on the assumptions inputted into the model above, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of 66 cents for each dollar invested.

Dynamic Excel-Based Tool

Because the ROI model includes so many differing variables and choices, and because information informing the decision matrix that goes into these variables changes over time, this document includes a dynamic excel-based tool in which variables can be changed, so that the City and Borough of Wrangell can see how the ROI will change based on differing input selections.

Entering new values

Should the CBW want to consider what the ROI would look like with higher values, these can be entered using the excel-tool. **Any of the light blue boxes can be altered.**

[illegible]

Using the example presented above, if the utilization of the short and long term storage fees increased to 50% during the low season, the short term storage rate fee was increased to \$1.00 per square foot, and an annual rate increase of 5% for all vessel storage was implemented, the ROI would be 1.01 over the next five years. In other words, the yard would earn a profit, with five-year total expenses remaining nearly \$2.8 million with revenues increasing to \$2.8 million. In years 15 and 30 of this scenario, the ROI would be 1.13 and 1.37, respectively.

In addition to changing the blue boxes, any cost assumptions can be changed. In the "Other Cost" tab presented below, the annual cost of insurance, fuel, or other expenses can be altered, along with expected annual cost increases. Any additional annual costs can be added here as well.

| | |
|--------------------------|-----------------|
| Annual cost increase | 2% |
| Expense | Amount |
| Materials & supplies | \$10,000 |
| Fuel | \$7,000 |
| Utilities | \$15,000 |
| Derelict vessel disposal | \$15,000 |
| Membership & dues | \$750 |
| Insurance | \$27,000 |
| Total annual | \$74,750 |

Assumptions in ROI Model Baseline

Annual Cost Increases: For all annual costs the dynamic ROI model has been set to 2% annual cost increases. These numbers can be updated by cost category if different annual cost increases are expected.

Annual Rate Increases: The model in its original setting has no rate increases at all over the next 30 years. Since rate increases represent policy making, these cells have been set at 0%, with the expectation that the City and Borough of Wrangell will explore changing these rates to achieve a better ROI over time.

Maintenance Costs: This analysis assumes that annual maintenance costs will be 1.5% of capital cost every 5 years and 3.72% of capital cost every 15 years. These assumptions were developed as a standard starting point for Alaska marine service yards. (Source: Northern Economics "Petersburg Waterfront Master Plan: Rate Study and Financial Considerations" presentation by Mike Fisher on October 4, 2017 at the AAHPA Annual Conference.)

Capital Costs and Replacement Schedule: The replacement schedule for equipment was provided by the City and Borough of Wrangell. For the model, the 2021 replacement costs were estimated to increase by 2% annually through the actual replacement year.

Capital Replacement Schedule and Costs of Marine Service Center Equipment

| Equipment | Original purchase cost | Replacement year | Replacement cost in 2021 dollars |
|---------------------|------------------------|------------------|----------------------------------|
| 150 Metric ton lift | \$960,000 | 2036 | \$1,100,000 |
| 300 Metric ton lift | \$1,135,000 | 2043 | \$1,207,000 |
| 45 ton trailer | \$95,426 | 2048 | \$110,000 |
| Cat Loader | \$124,719 | 2038 | \$216,000 |
| Fork Lift | \$15,000 | 2041 | \$38,000 |

Haul Out Revenue: Haul out revenue includes the fee for using the marine lift and the environmental fee of \$15 per vessel. The model is set to 250 roundtrip haul outs annually. The average vessel hauled out is 50-feet in length, and therefore a 50-ft vessel is used for ROI modeling purposes.

Vessel Storage: The value the model returns for vessel storage, \$180,317 per year, is slightly higher than the CBW is currently showing in its budget. The model assumes that the maximum short-term yard capacity is just 21,000 square feet (even though there are conceptually 34,290 square feet of short term work space), and assumes 90% utilization six months out of the year, and 30% utilization the other six months. Likewise, the long-term storage is assumed to be at 90% capacity six months out of the year, and at 30% capacity for the other six months.

Labor Costs: The model assumes that it takes two full-time staff to run the Marine Service Yard. The model also assumes that 20% of the harbormaster and admin assistance is also dedicated to running the shipyard. Labor costs, like all other costs, are set to increase at 2% annually.

Rate Study Overview

The City and Borough of Wrangell Port and Harbors asked Rain Coast Data to analyze current cost structures and rates at the Marine Service Center and compare them to specific shipyards in Alaska and Washington state. Fees and rates examined included short- and long-term storage, marine lift costs, business lease rates, environmental fees, and other services provided by shipyards throughout Alaska and Washington state. Shipyards surveyed in Alaska include: City and Borough of Wrangell, City of Hoonah, City and Borough of Juneau, City of Seward, and the City of Sitka. Washington state shipyards surveyed include: City of Port Townsend, City of Seattle, and Seaview shipyards in Bellingham and Fairhaven. Information for this report was collected in October and November of 2021 using rate cards and interviews with harbormasters and engineers at municipal shipyards, and administrative and managerial staff at private facilities.

Wrangell's fees fall below the average rates among the shipyards surveyed for this report in every metric and are the lowest in several categories. The shipyards surveyed in this study use varying rate structure when calculating costs for storage, vessel haul out, and environmental fees. In order to make comparisons between shipyards with varying rates structures, the overall costs were calculated using 40-foot and 60-foot vessels as a baseline.



Monthly storage and work yard fees

Fees and rates refer to the associated costs of long- and short-term storage. Long-term storage typically refers to the seasonal storage of working vessels, whereas short-term storage is most often associated with repairs and maintenance conducted in a work yard. To see a full analysis of comparison costs, see table on page 5.

The average **short-term** cost of leasing shipyard space to work on a 60-foot vessel in comparable communities ranges from \$360 per month in Seward to \$2,700 in Bellingham. The fee in Wrangell is \$637, which is 47% below the overall average fee of \$1,208 per month. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

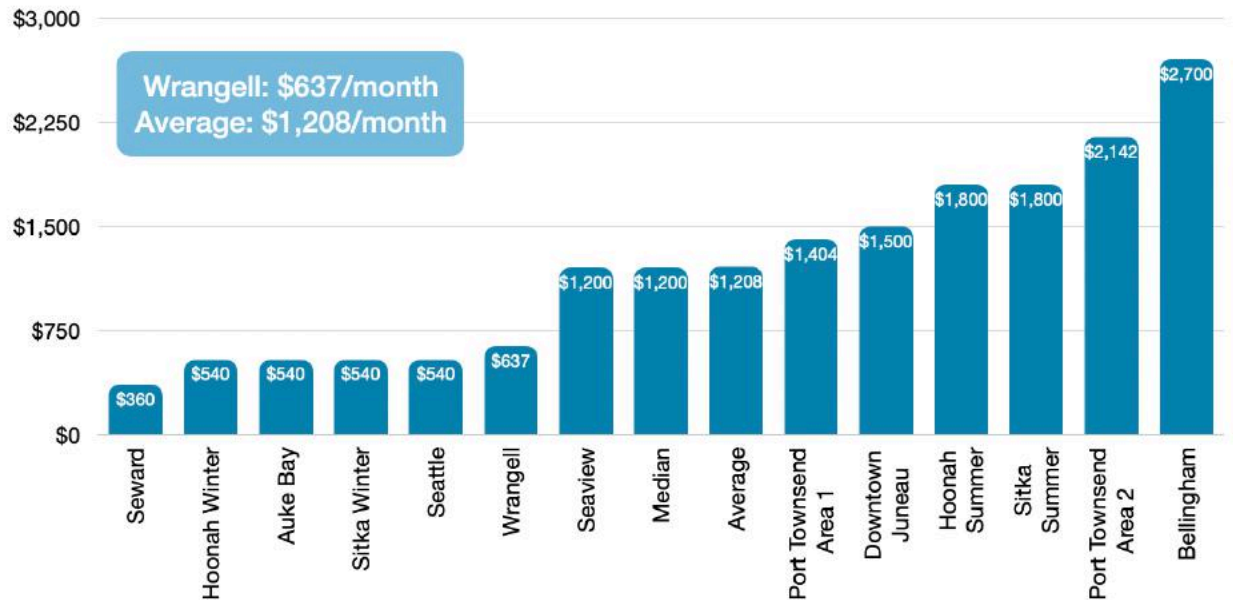
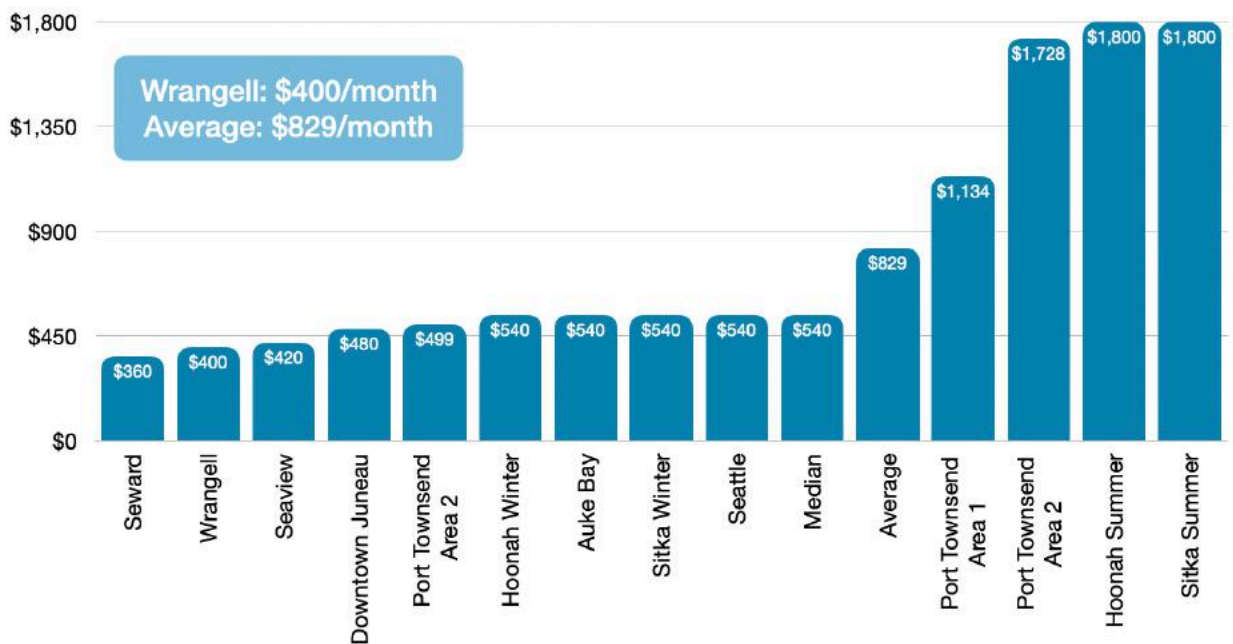
The average **long-term** cost of renting shipyard space to store a 60-foot vessel in the comparable communities ranges from \$360 per month in Seward to \$1,800 during the summer months in Sitka and Hoonah. The fee in Wrangell is \$400 per month, or 52% below the average study rate of \$829 per month.

Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average.

Storage rates at all facilities were calculated over a 30-day period for both long- and short-term storage. In situations where storage was determined by square footage, costs were calculated using vessels that were 40'x14' and 60'x18'. It's important to note that some shipyards implement higher rates during peak season in the summer or lower rates during the winter off-season.



The charts on the following page compare the cost of storing a 60-foot vessel in a short-term work yard, and a longer-term storage yard.

Figure 1: **Short-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft VesselFigure 2: **Long-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft Vessel

Short-term and Long-term Storage Fees: A Comparison of Monthly Storage Costs

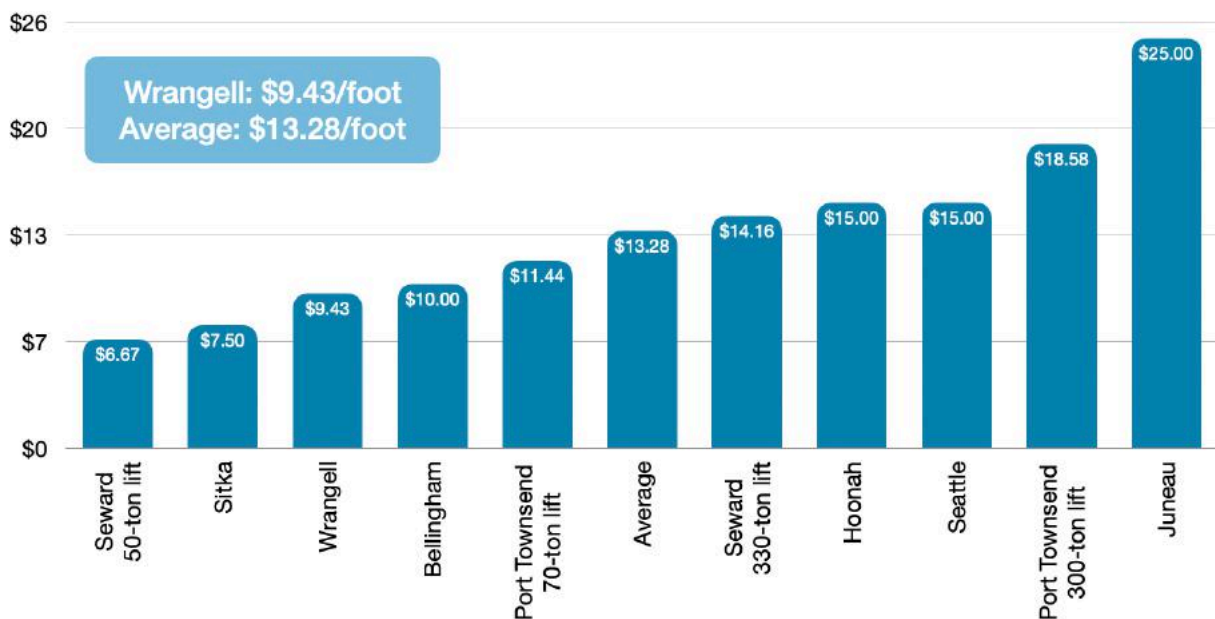
| Name | Size (acres) | Short-term cost structure | Monthly Rate | | Long-term cost structure | Monthly Rate | |
|---|--------------|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | | | Short-term storage (40') | Short-term storage (60') | | Long-term storage (40') | Long-term storage (60') |
| City and Borough of Wrangell | 7 | \$.59/sq ft/ month | \$330 | \$637 | \$.37/sq ft/ month | \$207 | \$400 |
| City of Hoonah (peak season, May-July) | 3.5 | \$1/ft/day | \$1,200 | \$1,800 | \$1/ft/day | \$1,200 | \$1,800 |
| City of Hoonah (non-peak, Aug-Apr) | | \$.30/ft/day | \$360 | \$540 | \$.30/ft/day | \$360 | \$540 |
| City & Borough of Juneau Auke Bay Loading Facility | 0.83 | \$.50/sq ft/ month | \$280 | \$540 | \$.50/sq ft/day | \$280 | \$540 |
| Juneau Fisheries Terminal (downtown) | 0.45 | \$50/day | \$1,500 | \$1,500 | \$8/ft/month | \$320 | \$480 |
| Seward Marine Industrial Complex - 50-ton lift | 35 | \$.20/ft/day | \$240 | \$360 | \$.20/ft/day | \$240 | \$360 |
| City of Sitka (peak, May-July) | 3.5 | \$1/ft/day | \$1,200 | \$1,800 | \$1/ft/day | \$1,200 | \$1,800 |
| City of Sitka (non-peak, Aug-Apr) | | \$.30/ft/day | \$360 | \$540 | \$.30/ft/day | \$360 | \$540 |
| Seaview (Bellingham) | 7 | \$1.50/ft/ day | \$1,800 | \$2,700 | na | na | na |
| Seaview (Fairhaven) | | \$20/ft/ month | \$800 | \$1,200 | \$7/ft/ month | \$280 | \$420 |
| Port Townsend (work yard - 70/75-ton lift) | 11 | \$.78/ft/ day | \$936 | \$1,404 | \$.63/ft/day | \$756 | \$1,134 |
| Port Townsend (work yard - 300-ton lift) | | \$1.19/ft/ day | \$1,428 | \$2,142 | \$.96/ft/day | \$1,152 | \$1,728 |
| Port Townsend (non-working, long-term) | | na | na | na | \$8.32/ft/ month | \$333 | \$499 |
| Port of Seattle Fishermen's Terminal and Maritime Industrial Center | 6 | \$.50/sq ft/ month | \$280 | \$540 | \$.50/sq ft/ month | \$280 | \$540 |
| Average | 8.25 | | \$824 | \$1,208 | | \$536 | \$829 |
| Median | 6 | | \$800 | \$1,200 | | \$333 | \$540 |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Marine lift rates

The chart below represents the average cost of using a marine lift, based on lifting a 40-ft vessel and a 60-ft vessel. Based on overall averages, the lift fees range from \$6.67 per vessel foot in Seward, to \$25 per foot in Juneau. However, it should be noted that Juneau does not currently have the capacity to lift 60-ft vessels, so the Juneau rate is based on lifting 40-ft vessels only. The overall average for the 11 marine lifts in this analysis is \$13.28 per foot of vessel length. Wrangell's average rate falls 41% below the average rate. In Seward and Port Townsend the fee to use larger lifts is approximately twice the cost of using the smaller lifts.

Figure 3: Average Marine Lift Cost Per Square Foot: Based on 40-ft and 60-ft Vessel Lift Costs



Haul out costs associated with the use of haul out lifts, also commonly referred to as marine lifts or by the specific brand name Travelift, were calculated one way in the following table. Round trip costs can be calculated by doubling the one-way cost for 40-foot and 60-foot vessels.

In situations where a shipyard charged hourly for use of its marine lifts, the time was calculated at 1 hour for lifts 150 tons and under, and 1.5 hours for larger lifts (up to 330 tons). Unforeseen circumstances, such as ballasts not being properly emptied, could double the time and cost of vessel haul outs. The data provided in this report represents a "typical" scenario where no unforeseen circumstances arise. Haul out fees represent the cost of using marine lifts to hoist vessels out of the water for storage and/or repair and maintenance purposes. Most shipyards charge an environmental fee when lifting boats out of the water. Some shipyards roll these fees into marine lift rates, whereas others charge a separate fee.

Marine Lift Fees by Vessel Length

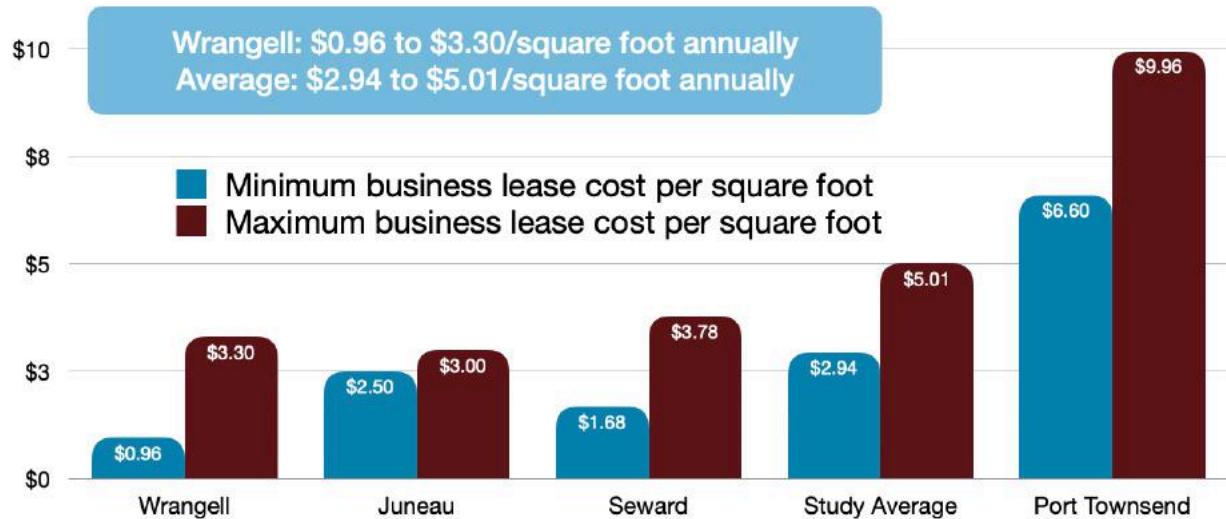
| Name | Capacity (tons) | Lift cost structure 40' | Fee (40') | Lift cost structure 60' | Fee (60') | Average Fee per ft (based on 40' and 60' lifts) |
|---|-----------------|--------------------------|--------------|--------------------------------|---------------------------------|---|
| City of Wrangell Harbors | 150 / 300 | \$6.55/ft (min \$357.20) | \$357 | \$7.14/ft (min \$595.33) | \$595.33 (assumes 300 ton lift) | \$9.43 |
| City of Hoonah Harbors | 220 | \$15/ft | \$600 | \$15/ft | \$900 | \$15.00 |
| Juneau Marine Services | 35 | \$25/ft | \$1,000 | na | na | \$25.00 |
| Seward Marine Industrial Complex - 50-ton lift | 50 | \$236.25/hr | \$236.25 | \$236.25/hr + \$21/ft over 50' | \$446.25 | \$6.67 |
| Seward Marine Industrial Complex - 330-ton lift | 330 | \$425/hr | \$638 | \$425/hr + \$21/ft over 55' | \$742.5 | \$14.16 |
| City of Sitka | 220 | \$7.50/ft | \$300 | \$7.50/ft | \$450 | \$7.50 |
| Seaview (Bellingham) | 35/165 | \$9/ft | \$360 | \$11/ft | \$660 | \$10.00 |
| Port Townsend (work yard - 70/75-ton lift) | 70/75 | \$10.40/ft | \$416 | \$12.48/ft | \$748.80 | \$11.44 |
| Port Townsend (work yard - 300-ton lift) | 300 | \$18.58/ft | \$743 | \$18.58/ft | \$1,114.80 | \$18.58 |
| Seaview (Seattle) | 55/80 | \$14/ft | \$560 | \$16/ft | \$960 | \$15.00 |
| Average | 166 | \$13.25 per foot | \$521 | \$12.61 per foot | \$735.29 | \$13.28 |
| Median | 150 | \$12.20 per foot | \$488 | \$12.48 per foot | \$742.50 | \$12.80 |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021. Marine lift fees were calculated one-way. Round trip rates equal double the cost of one-way lift rates.

Business lease rates

Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Some public and private shipyards provide services internally, such as Hoonah, or do not lease space to third parties. Wrangell has the lowest minimum rate and overall average business lease rate, while its maximum lease rates are similar to Juneau and Seward marine yard lease rates. However, Juneau's rates are poised to increase in 2022.

Marine Yard Annual Business Leases



A Comparison of Annual Business Lease Rates

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|----------------------|--|--|---------------|---|
| Wrangell | \$0.96 | \$3.30 | \$1.24 | Originally appraisal |
| Juneau | \$2.50 | \$3.00 | \$2.78 | 10% of assessed value annually. Determined every 5 years. |
| Seward | \$1.68 | \$3.78 | \$2.73 | 8% of assessed value annually. Determined every 5 years. |
| Port Townsend | \$6.60 | \$9.96 | \$8.28 | Determined by market study for lease rates at similar ports every 5 years |
| Study Average | \$2.94 | \$5.01 | \$3.76 | -- |

Note: Rate information was collected through a combination of rate cards and interviews in October 2021.

Juneau

- Juneau rents uplands space to marine service providers at 10% assessed value – which could increase substantially in 2022.
- The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman’s Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are actually not comparable to the business leases in Wrangell and are not included in the table above.
- Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease in the marine yard but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.
- The City and Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.
- These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$230,400 annually – this is 27-times what CBJ paid last year for the Juneau Fisheries Terminal compared to last year, which was \$8,500. CBJ is currently working to purchase the property for \$2.88 million – which would include two acres of tidelands property. Either way, CBJ will likely have to raise rates in May 2022, and the CBJ is currently conducting a rate study.

Hoonah / Sitka

- Does not officially lease to third parties.
- Hoonah currently allows maritime service providers to use the space for free.

Wrangell

- Current lease rates range from \$.96 to \$3.30 per square foot.
- Lease rates were originally determined by appraised land value, but rates are not standardized.

Port Townsend

- Current lease rates \$6.60 to \$9.96 per square foot
- Rates are determined by market studies conducted every 5 years (last study done in 2019)
- New rates are run through a BLM calculator and measured against comparable areas.

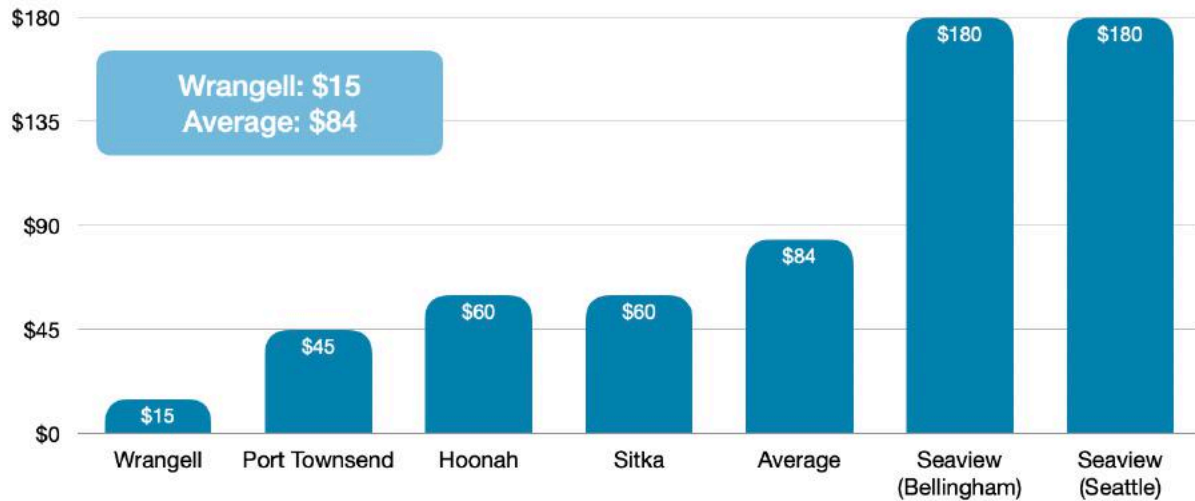
Seward

- Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.
- Seward Marine Industrial Center lease rates are assessed at 8% of the land’s fair market value and re-assessed every 5 years.

Other rates

Most shipyards charge an environmental fee when lifting boats out of the water. Some roll these fees into marine lift rates, whereas others charge a separate fee on top of marine lift fees. Wrangell has the lowest environmental fee of any community at \$15 per vessel. Marine yards charge an average of \$1.75 per foot. The average environmental fee for a 60-foot vessel is \$84. This section also reviews washdown rates and electrical rates, which are not a significant part of the Wrangell revenue model.

Average Environmental Fees: Based on a 60-ft Vessel



Environmental, Wash Down, and Electric Fees

| Name | Environment fee cost structure | Environmental Fee 40' | Environmental Fee 60' | Wash down (40' - 60') | Electric rates |
|--------------------|--------------------------------|-----------------------|-----------------------|-----------------------|--------------------------------------|
| Wrangell | flat rate per haul out | \$15 | \$15 | | 30/50/60 amp - \$8/\$10/\$30 per day |
| Hoonah | \$1/ft | \$40 | \$60 | \$120-\$180 | |
| Seward | Rolled into lift fee | NA | NA | \$100-\$150 | NA |
| Sitka | \$1/ft | \$40 | \$60 | \$120-\$180 | |
| Seaview Bellingham | \$3/ft | \$120 | \$180 | \$160-\$240 | \$6/day |
| Seaview | NA | NA | NA | NA | \$35/month |
| Port Townsend 1 | \$.75/ft | \$30 | \$45 | \$92-\$138 | \$1.52/day OR \$30/month) |
| Port Townsend 2 | NA | \$30 | \$45 | \$132-\$198 | \$5/day + \$.10/kwh |
| Seaview (Seattle) | \$3/ft | \$120 | \$180 | \$160-\$240 | |
| Average | \$1.75 per foot | \$56 | \$84 | \$158 | \$4.34 per day |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Appendix



Shipyard Rates by Community

Community specific results of the rate analysis are presented in the following sections:

Southeast Alaska



The City and Borough of Wrangell shipyard operates on 5 acres with space reserved for short- and long-term boat storage. Two marine lifts capable of lifting 150 tons and 300 tons vessels are on site. The 300-ton marine lift is one of the larger lifts in Alaska and provides a unique alternative for larger vessels that otherwise would need to dock in Ketchikan or Seward, which operate a 400-ton lift and 330-ton lift, respectively.

Haul out lifts

Wrangell's two marine lifts operate under the same per foot rate structures, but with different minimum fees.

| Haul out rates, and costs | |
|---------------------------|-----------------------------|
| Feet | Cost structure (Round Trip) |
| 0-40 Feet | \$13.10 per foot |
| 41-58 Feet | \$14.28 per foot |
| 59-75 Feet | \$15.48 Per Foot |
| 76-90 Feet | \$17.86 Per Foot |
| 91-120 Feet | \$20.24 Per Foot |
| 121-140 Feet | \$22.63 Per Foot |
| 141 Feet & Up | \$25.00 Per Foot |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

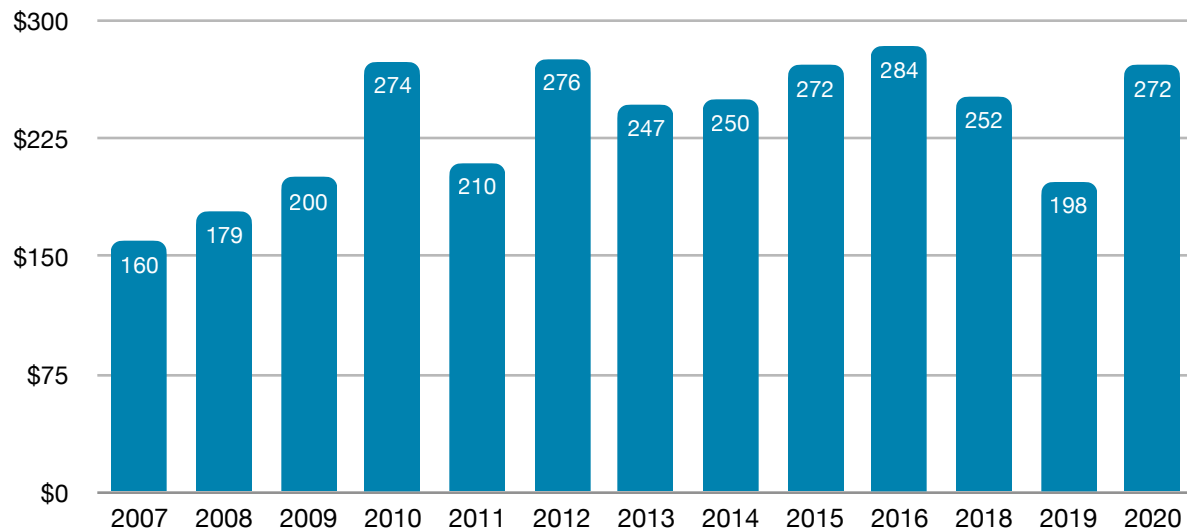
| Haul out lift capacity and minimum fees | |
|---|--|
| Marine Lift | Cost structure (Round Trip) |
| 150 Ton Boat Lift | Half of Round Trip price or minimum \$357.20 |
| 300 Ton Boat Lift | Half of Round Trip price or minimum \$595.33 |

| Inspection Haul | |
|-------------------|---------------------------------------|
| Marine Lift | Cost structure (Round Trip) |
| 150 Ton Boat Lift | 60% of Round Trip or minimum \$357.20 |
| 300 Ton Boat Lift | 60% of Round Trip or minimum \$595.33 |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

In Wrangell's first full year with the 150-ton Travelift, 160 vessels were lifted. The first full year of the 300 ton lift was in 2015. Overall, approximately 250 vessels are lifted on average on an annual basis. The Marine Service Center does not track how many haul outs are performed by each lift.

Wrangell Haul Outs 2007 through 2021



Storage

In the Wrangell Marine Service Center there are 30 spaces for vessels in the short term work area. While there are conceptually 34,290 square feet of billable short term work space, the maximum functional utilization is approximately 21,000 square feet. The work yard is full 9 months per year and at 50% capacity during the summer months. Wrangell's Marine Service Center long term storage area has 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full.

Wrangell is one of three facilities that calculates storage rates by square footage of the vessel on a monthly basis, whereas the majority of fee structures examined are based on vessel length and accrued on a daily basis. Wrangell charges \$.59 per square foot for short-term storage, and \$.37 per square foot for long-term storage. Wrangell's short-term storage costs are below the average cost but fall in line with the median storage cost. Long-term storage, however, falls well below both the average and median storage costs. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

| Storage rates | | | | | | | |
|---------------|-----------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Wrangell | 7 | \$.59/sq ft per month | \$330 | \$637 | \$.37/sq ft per month | \$357 | \$595 |

Note: Rates and fees obtained from the City and Borough of Wrangell, October 2021.

Environmental fees

Wrangell's shipyard was the only one of those examined that uses a separate, flat-rate cost structure to assess environmental fees (\$15). Two shipyards surveyed roll environmental fees into their haul out rates, whereas the majority calculate fees based on the length of the vessel. Wrangell's environmental fee is the cheapest of all shipyards surveyed.

Business lease costs

Third parties leasing space in Wrangell's shipyard pay between \$.96 to \$3.30 per square foot annually. The annual income for the Marine Service Center is \$57,194.40. Rates are based on appraised land value, but without any standardized fee development.

Wrangell Maritime Industrial Business Lease Rates

| Description | Size of leased area in square feet | Monthly income | Annual income | Annual rate per square foot |
|-------------------|------------------------------------|-------------------|--------------------|-----------------------------|
| WMSC Yard Lot 1 | 14,443 | \$1,155.44 | \$13,865.28 | \$0.96 |
| WMSC Yard Lot 2 | 5,600 | \$448.00 | \$5,376.00 | \$0.96 |
| WMSC Yard Lot 3 | 4,240 | \$339.20 | \$4,070.40 | \$0.96 |
| WMSC Yard Lot 4 | 3,332 | \$266.56 | \$3,198.72 | \$0.96 |
| WMSC Yard Lot 5 | 2,000 | \$550.00 | \$6,600.00 | \$3.30 |
| WMSC Yard Lot 6 | 3,600 | \$740.00 | \$8,880.00 | \$2.47 |
| WMSC Yard Lot 7 | 3,000 | \$475.00 | \$5,700.00 | \$1.90 |
| Mill Dock 1 | 7,460 | \$596.80 | \$7,161.60 | \$0.96 |
| Mill Dock 2 | 2,440 | \$195.20 | \$2,342.40 | \$0.96 |
| Total/Avg. | 46,115 | \$4,766.20 | \$57,194.40 | \$1.24 |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

Other fees/services

- Electric: \$8 per day (30 amps); \$10/day (50 amps); \$30/day (60 amps)
- Hydraulic Trailer fee: \$10.46 per foot (round trip, minimum \$247.50)
- Off-site transportation: Round trip or one-way fee plus \$350 per hour



Vessel haul-out services in Juneau market are operated by Harri Commercial Marine doing business as Juneau Marine Services (JMS). JMS leases the haul-out facilities from the City and Borough of Juneau at the downtown Juneau Fisheries Terminal. The Auke Bay Boat Yard at Statter Harbor has been leased to Karl's Auto Marine, and currently has no marine lift capacity.

Juneau Marine Services provides downtown workspace at the cost of \$50 per day, and long-term dry storage at the rate of \$8 per foot on a monthly basis. JMS says its short-term costs are intentionally high to prevent overcrowding in its limited work yard space. Its short-term storage rates are among the highest of shipyards surveyed, whereas its long-term rates are 50% less than the average rate and below the median.

Haul out lifts

Juneau Marine Services operates the downtown 35-ton marine lift available at the cost of \$25 per foot of the vessel's length.

The rate is consistent regardless of vessel size.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Juneau Marine Services | 35 | \$25 per foot | \$1,000 | \$1,500 |

Note: Rates obtained from Juneau Marine Services, October 2021.

While there had been a Sealift providing lift services in Auke Bay, the Sealift did not meet the needs of Karl's Auto Marine and is currently for sale. A new lift will eventually be purchased for the site.

Storage

The City and Borough of Juneau Auke Bay Loading Facility encompasses 2 acres and is used primarily as a staging area for vessels, though it does offer some storage options. Juneau's municipal shipyard charges \$.50 per square foot per month for both long- and short-term storage. The facility's storage rates are among the lowest of those surveyed, however, its space is limited and not typically used for long-term dry storage.

| Storage rates | | | | | | | |
|------------------------|--------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Juneau (ABLF) | .83 | \$.50/sq ft per month | \$280 | \$540 | \$.50/sq ft per month | \$280 | \$540 |
| Juneau Marine Services | .45 | \$50 per day | \$1,000 | \$1,500 | \$8/ft per month | \$320 | \$480 |

Note: Rates and fees obtained from the City and Borough of Juneau and Juneau Marine Services, October 2021.

Environmental fees

Environmental fees tied to Juneau Marine Service's haul-out lift is rolled into the cost of using its marine lift.

Business lease cost

Juneau rents uplands space to marine service providers at 10% assessed value – but that rate could increase substantially in 2022.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|--------|--|--|---------|-----------------------|
| Juneau | \$2.50 | \$3.00 | \$2.78 | 10% of assessed value |

Note: Rates obtained from the City and Borough of Juneau, October 2021.

The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman's Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are not comparable to the business leases in Wrangell.

Auke Bay Lease (through 2028)

Location: Auke Bay Boatyard

Size: 36,155 square feet

Annual Lease: \$36,000

Lease per Square Foot: \$1 annually (vendor also provides all marine yard services to the community)

Downtown Marine Yard Lease (through May 2022)

Location: Next to Downtown Crane Dock

Size: 19,425.6 square feet

Annual Lease: \$29,307

Lease per Square Foot: \$1.51 (vendor also provides all marine yard services to the community)

Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.

The City of Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.

Other Downtown Juneau Leases in Fisherman's Terminal Area:

Lease: Nordic Tug charters

Size: 1,455 square feet

Annual Lease: \$4,365

Lease per Square Foot: \$3.00

Lease: Hydraulic shop

Size: 1,105 square feet

Annual Lease: \$2,762

Lease per Square Foot: \$2.50

These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$240,000 annually. CBJ is currently working to purchase the property for \$2.88 million – in which case 10% of assessed value would be more than \$14 per square foot. Either way, CBJ will likely have to raise rates significantly in May 2022, and the CBJ is currently conducting a rate study.

Other fees/services

- Juneau Marine Services: Fiberglass repair, welding
- Auke Bay Loading Facility: Commercial launch ramp use (\$250 one-time permit fee); two 2-ton cranes (\$.25 per minute); electric (30 and 50 amp)



Haul out lifts

Sitka's shipyard operates a 220-ton marine lift and charges \$7.50 per foot regardless of vessel size. Its lift rates are below the average and median compared to other shipyards, and overall are the second lowest haul out rates.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Sitka | 220 | \$7.50 per foot | \$300 | \$450 |

Note: Rates obtained from the City and Borough of Sitka, November 2021.

Storage

The City and Borough of Sitka operates a 3.5-acre shipyard offering short- and long-term vessel storage. Sitka's rates vary depending on the season. During non-peak months (April-August) rates are \$.30/foot per day, but more than triple between May and July during peak season. Sitka's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

| Storage rates | | | | | | | |
|------------------|--------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Sitka (May-July) | 3.5 | \$1/foot per day | \$1,200 | \$1,800 | \$1/foot per day | \$1,200 | \$1,800 |
| Sitka (Apr-Aug) | 3.5 | \$.30/foot per day | \$360 | \$540 | \$.30/foot per day | \$360 | \$540 |

Note: Rates and fees obtained from the City and Borough of Sitka, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease costs

Sitka does not lease shipyard space to third parties.

Other fees

- Wash-down: \$3 per foot
- Electric: \$7 per day (30 amp); \$10/day (50 amp); \$10/day plus consumption (100 amp)
- Towing: \$102.50 plus \$56 per hour labor cost
- Pumping: \$51.25



Haul out lift

The Hoonah Travelift Facility includes a travelift dock and a 220-ton travelift facility capable of pulling boats over 58 feet in length. Hoonah's rates are double that of Sitka, at \$15 per foot. Hoonah's haul out rates exceed both the average costs for 40- and 60-foot vessels (\$521 and \$735.29, respectively) and the median cost (\$488 and \$742.50). In 2021 (as of early December) a total of 194 vessels had been lifted in Hoonah, a record for that facility.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Hoonah | 220 | \$15 per foot | \$600 | \$900 |

Note: Rates obtained from the City of Hoonah, October 2021.

Storage

The City of Hoonah's storage rates are identical to that of Sitka, including differing rates based on peak- and non-peak seasons. Daily peak rates are \$1 per foot for short- and long-term storage, and non-peak rates are \$.30 per foot. Hoonah's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

| Storage rates | | | | | | | |
|-------------------|--------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Hoonah (May-July) | 3.5 | \$1/foot per day | \$1,200 | \$1,800 | \$1/foot per day | \$1,200 | \$1,800 |
| Hoonah (Apr-Aug) | 3.5 | \$.30/foot per day | \$360 | \$540 | \$.30/foot per day | \$360 | \$540 |

Note: Rates and fees obtained from the City of Hoonah, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease cost

While the City of Hoonah does not lease shipyard space to third parties, it does provide the space for free.

Currently Hoonah allows maritime services providers to use the shipyard for free. According to Dennis Gray Jr. City Administrator for the City of Hoonah: "We try to make it as attractive as possible for contractors to work in our yard and do not charge to rent out space in our yard for shipwrights or painters. We have one shipwright and one painter that work in our yard currently."

According to Horan and Company, the entire shipyard was briefly leased in 2008. The lease terms were \$1.00 per year plus \$25.00 per haul-out. The city terminated the relationship and felt it was in error due to lack of oversight for maintenance.¹

Other fees

- Wash down: \$3 per foot
- Dockside hoist: \$15-\$50 per hour
- Crab gear storage: \$450 per year; crab pot storage: \$650 per year
- Electric: \$10 minimum per month or true cost
- Forklift rental: \$75 per hour or \$300 per day
- Trailer rental: \$50-\$75 per day

¹ Horan & Company, LLC. Appraisal Report Market Rental Value Boat Haul-Out Facility At Auke Bay Loading Facility Juneau, Alaska, August 2015.

Southcentral Alaska



Haul out lifts

Seward's municipal shipyard features 50-ton and 330-ton marine lifts. Use of the lifts are billed hourly. The average time per user for the 50-ton lift is 1 hour, and average time for the 330-ton lift is 1.5 hours, according to the city's harbor department. Hourly rates vary depending on which marine lift is being used. Costs associated with the 330-ton lift are at or near the median and average costs. Costs tied to the smaller 50-ton lift are the lowest among shipyards surveyed. (Note: JAG Alaska Inc. operates the city's 5,000-ton Syncrolift used to work on oversized vessels.)

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|-----------------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seward MIC | 50 | \$236 per hour +21/hr over 50' | \$236 | \$446 |
| Seward MIC | 330 | \$425 per hour +21/hr over 55' | \$638 | \$743 |

Note: Rates obtained from the City of Seward, October 2021.

Storage

The Seward Marine Industrial Center is managed by the City of Seward and spans 35 acres, nearly a third of which is leased to JAG Alaska Inc. Seward charges \$.20 per foot for short- and long-term storage, which is the lowest rate among shipyards surveyed.

| Storage rates | | | | | | | |
|---------------|--------------|---------------------|-----------------------|-----------------------|---------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seward MIC | 35 | \$.20/ft per day | \$240 | \$360 | \$.20/ft per day | \$240 | \$360 |

Note: Rates and fees obtained from the City of Seward, October 2021.

Environmental fees

Environmental fees are rolled into haul out rates.

Business lease rates

Seward Marine Industrial Center lease rates are 8% of the land's assessed rates, which are appraised every five years. Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|--------|--|--|---------|----------------------|
| Seward | \$1.68 | \$3.78 | \$2.73 | 8% of assessed value |

Other fees

- Wash pad: \$2.50 per foot per hour (minimum 1 hour)
- Relocation: \$236.25 (50-ton lift); \$425 (330-ton lift)
- Potable water: \$52.50 (during business hours); \$105 (outside regular business hours)
- Electricity: \$.40 per kilowatt hour, plus \$29.46 connection fee
- Towing (inside harbor): \$52.50 plus labor
- Pumping vessel: \$31.50 plus labor
- Equipment rental: loader, grader, oil tanker, crane truck, flatbed truck, pickup truck, dump truck, back how, pumps (rates vary from \$8.40-\$68.25 plus labor/operator cost)
- Launch fees: \$10 per launch; \$100 annually
- 10-ton crane: \$42.32 per half hour; \$90.64 per hour

Washington State

**Haul out lifts**

Port Townsend operates three marine lifts: 70, 75 and 300 tons. Rate structures vary depending on length of the vessel and which marine lift is being used. Rates for its 70- and 75-ton travel lifts are below the average cost, and at or below the median cost. Rates for its 300-ton lift are above both the average and median costs compared to other shipyards.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Port Townsend | 70/75 | \$10.40-\$12.48 per foot | \$416 | \$749 |
| Port Townsend | 300 | \$18.58 per foot | \$743 | \$1,115 |

Note: Rates obtained from the City of Port Townsend, October 2021.

Storage

The City of Port Townsend manages three distinct storage areas as part of its 11-acre shipyard: two work yards intended for short- and long-term work, and a separate storage area used to store non-working vessels. Storage rates for work areas are linked to the location of its two marine lifts. Long- and short-term rates at the site of its 70- and 75-ton lifts are \$.63 to \$.78 per foot per day. Storage costs at the site housing its 300-ton marine lift range from \$.96 to \$1.19 per foot per day. Rates for Port Townsend's non-working, long-term storage site is \$8.32 per foot calculated monthly. Port Townsend's vessel storage rates at its work yards are above the average and median costs. Storage rates at its non-working, long-term storage facility are half the average cost and below the median.

| Storage rates | | | | | | | |
|--|--------------|---------------------|-----------------------|-----------------------|---------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Port Townsend (70/75-ton lift work yard) | 11 | \$.78/ft per day | \$936 | \$1,404 | \$.63/ft per day | \$756 | \$1,134 |
| Port Townsend (300-ton lift work yard) | -- | \$1.19/ft per day | \$1,428 | \$2,142 | \$.96/ft per day | \$1,152 | \$1,728 |
| Port Townsend (non-working, long-term) | -- | \$8.32/ft per month | \$333 | \$499 | \$8.32/ft per month | \$333 | \$499 |

Note: Rates and fees obtained from the City of Port Townsend, October 2021.

Environmental fees

Port Townsend assesses environmental fees at \$.75 per foot.

Business lease rates

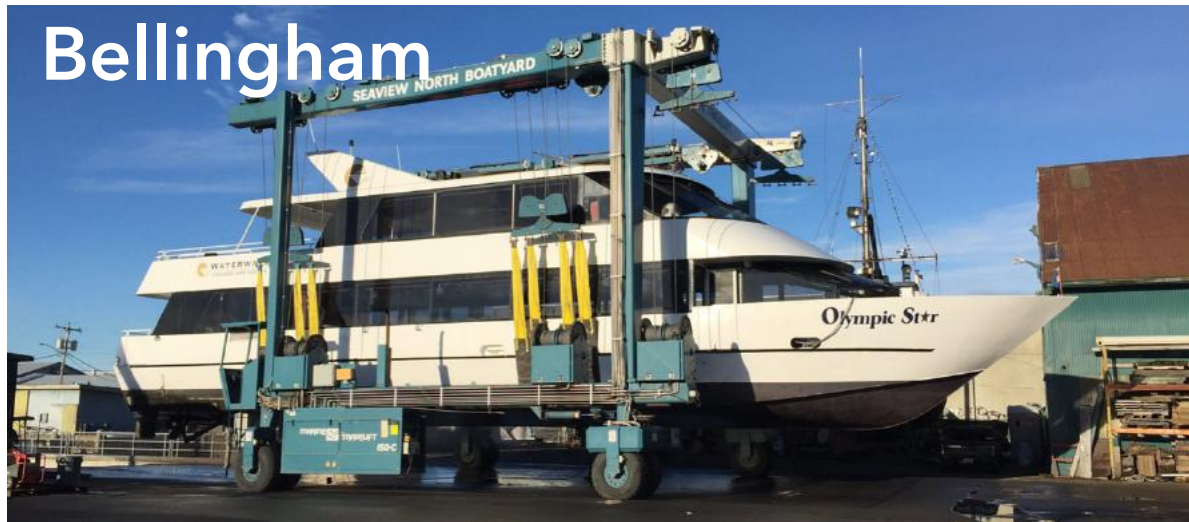
Rather than basing lease rates on appraised value like many others, its lease rates are determined by market studies conducted every five years surveying lease rates at similar ports. Current rates are \$6.60 to \$9.96 per square foot annually and are the most expensive of shipyards surveyed.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|---------------|--|--|---------|-------------------|
| Port Townsend | \$6.60 | \$9.96 | \$8.28 | Market rate study |

Note: Rates obtained from the City of Port Townsend, October 2021.

Other fees/services

- Wash pad: \$2.30 per foot per hour (70/75-ton lifts); \$3.30 per foot per hour (300-ton lift)
- Electric: \$1.52 per day or \$30.30 per month (non-working, long-term storage); \$5 per day plus \$.10 per kilowatt hour (work yards)
- Inspection: equal to roundtrip haul out rate
- Labor rate: \$69 per half hour



Haul out lifts

Seaview Bellingham operates two haul out lifts rated at 35 tons and 165 tons. Rates fluctuate depending on the size of the vessel. The cost per foot for a 40-foot vessel is \$9 per foot, and the cost for hauling out 60-foot vessels is \$11 per foot. The shipyard's haul out rates are among the least expensive among shipyards and fall below the average and median cost for these services.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seaview | 35/165 | \$9-\$11 per foot | \$360 | \$660 |

Note: Rates obtained from Seaview, October 2021.

Storage

Seaview Bellingham is a private shipyard and manages several properties offering storage. Work yard storage at the site of its 35- and 165-ton lifts are the most expensive rates among shipyards at \$1.50 per foot per day. Seaview offers both indoor and outdoor storage at its Fairhaven property at rates of \$20 per foot per month (indoor) and \$7 per foot per month (outdoor). The indoor rates align with average storage costs calculated in this survey, and its outdoor storage rate is below the median.

| Storage rates | | | | | | | |
|---------------------|--------------|-------------------|-----------------------|-----------------------|-------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seaview | 7 | -- | -- | -- | \$1.50/ft per day | \$1,800 | \$2,700 |
| Fairhaven (indoor) | -- | \$20/ft per month | \$800 | \$1,200 | -- | -- | -- |
| Fairhaven (outdoor) | -- | \$7/ft per month | \$280 | \$420 | \$7/ft per month | \$280 | \$420 |

Note: Rates and fees obtained from Seaview, October 2021.

Environmental fees

Assessed at \$3 per foot.

Business lease costs

Seaview declined to provide lease rates for its locations.

Other fees/services

- Electric: \$6 per day (Seaview Bellingham); \$35 per month (Fairhaven storage facilities)
- Wash down: \$4 per foot (Seaview shipyard only)
- Initial set up fee: \$19 per foot (haulout, pressure wash, environmental fee, blocking and launch)
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour
- Tarp fee: \$100



Haul out lifts – Seaview Seattle operates 55-ton and 80-ton marine lifts at the rate of \$14 per foot for 40-foot vessels, and \$16 per foot for 60-foot vessels. These rates are above both the average and median cost.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seaview | 55/80 | \$14-\$16 | \$560 | \$960 |

Note: Rates obtained from Seaview, October 2021.

Storage – The Port of Seattle Fishermen’s Terminal and Maritime Industrial Center offers long and short-term storage at the rate of \$.50 per square foot per month. Its storage rates are less than half the average cost and below median costs, making it one of the most affordable storage options among shipyards surveyed. Seaview Seattle does not offer storage and instead defers to its Fairhaven location.

| Storage rates | | | | | | | |
|---------------|--------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seattle MIC | 6 | \$.50/sqft per month | \$280 | \$540 | \$.50/sqft per month | \$280 | \$540 |

Note: Rates and fees obtained from Port of Seattle, October 2021.

Environmental fees – Seaview Seattle assesses environmental fees at \$3 per foot, the same as the rate at its Bellingham shipyard.

Business lease costs –Seattle Seaview declined to discuss lease rates. The Port of Seattle did not respond to a business lease rate request by deadline.

Other fees/services

Seaview:

- Wash down: \$4 per foot
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Electric: \$6 per day
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Forklift: \$150 per hour
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour

Port of Seattle:

- Covered storage (\$75 per day)
- Forklift (3 tons): \$65.12 per hour (self-drive); \$111.76 per hour (forklift and operator)
- Hoist-WWall (3 tons): \$65.11 per half hour
- Crane (3/4 ton): \$31.84 per half hour
- Crane-WWall (3 tons): \$111.66 per half hour

Fourth Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Yard Lot 1

This **fourth** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022 by and among:

Don Sorric, dba Superior Marine, PO Box 2296, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. The following three (3) modifications were approved by the Borough Assembly as follows:
Yard Lot 1 – originally 80 x 100, 8,000 square feet; Modification No. 1 on 3/1/2010 to increase lot to 101' x 143', 14,443 square feet; **Modification No. 2** on 8/13/2014 to extend lease an additional five (5) years to July 31, 2019; **Modification No. 3** on 9/14/2017 extend lease an additional three (3) years to July 31, 2022.
- B. This modification changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 – June 30, 2023 | \$1,502.07 | each month |
| July 1, 2023 – June 30, 2024 | \$1,532.11 | each month |
| July 1, 2024 – June 30, 2025 | \$1,562.76 | each month |
| July 1, 2025 – June 30, 2026 | \$1,594.01 | each month |
| July 1, 2026 – June 30, 2027 | \$1,625.89 | each month |

Upon execution, this seventh modification will become an attachment to the original agreement, dated August 1, 2009.

Don Sorric, dba Superior Marine

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Third Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Yard Lot 2

This **third** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022 by and among:

Charles Jenkins, dba Jenkins Welding, PO Box 1483, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. The following two (2) modifications were approved by the Borough Assembly:
 Modification No. 1 on 2/23/2010 to increase lot to 70' x 80' = 5,600 square feet;
 Modification No. 2 on 3/8/2016 to renew lease for an additional five (5) years.
- B. **This amendment changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:**

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 - June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 - June 30, 2023 | \$582.40 | each month |
| July 1, 2023 - June 30, 2024 | \$594.05 | each month |
| July 1, 2024 - June 30, 2025 | \$605.92 | each month |
| July 1, 2025 - June 30, 2026 | \$618.05 | each month |
| July 1, 2026 - June 30, 2027 | \$630.41 | each month |

Upon execution, this third modification will become an attachment to the original agreement, dated January 21, 2010.

 Charles Jenkins, dba Jenkins Welding

 Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Seventh Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Yard Lot 3

This **seventh** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Tyler Thompson, dba Wrangell Machine Shop, PO Box 2004, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. The following six (6) modifications were approved by the Borough Assembly as follows:
Yard Lot 3 - originally 60' x 60' = 3,600 square feet; Modification No. 1 on 3/1/2010 to decrease lot to 30' x 50' = 1,500 square feet; **Modification No. 2** on 5/25/2010 to increase lot to 36' x 50' = 1,800 square feet; **Modification No. 3** on 4/24/2012 to increase lot to 47' x 50' = 2,350 square feet; **Modification No. 4** on 02/11/2014 to increase lot to 50' x 72' = 3,600 square feet; **Modification No. 5** on 4/27/2016 to extend lease an additional five (5) years to December 21, 2020; **Modification No. 6** on 2/25/2020 to increase lot to 4,240 square feet.
- B. This modification changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 - June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 - June 30, 2023 | \$440.96 | each month |
| July 1, 2023 - June 30, 2024 | \$449.78 | each month |
| July 1, 2024 - June 30, 2025 | \$458.77 | each month |
| July 1, 2025 - June 30, 2026 | \$467.95 | each month |
| July 1, 2026 - June 30, 2027 | \$477.31 | each month |

Upon execution, this seventh modification will become an attachment to the original agreement, dated December 21, 2015.

Tyler Thompson, dba Wrangell Machine Shop

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Fourth Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Yard Lot 4

This **fourth** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Steve Keller, dba Keller Marine, PO Box 133, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. The following three (3) modifications were approved by the Borough Assembly:
- Modification No. 1** on 2/28/2012 to increase lot to 45' x 53' = 2,650 square feet;
Modification No. 2 on 5/6/2014 to increase lot to 50' x 68' = 3,332 square feet;
Modification No. 3 on 3/15/2016 to renew lease for an additional five (5) years.
- B. This amendment changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 – June 30, 2023 | \$346.53 | each month |
| July 1, 2023 – June 30, 2024 | \$353.46 | each month |
| July 1, 2024 – June 30, 2025 | \$360.53 | each month |
| July 1, 2025 – June 30, 2026 | \$367.74 | each month |
| July 1, 2026 – June 30, 2027 | \$375.09 | each month |

Upon execution, this fourth amendment will become an attachment to the original agreement, dated February 28, 2012.

Steven Keller, dba Keller Marine Repair

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Second Modification to the Facility Assigned Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Mill Dock Lot 1

This **second** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

ALASKA ICE SEAFOODS, INC. dba FATHOM SEAFOOD, 1690 MARINE VIEW DRIVE BLDG C,
TACOMA, WA 98422-4103.

Now therefore, both parties agree as follows:

- A. **Modification No. 1** was approved on May 11, 2021 and increased the lot size from 5,140 square feet to 7,460 square feet and increased the monthly lease amount from \$411.20 to \$596.80 per month.
- B. **This amendment changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:**

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 – June 30, 2023 | \$775.84 | each month |
| July 1, 2023 – June 30, 2024 | \$791.36 | each month |
| July 1, 2024 – June 30, 2025 | \$807.18 | each month |
| July 1, 2025 – June 30, 2026 | \$823.33 | each month |
| July 1, 2026 – June 30, 2027 | \$839.79 | each month |

Upon execution, this Second modification will become an attachment to the original agreement, dated May 12, 2021.

Alaska Ice Seafoods, Inc., dba Fathom Seafood, Lessee

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Mill Dock Lot 6

This **second** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Steven Christensen, dba Christensen Trades & Tangibles, LLC, (CTT Marine), PO Box 92, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. Modification No. 1 made October 24, 2016, reassigned the Lease from J&R Fiberglass Repair to CTT Marine.
- B. **This modification changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:**

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 – June 30, 2023 | \$374.40 | each month |
| July 1, 2023 – June 30, 2024 | \$381.89 | each month |
| July 1, 2024 – June 30, 2025 | \$389.53 | each month |
| July 1, 2025 – June 30, 2026 | \$397.32 | each month |
| July 1, 2026 – June 30, 2027 | \$405.26 | each month |

Upon execution, this seventh modification will become an attachment to the original agreement, dated October 24, 2016.

Steven Christensen, dba CTT Marine

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

First Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Mill Dock Lot 2

This **first** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Dustin Phillips, dba Sumner Straight Seafoods, PO Box 1004, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. This modification changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:**

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:**

2% increase each year

| | | |
|-------------------------------------|-----------------|-------------------|
| July 1, 2022 – June 30, 2023 | \$253.76 | each month |
| July 1, 2023 – June 30, 2024 | \$258.84 | each month |
| July 1, 2024 – June 30, 2025 | \$264.01 | each month |
| July 1, 2025 – June 30, 2026 | \$269.29 | each month |
| July 1, 2026 – June 30, 2027 | \$274.68 | each month |

Upon execution, this first modification will become an attachment to the original agreement, dated May 19, 2021.

Dustin Phillips, dba Sumner Straight Seafoods

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
Mill Dock Lot 7

This **second** modification to extend the Facility Lease Agreement for an additional five (5) years and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Don Sorric, Superior Marine, PO Box 2296, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. Modification No. 1 made January 6, 2016, changed the following in Section 3, Permissible Uses to change the intended purpose, specifically in the metal building office area:

11 x 10 square foot area downstairs is used as an office.

10 x 20 square foot area downstairs is to be used as a meeting room.

15 x 10 square foot area upstairs is to be used as a resting area for nights when work is being done in the yard that needs to be supervised 24 hrs. a day such as heaters that must be filled every few hours on projects where heat is needed. This area also includes a 5x7 square foot bathroom.

- B. This modification changes Section 1, Duration, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

| | 2% increase each year | |
|------------------------------|-----------------------|------------|
| July 1, 2022 – June 30, 2023 | \$312.00 | each month |
| July 1, 2023 – June 30, 2024 | \$318.24 | each month |
| July 1, 2024 – June 30, 2025 | \$324.60 | each month |
| July 1, 2025 – June 30, 2026 | \$331.10 | each month |
| July 1, 2026 – June 30, 2027 | \$337.72 | each month |

Upon execution, this seventh modification will become an attachment to the original agreement, dated January 1, 2014.

Don Sorric, Superior Marine

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 13 |

Approval of the Modification to Wrangell Marine Service Center Leased Mill Dock, Lot 5, Swapping Lot 5 for Lot 8, Extending the Terms and updating the Monthly Lease amount for Metal Head Marine LLC

SUBMITTED BY:

Steve Miller, Port & Harbor Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

| | | |
|-----------|-----------|----------|
| FY 22: \$ | FY 23: \$ | FY24: \$ |
|-----------|-----------|----------|

Amount Budgeted:

| | |
|--|------------|
| | FY20 \$XXX |
|--|------------|

Account Number(s):

| | |
|--|-----------------|
| | XXXXXX XXX XXXX |
|--|-----------------|

Account Name(s):

| | |
|--|-----------------|
| | Enter Text Here |
|--|-----------------|

Unencumbered Balance(s) (prior to expenditure):

| | |
|--|-------|
| | \$XXX |
|--|-------|

Reviews/Approvals/Recommendations

| | |
|-------------------------------------|-----------------|
| <input checked="" type="checkbox"/> | Port Commission |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. WMSC Business Plan 2. Lease Modification for Metal Head Marine LLC

RECOMMENDATION MOTION:

Move to Approve the Modification to Wrangell Marine Service Center Leased Mill Dock, Lot 5, swapping Lot 5 for Lot 8, Extending the Terms, and updating the Monthly Lease Amount, as requested by the Harbor Department and Jimmy Pritchett, dba Metal Head Marine LLC

SUMMARY STATEMENT:

The Port Commission and the Borough Assembly have held off on approving any extensions for the leases in the Wrangell Marine Service Center until the 30-year Cost-Benefit Analysis was completed for the WMSC. That Cost-Benefit Analysis was completed in January of 2022 and is attached for the Assembly's review.

The Assembly has on this Agenda, the request to modify eight other lots in the WMSC by extending the terms and ensuring that all Leased Lots in the WMSC have the same expiration date and also have the same price per square foot.

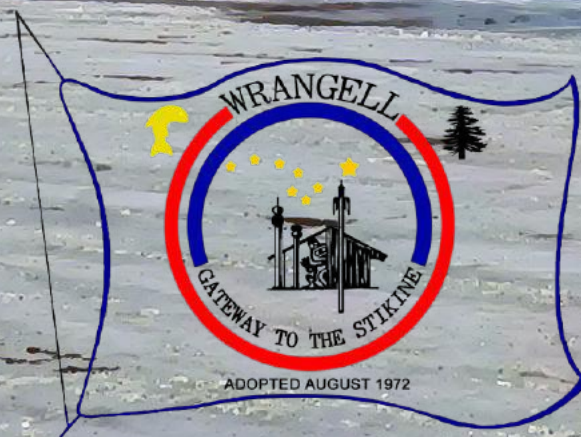
Staff chose to request that this Lot Modification be considered separately from the other eight because this request also includes a lease exchange from Mill Dock, Lot 5 to Mill Dock, Lot 8.

The Port Commission has approved this modification in its entirety.

City Staff recommends the approval of lease modifications and trade to Jimmy Pritchett for the expansion of Metal Head Marines business. Jim Pritchett has been in business in the Marine Service center since 2008 at that time there were limited spaces for a business and he was stuck with an undersized lot for the type of business he was planning. Also, since the time he originally set up his business a Forest Service Ranger boat has become an attraction for the Museum. The type of business Jimmy Prichett runs (i.e., sandblasting, paint and welding) are not wholly conducive so close to such an attraction. With his plans of expansion, it will help make the Marine Service Center even more attractive for vessels coming to Wrangell for vessel repairs. One of the biggest requests we get are for covered work areas and his plan specifically requests this property for such a building. Metal Head Marine is an established business for the last 14 years and has a great reputation among the fleet as a business that will get the work done whatever it may be. This trade will also benefit the ports and Harbors at this time we use the building on lot 8 as a storage area for blocking and extra stands. The building on lot 5 will still accommodate this plus its insulated and heated so we can now have a place for our sand truck in the winter to keep the sand from freezing.

Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

January 2022



Prepared by
Rain Coast Data

Rain Coast Data Technical Memo for the City and Borough of Wrangell

January 2022

Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

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Summary of Findings

Project Description

Wrangell's Marine Service Center is a 7-acre area with 150-ton and 300-ton haul-out lifts and a 40-ton hydraulic trailer operated and managed by the City and Borough of Wrangell. It includes a wash down area and upland storage for over 85 boats.



Private businesses that lease space in the area provide repair, maintenance, fabrication, and marine industry skills to serve vessel owner needs. The Marine Service Center primarily caters to commercial fishing boats but also accommodates recreation and other commercial vessels.

The purpose of this technical memo is to assist the City and Borough of Wrangell in understanding the long-term costs and revenues associated with the Marine Service Center.

The Rain Coast Data team developed a Marine Service Center 30-year cost analysis which analyzes the long-term costs of the Wrangell shipyard including maintenance costs, life of infrastructure assessments, replacement costs, operating costs, and income analysis. This includes return-on-investment projections, long-term City and Borough of Wrangell staffing costs, and revenue projections based on user fees and lease rates. The analysis also includes summaries of 5- and 15-year ROI assessments.

Accompanying this document is a dynamic excel-based tool. Because the Marine Service Center includes many differing variables, choices, and lease elements, the tool allows these variables to be changed so that the City and Borough of Wrangell can see how future costs change based on differing input selections.

This study also includes a competitive pricing analysis. Executive interviews were conducted with representatives from shipyards in nine Alaska and Washington communities were conducted to understand comparative cost structures for various services such as boat storage, haul out fees, lease costs by square foot, and other services as directed by Wrangell Ports and Harbors.

Marine Service Center Return on Investment Analysis Summary

Based on the current rate structure, Wrangell's Marine Service Center will operate at a loss over the next 5, 15, and 30 years.

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment. Based on the assumptions programmed into model below, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of just 66 cents for each dollar invested.

Since there are so many variables and choices involved in these calculations, this deliverable includes a dynamic excel-based tool in which variables, such as vessel storage fees, lease agreement elements, capacity used, and annual inflation can be changed and new ROIs calculated. For example, increased utilization of the short-term and longer-term vessel storage yards would result in a ROI greater than 1.

Return on Investment Analysis Summary Results (No rate increases version)

| Measure | 5 years | 15 years | 30 years |
|-----------------------------------|--------------------|--------------------|---------------------|
| Vessel Storage Revenue | \$901,584 | \$2,885,069 | \$5,589,821 |
| Haulout Revenue | \$911,250 | \$2,916,000 | \$5,649,750 |
| Business Lease Revenue | \$286,008 | \$915,226 | \$1,773,250 |
| Other Revenue | \$70,000 | \$224,000 | \$434,000 |
| Total Revenue | \$2,168,842 | \$6,940,294 | \$13,446,820 |
| Labor Costs | \$1,148,943 | \$4,115,163 | \$9,356,491 |
| Capital and Maintenance Costs | \$1,256,823 | \$4,021,833 | \$7,792,302 |
| Other Costs | \$389,002 | \$1,393,287 | \$3,167,863 |
| Total Costs | \$2,794,768 | \$9,530,283 | \$20,316,656 |
| Return on Investment Ratio | 0.78 | 0.73 | 0.66 |

The assumptions that went into the model presented above are detailed in Cost Benefit Analysis section of this report.

Wrangell Marine Service Center Rate Comparison Summary

An analysis of 14 rate structures for shipyards across nine Alaska and Washington communities were analyzed and compared to Wrangell's rates. A summary key of fee comparisons is below:

Short-term vessel storage: Short-term storage areas are generally for vessels that are being actively worked on. In the Wrangell Marine Service Center there are 30 spaces for vessels in this work area. While there are conceptually 34,290 square feet of billable short-term work space in Wrangell, the maximum functional utilization is approximately 21,000 square feet with a fee of \$0.59 per square foot per month. The work yard is full 9 months per year and at a lower capacity during the summer months. The average **short-term** cost of leasing shipyard space to work on a vessel in Wrangell is \$637 for a 60-foot boat. Wrangell's rate is 47% below the study average of \$1,208 per month for a 60-foot vessel. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

Wrangell's Rate
47%
below average
for a 60-ft
vessel

Long-term vessel storage: Long-term storage is for vessels that need to be stored on land for longer periods. Wrangell's Marine Service Center charges \$0.37 per square foot per month for this type of vessel storage, with 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full. The average **long-term** cost of renting shipyard space to store a 60-foot vessel in Wrangell is \$400 per month, which is 52% below the average study rate of \$829 per month. Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

Wrangell's Rate
52%
below average for
a 60-ft vessel

Marine Lift Fee: The Wrangell Marine Service Center has 150-ton and 300-ton boat lifts, and hauls out 250 vessels annually, on average. Wrangell's average rate falls 41% below the average rate for comparable shipyards. The overall average haul out rate for the 11 boat lifts in this analysis is \$13.28 per foot of vessel length, while in Wrangell it is \$9.43 – after adjusting for minimum fees. The cost to lift a 60-foot vessel in Wrangell is currently just under \$600.

Wrangell's Rate
41%
below average fee
per vessel foot

Business Lease Rates: Wrangell has 9 business leases encompassing 46,115 square feet. Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Comparable rates were available at four of the shipyards in the study. Wrangell has the lowest minimum rate and overall average business lease rate. Comparable lease rates in Juneau and Seward are 8 to 10% of assessed property value, with the values reassessed every 5 years.

Wrangell's
Business Lease
Rate
200%
below study
average

Environmental Fee: Most shipyards charge an environmental fee when lifting boats out of the water. Wrangell has the lowest environmental fee of any community at \$15 per vessel. The average environmental fee for a 60-foot vessel is \$84, more than 5 times higher than Wrangell's fee.

Importance of the Marine Service Center to the Wrangell Economy

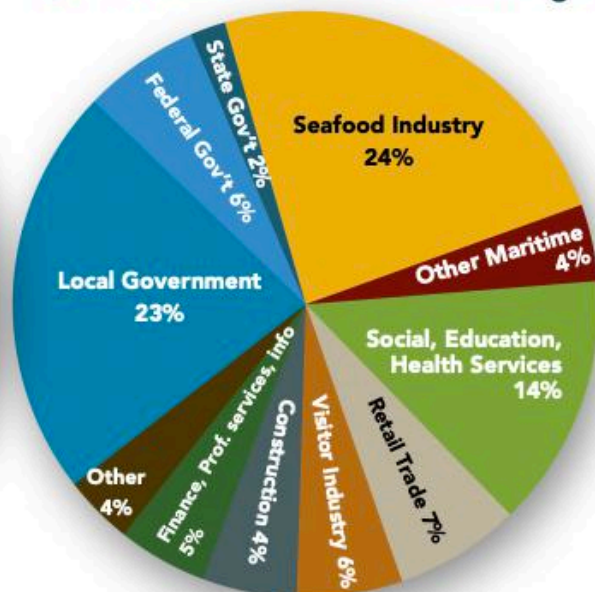
The City and Borough of Wrangell has restructured its economy and identity many times over the years. When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. Reeling from these losses, community leaders reviewed their remaining assets and refocused on developing and supporting maritime resources. Immediately the community set about enhancing its locally-based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The most critical piece of infrastructure is the community's Marine Service Center, as it provides services to the local fishing fleet and other private and commercial vessels. Between 2008 and 2018, the average value of the Wrangell fishery was \$5 million (adjusted for inflation) and the average volume landed was 3.2 million pounds. Wrangell's seafood and industrial maritime sector comprises 23% of all local jobs, and 28% of all local wages. In Wrangell there were 267 private "blue jobs"—as maritime jobs are sometimes called—with \$14 million in associated workforce earnings in 2018. It is the community's largest sector outside of Wrangell's government sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell's maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates an increasingly significant level of jobs and wages. In 2018, there were 50 year-round equivalent annualized jobs associated with the shipyard.

The Whole **Wrangell Alaska Economy** 2018

Annualized Jobs
1,151 Jobs



Employment Earnings
\$49.6 Million Workforce Earnings



Cost Benefit Analysis Overview

To understand long-term economic impacts, a rate of return on investment for public dollars was developed. The following section summarizes the results and outlines the Marine Service Center costs, revenues, and assumptions used in this analysis. The results of the ROI show the value of the cash flows that occur over the analysis period (2022– 2052) with nominal rates in place of discounted rates to show net revenue for each future year (rather than presenting these numbers in 2022 dollars).

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment.

Benefit-Cost Analysis Summary Results

| Measure | 5 years | 15 years | 30 years |
|-----------------------------------|--------------------|--------------------|---------------------|
| Vessel Storage Revenue | \$901,584 | \$2,885,069 | \$5,589,821 |
| Haulout Revenue | \$911,250 | \$2,916,000 | \$5,649,750 |
| Business Lease Revenue | \$286,008 | \$915,226 | \$1,773,250 |
| Other Revenue | \$70,000 | \$224,000 | \$434,000 |
| Total Revenue | \$2,168,842 | \$6,940,294 | \$13,446,820 |
| Labor Costs | \$1,148,943 | \$4,115,163 | \$9,356,491 |
| Capital and Maintenance Costs | \$1,256,823 | \$4,021,833 | \$7,792,302 |
| Other Costs | \$389,002 | \$1,393,287 | \$3,167,863 |
| Total Costs | \$2,794,768 | \$9,530,283 | \$20,316,656 |
| Return on Investment Ratio | 0.78 | 0.73 | 0.66 |

Based on the assumptions inputted into the model above, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of 66 cents for each dollar invested.

Dynamic Excel-Based Tool

Because the ROI model includes so many differing variables and choices, and because information informing the decision matrix that goes into these variables changes over time, this document includes a dynamic excel-based tool in which variables can be changed, so that the City and Borough of Wrangell can see how the ROI will change based on differing input selections.

Entering new values

Should the CBW want to consider what the ROI would look like with higher values, these can be entered using the excel-tool. **Any of the light blue boxes can be altered.**

[illegible]

Using the example presented above, if the utilization of the short and long term storage fees increased to 50% during the low season, the short term storage rate fee was increased to \$1.00 per square foot, and an annual rate increase of 5% for all vessel storage was implemented, the ROI would be 1.01 over the next five years. In other words, the yard would earn a profit, with five-year total expenses remaining nearly \$2.8 million with revenues increasing to \$2.8 million. In years 15 and 30 of this scenario, the ROI would be 1.13 and 1.37, respectively.

In addition to changing the blue boxes, any cost assumptions can be changed. In the "Other Cost" tab presented below, the annual cost of insurance, fuel, or other expenses can be altered, along with expected annual cost increases. Any additional annual costs can be added here as well.

| | |
|--------------------------|-----------------|
| Annual cost increase | 2% |
| Expense | Amount |
| Materials & supplies | \$10,000 |
| Fuel | \$7,000 |
| Utilities | \$15,000 |
| Derelict vessel disposal | \$15,000 |
| Membership & dues | \$750 |
| Insurance | \$27,000 |
| Total annual | \$74,750 |

Assumptions in ROI Model Baseline

Annual Cost Increases: For all annual costs the dynamic ROI model has been set to 2% annual cost increases. These numbers can be updated by cost category if different annual cost increases are expected.

Annual Rate Increases: The model in its original setting has no rate increases at all over the next 30 years. Since rate increases represent policy making, these cells have been set at 0%, with the expectation that the City and Borough of Wrangell will explore changing these rates to achieve a better ROI over time.

Maintenance Costs: This analysis assumes that annual maintenance costs will be 1.5% of capital cost every 5 years and 3.72% of capital cost every 15 years. These assumptions were developed as a standard starting point for Alaska marine service yards. (Source: Northern Economics "Petersburg Waterfront Master Plan: Rate Study and Financial Considerations" presentation by Mike Fisher on October 4, 2017 at the AAHPA Annual Conference.)

Capital Costs and Replacement Schedule: The replacement schedule for equipment was provided by the City and Borough of Wrangell. For the model, the 2021 replacement costs were estimated to increase by 2% annually through the actual replacement year.

Capital Replacement Schedule and Costs of Marine Service Center Equipment

| Equipment | Original purchase cost | Replacement year | Replacement cost in 2021 dollars |
|---------------------|------------------------|------------------|----------------------------------|
| 150 Metric ton lift | \$960,000 | 2036 | \$1,100,000 |
| 300 Metric ton lift | \$1,135,000 | 2043 | \$1,207,000 |
| 45 ton trailer | \$95,426 | 2048 | \$110,000 |
| Cat Loader | \$124,719 | 2038 | \$216,000 |
| Fork Lift | \$15,000 | 2041 | \$38,000 |

Haul Out Revenue: Haul out revenue includes the fee for using the marine lift and the environmental fee of \$15 per vessel. The model is set to 250 roundtrip haul outs annually. The average vessel hauled out is 50-feet in length, and therefore a 50-ft vessel is used for ROI modeling purposes.

Vessel Storage: The value the model returns for vessel storage, \$180,317 per year, is slightly higher than the CBW is currently showing in its budget. The model assumes that the maximum short-term yard capacity is just 21,000 square feet (even though there are conceptually 34,290 square feet of short term work space), and assumes 90% utilization six months out of the year, and 30% utilization the other six months. Likewise, the long-term storage is assumed to be at 90% capacity six months out of the year, and at 30% capacity for the other six months.

Labor Costs: The model assumes that it takes two full-time staff to run the Marine Service Yard. The model also assumes that 20% of the harbormaster and admin assistance is also dedicated to running the shipyard. Labor costs, like all other costs, are set to increase at 2% annually.

Rate Study Overview

The City and Borough of Wrangell Port and Harbors asked Rain Coast Data to analyze current cost structures and rates at the Marine Service Center and compare them to specific shipyards in Alaska and Washington state. Fees and rates examined included short- and long-term storage, marine lift costs, business lease rates, environmental fees, and other services provided by shipyards throughout Alaska and Washington state. Shipyards surveyed in Alaska include: City and Borough of Wrangell, City of Hoonah, City and Borough of Juneau, City of Seward, and the City of Sitka. Washington state shipyards surveyed include: City of Port Townsend, City of Seattle, and Seaview shipyards in Bellingham and Fairhaven. Information for this report was collected in October and November of 2021 using rate cards and interviews with harbormasters and engineers at municipal shipyards, and administrative and managerial staff at private facilities.

Wrangell's fees fall below the average rates among the shipyards surveyed for this report in every metric and are the lowest in several categories. The shipyards surveyed in this study use varying rate structure when calculating costs for storage, vessel haul out, and environmental fees. In order to make comparisons between shipyards with varying rates structures, the overall costs were calculated using 40-foot and 60-foot vessels as a baseline.



Monthly storage and work yard fees

Fees and rates refer to the associated costs of long- and short-term storage. Long-term storage typically refers to the seasonal storage of working vessels, whereas short-term storage is most often associated with repairs and maintenance conducted in a work yard. To see a full analysis of comparison costs, see table on page 5.

The average **short-term** cost of leasing shipyard space to work on a 60-foot vessel in comparable communities ranges from \$360 per month in Seward to \$2,700 in Bellingham. The fee in Wrangell is \$637, which is 47% below the overall average fee of \$1,208 per month. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

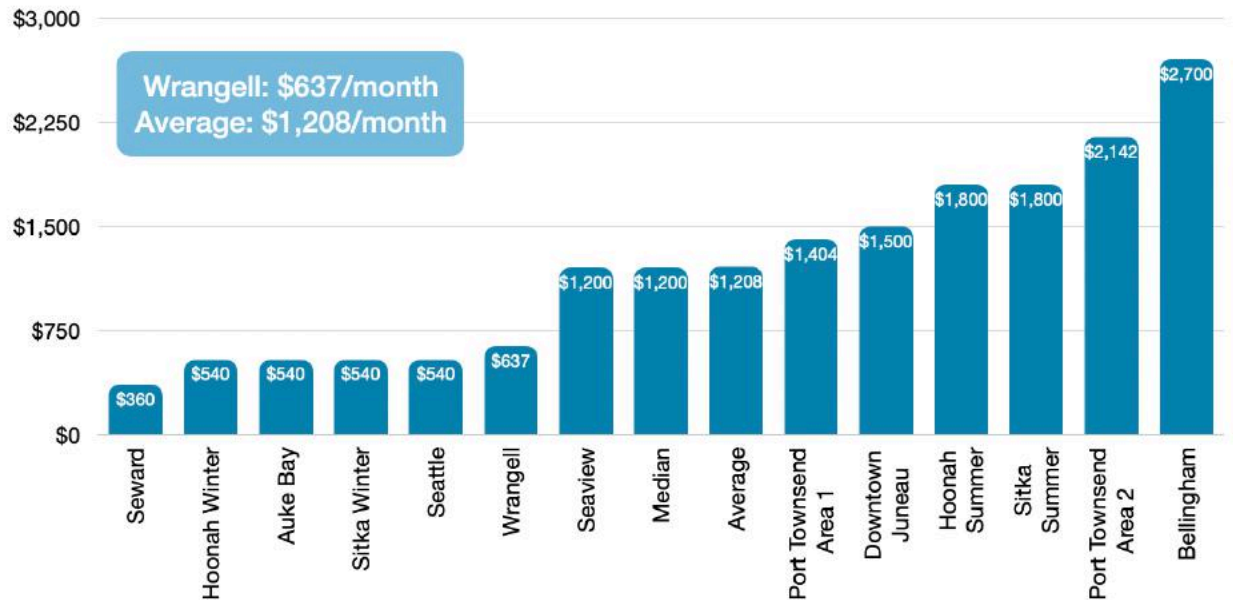
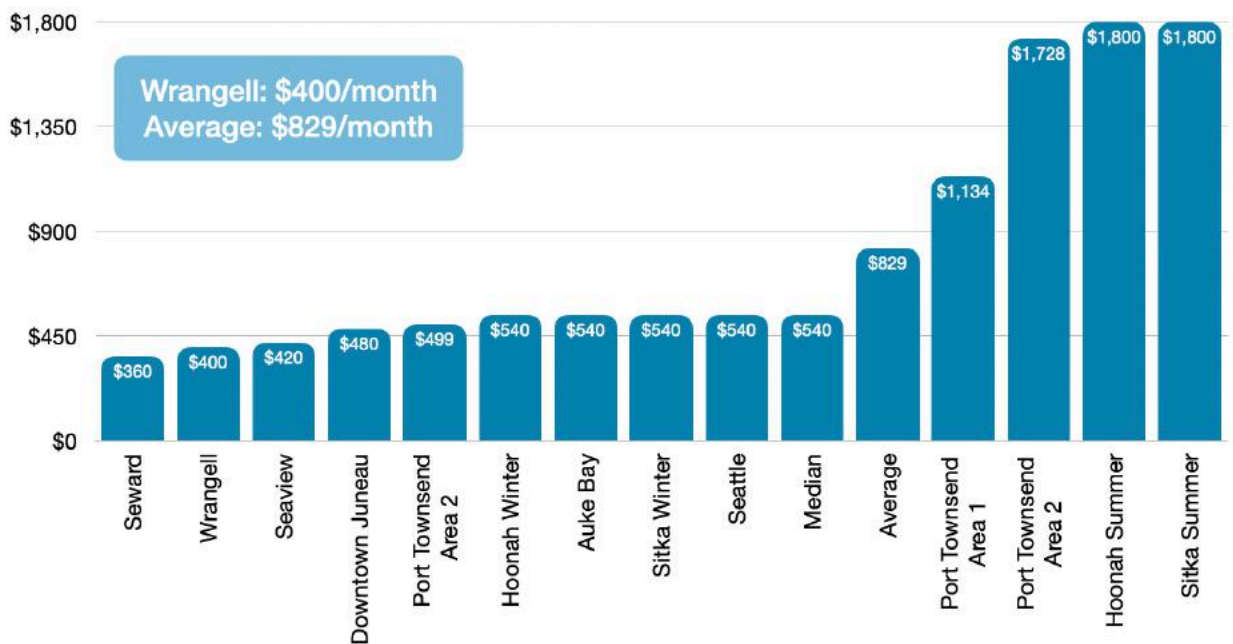
The average **long-term** cost of renting shipyard space to store a 60-foot vessel in the comparable communities ranges from \$360 per month in Seward to \$1,800 during the summer months in Sitka and Hoonah. The fee in Wrangell is \$400 per month, or 52% below the average study rate of \$829 per month.

Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average.

Storage rates at all facilities were calculated over a 30-day period for both long- and short-term storage. In situations where storage was determined by square footage, costs were calculated using vessels that were 40'x14' and 60'x18'. It's important to note that some shipyards implement higher rates during peak season in the summer or lower rates during the winter off-season.



The charts on the following page compare the cost of storing a 60-foot vessel in a short-term work yard, and a longer-term storage yard.

Figure 1: **Short-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft VesselFigure 2: **Long-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft Vessel

Short-term and Long-term Storage Fees: A Comparison of Monthly Storage Costs

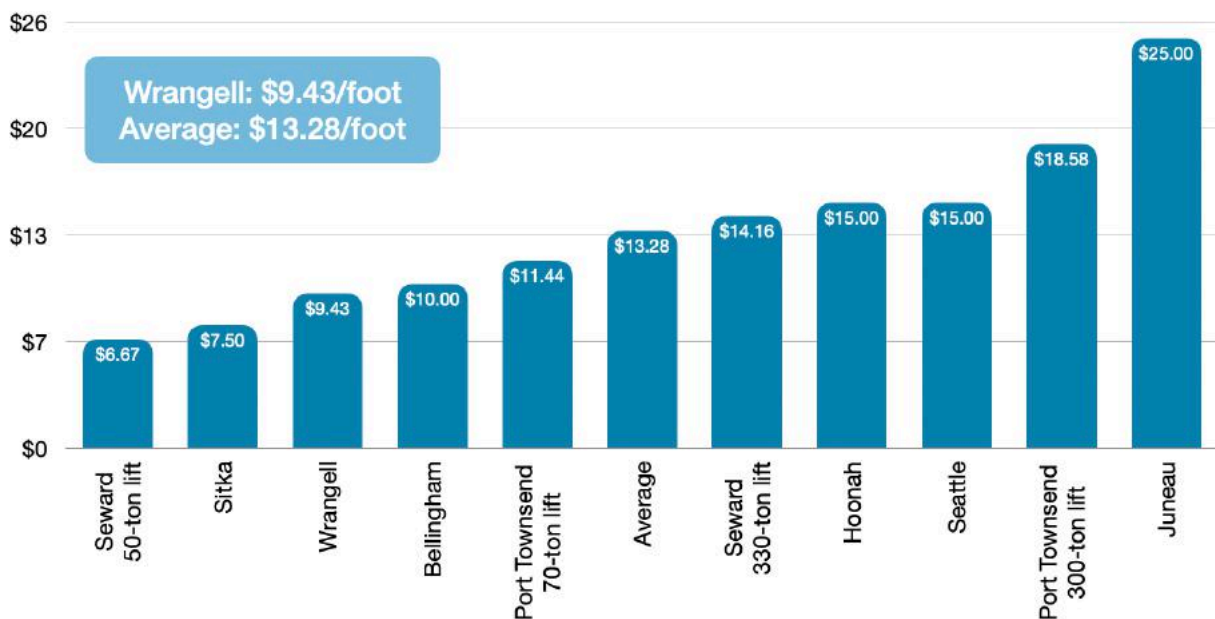
| Name | Size (acres) | Short-term cost structure | Monthly Rate | | Long-term cost structure | Monthly Rate | |
|---|--------------|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | | | Short-term storage (40') | Short-term storage (60') | | Long-term storage (40') | Long-term storage (60') |
| City and Borough of Wrangell | 7 | \$.59/sq ft/ month | \$330 | \$637 | \$.37/sq ft/ month | \$207 | \$400 |
| City of Hoonah (peak season, May-July) | 3.5 | \$1/ft/day | \$1,200 | \$1,800 | \$1/ft/day | \$1,200 | \$1,800 |
| City of Hoonah (non-peak, Aug-Apr) | | \$.30/ft/day | \$360 | \$540 | \$.30/ft/day | \$360 | \$540 |
| City & Borough of Juneau Auke Bay Loading Facility | 0.83 | \$.50/sq ft/ month | \$280 | \$540 | \$.50/sq ft/day | \$280 | \$540 |
| Juneau Fisheries Terminal (downtown) | 0.45 | \$50/day | \$1,500 | \$1,500 | \$8/ft/month | \$320 | \$480 |
| Seward Marine Industrial Complex - 50-ton lift | 35 | \$.20/ft/day | \$240 | \$360 | \$.20/ft/day | \$240 | \$360 |
| City of Sitka (peak, May-July) | 3.5 | \$1/ft/day | \$1,200 | \$1,800 | \$1/ft/day | \$1,200 | \$1,800 |
| City of Sitka (non-peak, Aug-Apr) | | \$.30/ft/day | \$360 | \$540 | \$.30/ft/day | \$360 | \$540 |
| Seaview (Bellingham) | 7 | \$1.50/ft/ day | \$1,800 | \$2,700 | na | na | na |
| Seaview (Fairhaven) | | \$20/ft/ month | \$800 | \$1,200 | \$7/ft/ month | \$280 | \$420 |
| Port Townsend (work yard - 70/75-ton lift) | 11 | \$.78/ft/ day | \$936 | \$1,404 | \$.63/ft/day | \$756 | \$1,134 |
| Port Townsend (work yard - 300-ton lift) | | \$1.19/ft/ day | \$1,428 | \$2,142 | \$.96/ft/day | \$1,152 | \$1,728 |
| Port Townsend (non-working, long-term) | | na | na | na | \$8.32/ft/ month | \$333 | \$499 |
| Port of Seattle Fishermen's Terminal and Maritime Industrial Center | 6 | \$.50/sq ft/ month | \$280 | \$540 | \$.50/sq ft/ month | \$280 | \$540 |
| Average | 8.25 | | \$824 | \$1,208 | | \$536 | \$829 |
| Median | 6 | | \$800 | \$1,200 | | \$333 | \$540 |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Marine lift rates

The chart below represents the average cost of using a marine lift, based on lifting a 40-ft vessel and a 60-ft vessel. Based on overall averages, the lift fees range from \$6.67 per vessel foot in Seward, to \$25 per foot in Juneau. However, it should be noted that Juneau does not currently have the capacity to lift 60-ft vessels, so the Juneau rate is based on lifting 40-ft vessels only. The overall average for the 11 marine lifts in this analysis is \$13.28 per foot of vessel length. Wrangell's average rate falls 41% below the average rate. In Seward and Port Townsend the fee to use larger lifts is approximately twice the cost of using the smaller lifts.

Figure 3: Average Marine Lift Cost Per Square Foot: Based on 40-ft and 60-ft Vessel Lift Costs



Haul out costs associated with the use of haul out lifts, also commonly referred to as marine lifts or by the specific brand name Travelift, were calculated one way in the following table. Round trip costs can be calculated by doubling the one-way cost for 40-foot and 60-foot vessels.

In situations where a shipyard charged hourly for use of its marine lifts, the time was calculated at 1 hour for lifts 150 tons and under, and 1.5 hours for larger lifts (up to 330 tons). Unforeseen circumstances, such as ballasts not being properly emptied, could double the time and cost of vessel haul outs. The data provided in this report represents a "typical" scenario where no unforeseen circumstances arise. Haul out fees represent the cost of using marine lifts to hoist vessels out of the water for storage and/or repair and maintenance purposes. Most shipyards charge an environmental fee when lifting boats out of the water. Some shipyards roll these fees into marine lift rates, whereas others charge a separate fee.

Marine Lift Fees by Vessel Length

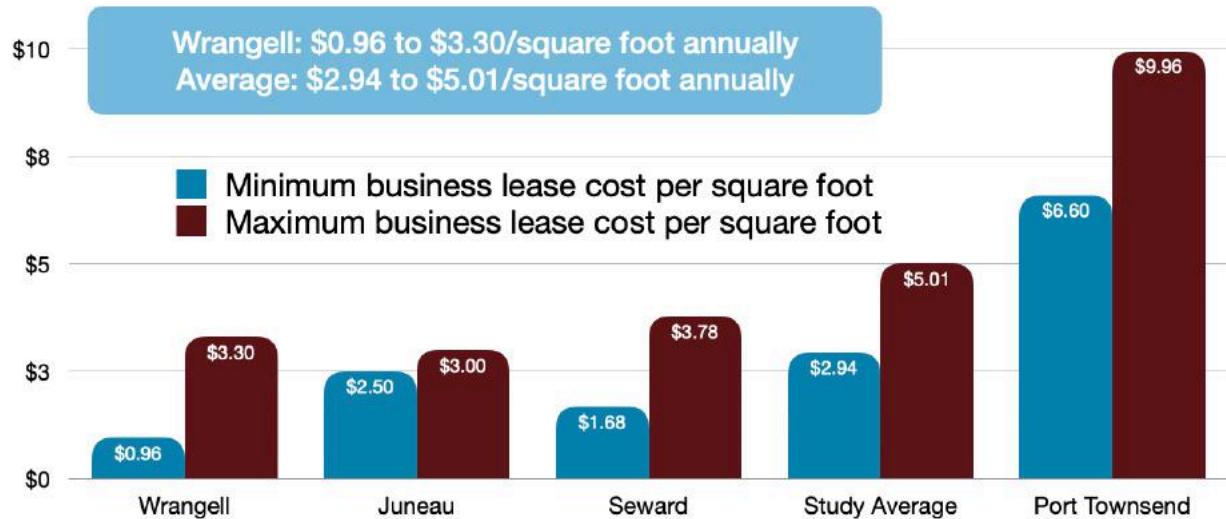
| Name | Capacity (tons) | Lift cost structure 40' | Fee (40') | Lift cost structure 60' | Fee (60') | Average Fee per ft (based on 40' and 60' lifts) |
|---|-----------------|--------------------------|--------------|--------------------------------|---------------------------------|---|
| City of Wrangell Harbors | 150 / 300 | \$6.55/ft (min \$357.20) | \$357 | \$7.14/ft (min \$595.33) | \$595.33 (assumes 300 ton lift) | \$9.43 |
| City of Hoonah Harbors | 220 | \$15/ft | \$600 | \$15/ft | \$900 | \$15.00 |
| Juneau Marine Services | 35 | \$25/ft | \$1,000 | na | na | \$25.00 |
| Seward Marine Industrial Complex - 50-ton lift | 50 | \$236.25/hr | \$236.25 | \$236.25/hr + \$21/ft over 50' | \$446.25 | \$6.67 |
| Seward Marine Industrial Complex - 330-ton lift | 330 | \$425/hr | \$638 | \$425/hr + \$21/ft over 55' | \$742.5 | \$14.16 |
| City of Sitka | 220 | \$7.50/ft | \$300 | \$7.50/ft | \$450 | \$7.50 |
| Seaview (Bellingham) | 35/165 | \$9/ft | \$360 | \$11/ft | \$660 | \$10.00 |
| Port Townsend (work yard - 70/75-ton lift) | 70/75 | \$10.40/ft | \$416 | \$12.48/ft | \$748.80 | \$11.44 |
| Port Townsend (work yard - 300-ton lift) | 300 | \$18.58/ft | \$743 | \$18.58/ft | \$1,114.80 | \$18.58 |
| Seaview (Seattle) | 55/80 | \$14/ft | \$560 | \$16/ft | \$960 | \$15.00 |
| Average | 166 | \$13.25 per foot | \$521 | \$12.61 per foot | \$735.29 | \$13.28 |
| Median | 150 | \$12.20 per foot | \$488 | \$12.48 per foot | \$742.50 | \$12.80 |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021. Marine lift fees were calculated one-way. Round trip rates equal double the cost of one-way lift rates.

Business lease rates

Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Some public and private shipyards provide services internally, such as Hoonah, or do not lease space to third parties. Wrangell has the lowest minimum rate and overall average business lease rate, while its maximum lease rates are similar to Juneau and Seward marine yard lease rates. However, Juneau's rates are poised to increase in 2022.

Marine Yard Annual Business Leases



A Comparison of Annual Business Lease Rates

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|----------------------|--|--|---------------|---|
| Wrangell | \$0.96 | \$3.30 | \$1.24 | Originally appraisal |
| Juneau | \$2.50 | \$3.00 | \$2.78 | 10% of assessed value annually. Determined every 5 years. |
| Seward | \$1.68 | \$3.78 | \$2.73 | 8% of assessed value annually. Determined every 5 years. |
| Port Townsend | \$6.60 | \$9.96 | \$8.28 | Determined by market study for lease rates at similar ports every 5 years |
| Study Average | \$2.94 | \$5.01 | \$3.76 | -- |

Note: Rate information was collected through a combination of rate cards and interviews in October 2021.

Juneau

- Juneau rents uplands space to marine service providers at 10% assessed value – which could increase substantially in 2022.
- The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman’s Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are actually not comparable to the business leases in Wrangell and are not included in the table above.
- Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease in the marine yard but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.
- The City and Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.
- These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$230,400 annually – this is 27-times what CBJ paid last year for the Juneau Fisheries Terminal compared to last year, which was \$8,500. CBJ is currently working to purchase the property for \$2.88 million – which would include two acres of tidelands property. Either way, CBJ will likely have to raise rates in May 2022, and the CBJ is currently conducting a rate study.

Hoonah / Sitka

- Does not officially lease to third parties.
- Hoonah currently allows maritime service providers to use the space for free.

Wrangell

- Current lease rates range from \$.96 to \$3.30 per square foot.
- Lease rates were originally determined by appraised land value, but rates are not standardized.

Port Townsend

- Current lease rates \$6.60 to \$9.96 per square foot
- Rates are determined by market studies conducted every 5 years (last study done in 2019)
- New rates are run through a BLM calculator and measured against comparable areas.

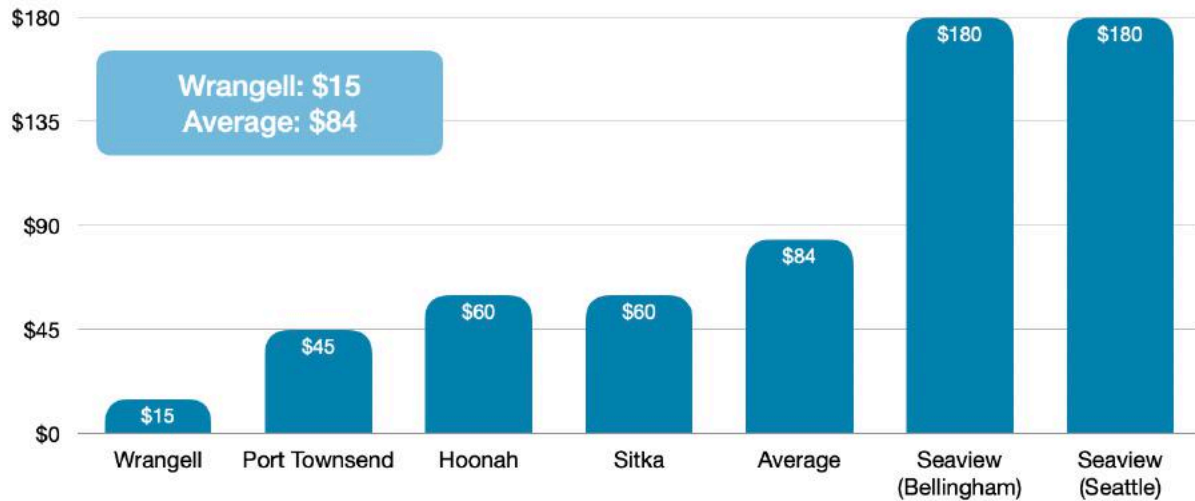
Seward

- Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.
- Seward Marine Industrial Center lease rates are assessed at 8% of the land’s fair market value and re-assessed every 5 years.

Other rates

Most shipyards charge an environmental fee when lifting boats out of the water. Some roll these fees into marine lift rates, whereas others charge a separate fee on top of marine lift fees. Wrangell has the lowest environmental fee of any community at \$15 per vessel. Marine yards charge an average of \$1.75 per foot. The average environmental fee for a 60-foot vessel is \$84. This section also reviews washdown rates and electrical rates, which are not a significant part of the Wrangell revenue model.

Average Environmental Fees: Based on a 60-ft Vessel



Environmental, Wash Down, and Electric Fees

| Name | Environment fee cost structure | Environmental Fee 40' | Environmental Fee 60' | Wash down (40' - 60') | Electric rates |
|--------------------|--------------------------------|-----------------------|-----------------------|-----------------------|--------------------------------------|
| Wrangell | flat rate per haul out | \$15 | \$15 | | 30/50/60 amp - \$8/\$10/\$30 per day |
| Hoonah | \$1/ft | \$40 | \$60 | \$120-\$180 | |
| Seward | Rolled into lift fee | NA | NA | \$100-\$150 | NA |
| Sitka | \$1/ft | \$40 | \$60 | \$120-\$180 | |
| Seaview Bellingham | \$3/ft | \$120 | \$180 | \$160-\$240 | \$6/day |
| Seaview | NA | NA | NA | NA | \$35/month |
| Port Townsend 1 | \$.75/ft | \$30 | \$45 | \$92-\$138 | \$1.52/day OR \$30/month) |
| Port Townsend 2 | NA | \$30 | \$45 | \$132-\$198 | \$5/day + \$.10/kwh |
| Seaview (Seattle) | \$3/ft | \$120 | \$180 | \$160-\$240 | |
| Average | \$1.75 per foot | \$56 | \$84 | \$158 | \$4.34 per day |

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Appendix



Shipyard Rates by Community

Community specific results of the rate analysis are presented in the following sections:

Southeast Alaska



The City and Borough of Wrangell shipyard operates on 5 acres with space reserved for short- and long-term boat storage. Two marine lifts capable of lifting 150 tons and 300 tons vessels are on site. The 300-ton marine lift is one of the larger lifts in Alaska and provides a unique alternative for larger vessels that otherwise would need to dock in Ketchikan or Seward, which operate a 400-ton lift and 330-ton lift, respectively.

Haul out lifts

Wrangell's two marine lifts operate under the same per foot rate structures, but with different minimum fees.

| Haul out rates, and costs | |
|---------------------------|-----------------------------|
| Feet | Cost structure (Round Trip) |
| 0-40 Feet | \$13.10 per foot |
| 41-58 Feet | \$14.28 per foot |
| 59-75 Feet | \$15.48 Per Foot |
| 76-90 Feet | \$17.86 Per Foot |
| 91-120 Feet | \$20.24 Per Foot |
| 121-140 Feet | \$22.63 Per Foot |
| 141 Feet & Up | \$25.00 Per Foot |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

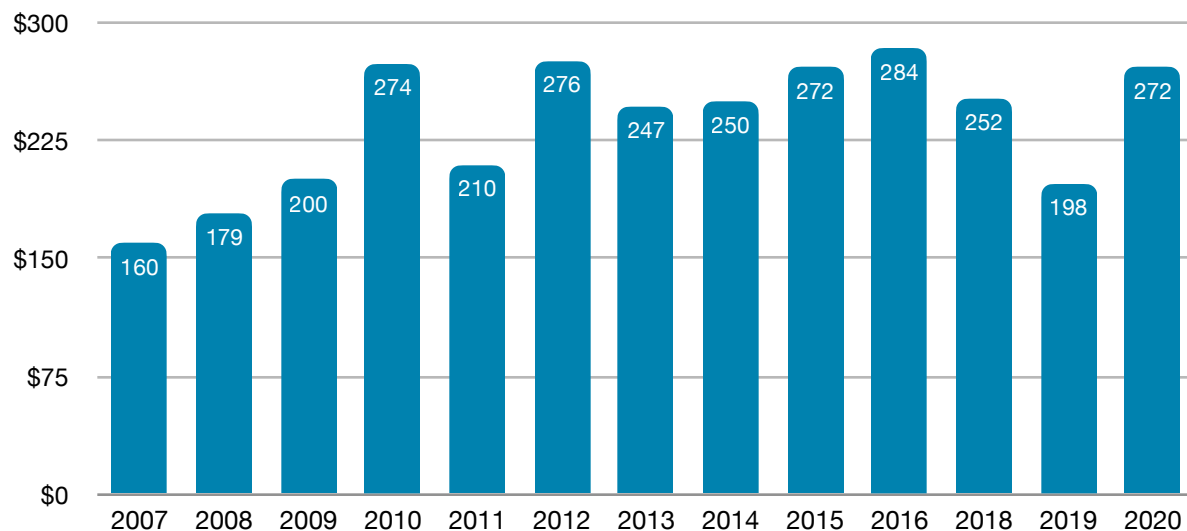
| Haul out lift capacity and minimum fees | |
|---|--|
| Marine Lift | Cost structure (Round Trip) |
| 150 Ton Boat Lift | Half of Round Trip price or minimum \$357.20 |
| 300 Ton Boat Lift | Half of Round Trip price or minimum \$595.33 |

| Inspection Haul | |
|-------------------|---------------------------------------|
| Marine Lift | Cost structure (Round Trip) |
| 150 Ton Boat Lift | 60% of Round Trip or minimum \$357.20 |
| 300 Ton Boat Lift | 60% of Round Trip or minimum \$595.33 |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

In Wrangell's first full year with the 150-ton Travelift, 160 vessels were lifted. The first full year of the 300 ton lift was in 2015. Overall, approximately 250 vessels are lifted on average on an annual basis. The Marine Service Center does not track how many haul outs are performed by each lift.

Wrangell Haul Outs 2007 through 2021



Storage

In the Wrangell Marine Service Center there are 30 spaces for vessels in the short term work area. While there are conceptually 34,290 square feet of billable short term work space, the maximum functional utilization is approximately 21,000 square feet. The work yard is full 9 months per year and at 50% capacity during the summer months. Wrangell's Marine Service Center long term storage area has 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full.

Wrangell is one of three facilities that calculates storage rates by square footage of the vessel on a monthly basis, whereas the majority of fee structures examined are based on vessel length and accrued on a daily basis. Wrangell charges \$.59 per square foot for short-term storage, and \$.37 per square foot for long-term storage. Wrangell's short-term storage costs are below the average cost but fall in line with the median storage cost. Long-term storage, however, falls well below both the average and median storage costs. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

| Storage rates | | | | | | | |
|---------------|-----------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Wrangell | 7 | \$.59/sq ft per month | \$330 | \$637 | \$.37/sq ft per month | \$357 | \$595 |

Note: Rates and fees obtained from the City and Borough of Wrangell, October 2021.

Environmental fees

Wrangell's shipyard was the only one of those examined that uses a separate, flat-rate cost structure to assess environmental fees (\$15). Two shipyards surveyed roll environmental fees into their haul out rates, whereas the majority calculate fees based on the length of the vessel. Wrangell's environmental fee is the cheapest of all shipyards surveyed.

Business lease costs

Third parties leasing space in Wrangell's shipyard pay between \$.96 to \$3.30 per square foot annually. The annual income for the Marine Service Center is \$57,194.40. Rates are based on appraised land value, but without any standardized fee development.

Wrangell Maritime Industrial Business Lease Rates

| Description | Size of leased area in square feet | Monthly income | Annual income | Annual rate per square foot |
|-------------------|------------------------------------|-------------------|--------------------|-----------------------------|
| WMSC Yard Lot 1 | 14,443 | \$1,155.44 | \$13,865.28 | \$0.96 |
| WMSC Yard Lot 2 | 5,600 | \$448.00 | \$5,376.00 | \$0.96 |
| WMSC Yard Lot 3 | 4,240 | \$339.20 | \$4,070.40 | \$0.96 |
| WMSC Yard Lot 4 | 3,332 | \$266.56 | \$3,198.72 | \$0.96 |
| WMSC Yard Lot 5 | 2,000 | \$550.00 | \$6,600.00 | \$3.30 |
| WMSC Yard Lot 6 | 3,600 | \$740.00 | \$8,880.00 | \$2.47 |
| WMSC Yard Lot 7 | 3,000 | \$475.00 | \$5,700.00 | \$1.90 |
| Mill Dock 1 | 7,460 | \$596.80 | \$7,161.60 | \$0.96 |
| Mill Dock 2 | 2,440 | \$195.20 | \$2,342.40 | \$0.96 |
| Total/Avg. | 46,115 | \$4,766.20 | \$57,194.40 | \$1.24 |

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

Other fees/services

- Electric: \$8 per day (30 amps); \$10/day (50 amps); \$30/day (60 amps)
- Hydraulic Trailer fee: \$10.46 per foot (round trip, minimum \$247.50)
- Off-site transportation: Round trip or one-way fee plus \$350 per hour



Vessel haul-out services in Juneau market are operated by Harri Commercial Marine doing business as Juneau Marine Services (JMS). JMS leases the haul-out facilities from the City and Borough of Juneau at the downtown Juneau Fisheries Terminal. The Auke Bay Boat Yard at Statter Harbor has been leased to Karl's Auto Marine, and currently has no marine lift capacity.

Juneau Marine Services provides downtown workspace at the cost of \$50 per day, and long-term dry storage at the rate of \$8 per foot on a monthly basis. JMS says its short-term costs are intentionally high to prevent overcrowding in its limited work yard space. Its short-term storage rates are among the highest of shipyards surveyed, whereas its long-term rates are 50% less than the average rate and below the median.

Haul out lifts

Juneau Marine Services operates the downtown 35-ton marine lift available at the cost of \$25 per foot of the vessel's length.

The rate is consistent regardless of vessel size.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Juneau Marine Services | 35 | \$25 per foot | \$1,000 | \$1,500 |

Note: Rates obtained from Juneau Marine Services, October 2021.

While there had been a Sealift providing lift services in Auke Bay, the Sealift did not meet the needs of Karl's Auto Marine and is currently for sale. A new lift will eventually be purchased for the site.

Storage

The City and Borough of Juneau Auke Bay Loading Facility encompasses 2 acres and is used primarily as a staging area for vessels, though it does offer some storage options. Juneau's municipal shipyard charges \$.50 per square foot per month for both long- and short-term storage. The facility's storage rates are among the lowest of those surveyed, however, its space is limited and not typically used for long-term dry storage.

| Storage rates | | | | | | | |
|------------------------|--------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Juneau (ABLF) | .83 | \$.50/sq ft per month | \$280 | \$540 | \$.50/sq ft per month | \$280 | \$540 |
| Juneau Marine Services | .45 | \$50 per day | \$1,000 | \$1,500 | \$8/ft per month | \$320 | \$480 |

Note: Rates and fees obtained from the City and Borough of Juneau and Juneau Marine Services, October 2021.

Environmental fees

Environmental fees tied to Juneau Marine Service's haul-out lift is rolled into the cost of using its marine lift.

Business lease cost

Juneau rents uplands space to marine service providers at 10% assessed value – but that rate could increase substantially in 2022.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|--------|--|--|---------|-----------------------|
| Juneau | \$2.50 | \$3.00 | \$2.78 | 10% of assessed value |

Note: Rates obtained from the City and Borough of Juneau, October 2021.

The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman's Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are not comparable to the business leases in Wrangell.

Auke Bay Lease (through 2028)

Location: Auke Bay Boatyard

Size: 36,155 square feet

Annual Lease: \$36,000

Lease per Square Foot: \$1 annually (vendor also provides all marine yard services to the community)

Downtown Marine Yard Lease (through May 2022)

Location: Next to Downtown Crane Dock

Size: 19,425.6 square feet

Annual Lease: \$29,307

Lease per Square Foot: \$1.51 (vendor also provides all marine yard services to the community)

Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.

The City of Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.

Other Downtown Juneau Leases in Fisherman's Terminal Area:

Lease: Nordic Tug charters

Size: 1,455 square feet

Annual Lease: \$4,365

Lease per Square Foot: \$3.00

Lease: Hydraulic shop

Size: 1,105 square feet

Annual Lease: \$2,762

Lease per Square Foot: \$2.50

These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$240,000 annually. CBJ is currently working to purchase the property for \$2.88 million – in which case 10% of assessed value would be more than \$14 per square foot. Either way, CBJ will likely have to raise rates significantly in May 2022, and the CBJ is currently conducting a rate study.

Other fees/services

- Juneau Marine Services: Fiberglass repair, welding
- Auke Bay Loading Facility: Commercial launch ramp use (\$250 one-time permit fee); two 2-ton cranes (\$.25 per minute); electric (30 and 50 amp)



Haul out lifts

Sitka's shipyard operates a 220-ton marine lift and charges \$7.50 per foot regardless of vessel size. Its lift rates are below the average and median compared to other shipyards, and overall are the second lowest haul out rates.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Sitka | 220 | \$7.50 per foot | \$300 | \$450 |

Note: Rates obtained from the City and Borough of Sitka, November 2021.

Storage

The City and Borough of Sitka operates a 3.5-acre shipyard offering short- and long-term vessel storage. Sitka's rates vary depending on the season. During non-peak months (April-August) rates are \$.30/foot per day, but more than triple between May and July during peak season. Sitka's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

| Storage rates | | | | | | | |
|------------------|--------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Sitka (May-July) | 3.5 | \$1/foot per day | \$1,200 | \$1,800 | \$1/foot per day | \$1,200 | \$1,800 |
| Sitka (Apr-Aug) | 3.5 | \$.30/foot per day | \$360 | \$540 | \$.30/foot per day | \$360 | \$540 |

Note: Rates and fees obtained from the City and Borough of Sitka, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease costs

Sitka does not lease shipyard space to third parties.

Other fees

- Wash-down: \$3 per foot
- Electric: \$7 per day (30 amp); \$10/day (50 amp); \$10/day plus consumption (100 amp)
- Towing: \$102.50 plus \$56 per hour labor cost
- Pumping: \$51.25



Haul out lift

The Hoonah Travelift Facility includes a travelift dock and a 220-ton travelift facility capable of pulling boats over 58 feet in length. Hoonah's rates are double that of Sitka, at \$15 per foot. Hoonah's haul out rates exceed both the average costs for 40- and 60-foot vessels (\$521 and \$735.29, respectively) and the median cost (\$488 and \$742.50). In 2021 (as of early December) a total of 194 vessels had been lifted in Hoonah, a record for that facility.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Hoonah | 220 | \$15 per foot | \$600 | \$900 |

Note: Rates obtained from the City of Hoonah, October 2021.

Storage

The City of Hoonah's storage rates are identical to that of Sitka, including differing rates based on peak- and non-peak seasons. Daily peak rates are \$1 per foot for short- and long-term storage, and non-peak rates are \$.30 per foot. Hoonah's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

| Storage rates | | | | | | | |
|-------------------|--------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Hoonah (May-July) | 3.5 | \$1/foot per day | \$1,200 | \$1,800 | \$1/foot per day | \$1,200 | \$1,800 |
| Hoonah (Apr-Aug) | 3.5 | \$.30/foot per day | \$360 | \$540 | \$.30/foot per day | \$360 | \$540 |

Note: Rates and fees obtained from the City of Hoonah, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease cost

While the City of Hoonah does not lease shipyard space to third parties, it does provide the space for free.

Currently Hoonah allows maritime services providers to use the shipyard for free. According to Dennis Gray Jr. City Administrator for the City of Hoonah: "We try to make it as attractive as possible for contractors to work in our yard and do not charge to rent out space in our yard for shipwrights or painters. We have one shipwright and one painter that work in our yard currently."

According to Horan and Company, the entire shipyard was briefly leased in 2008. The lease terms were \$1.00 per year plus \$25.00 per haul-out. The city terminated the relationship and felt it was in error due to lack of oversight for maintenance.¹

Other fees

- Wash down: \$3 per foot
- Dockside hoist: \$15-\$50 per hour
- Crab gear storage: \$450 per year; crab pot storage: \$650 per year
- Electric: \$10 minimum per month or true cost
- Forklift rental: \$75 per hour or \$300 per day
- Trailer rental: \$50-\$75 per day

¹ Horan & Company, LLC. Appraisal Report Market Rental Value Boat Haul-Out Facility At Auke Bay Loading Facility Juneau, Alaska, August 2015.

Southcentral Alaska



Haul out lifts

Seward's municipal shipyard features 50-ton and 330-ton marine lifts. Use of the lifts are billed hourly. The average time per user for the 50-ton lift is 1 hour, and average time for the 330-ton lift is 1.5 hours, according to the city's harbor department. Hourly rates vary depending on which marine lift is being used. Costs associated with the 330-ton lift are at or near the median and average costs. Costs tied to the smaller 50-ton lift are the lowest among shipyards surveyed. (Note: JAG Alaska Inc. operates the city's 5,000-ton Syncrolift used to work on oversized vessels.)

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|-----------------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seward MIC | 50 | \$236 per hour +21/hr over 50' | \$236 | \$446 |
| Seward MIC | 330 | \$425 per hour +21/hr over 55' | \$638 | \$743 |

Note: Rates obtained from the City of Seward, October 2021.

Storage

The Seward Marine Industrial Center is managed by the City of Seward and spans 35 acres, nearly a third of which is leased to JAG Alaska Inc. Seward charges \$.20 per foot for short- and long-term storage, which is the lowest rate among shipyards surveyed.

| Storage rates | | | | | | | |
|---------------|--------------|------------------|-----------------------|-----------------------|------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seward MIC | 35 | \$.20/ft per day | \$240 | \$360 | \$.20/ft per day | \$240 | \$360 |

Note: Rates and fees obtained from the City of Seward, October 2021.

Environmental fees

Environmental fees are rolled into haul out rates.

Business lease rates

Seward Marine Industrial Center lease rates are 8% of the land's assessed rates, which are appraised every five years. Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|--------|--|--|---------|----------------------|
| Seward | \$1.68 | \$3.78 | \$2.73 | 8% of assessed value |

Other fees

- Wash pad: \$2.50 per foot per hour (minimum 1 hour)
- Relocation: \$236.25 (50-ton lift); \$425 (330-ton lift)
- Potable water: \$52.50 (during business hours); \$105 (outside regular business hours)
- Electricity: \$.40 per kilowatt hour, plus \$29.46 connection fee
- Towing (inside harbor): \$52.50 plus labor
- Pumping vessel: \$31.50 plus labor
- Equipment rental: loader, grader, oil tanker, crane truck, flatbed truck, pickup truck, dump truck, back how, pumps (rates vary from \$8.40-\$68.25 plus labor/operator cost)
- Launch fees: \$10 per launch; \$100 annually
- 10-ton crane: \$42.32 per half hour; \$90.64 per hour

Washington State

**Haul out lifts**

Port Townsend operates three marine lifts: 70, 75 and 300 tons. Rate structures vary depending on length of the vessel and which marine lift is being used. Rates for its 70- and 75-ton travel lifts are below the average cost, and at or below the median cost. Rates for its 300-ton lift are above both the average and median costs compared to other shipyards.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Port Townsend | 70/75 | \$10.40-\$12.48 per foot | \$416 | \$749 |
| Port Townsend | 300 | \$18.58 per foot | \$743 | \$1,115 |

Note: Rates obtained from the City of Port Townsend, October 2021.

Storage

The City of Port Townsend manages three distinct storage areas as part of its 11-acre shipyard: two work yards intended for short- and long-term work, and a separate storage area used to store non-working vessels. Storage rates for work areas are linked to the location of its two marine lifts. Long- and short-term rates at the site of its 70- and 75-ton lifts are \$.63 to \$.78 per foot per day. Storage costs at the site housing its 300-ton marine lift range from \$.96 to \$1.19 per foot per day. Rates for Port Townsend's non-working, long-term storage site is \$8.32 per foot calculated monthly. Port Townsend's vessel storage rates at its work yards are above the average and median costs. Storage rates at its non-working, long-term storage facility are half the average cost and below the median.

| Storage rates | | | | | | | |
|--|--------------|---------------------|-----------------------|-----------------------|---------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Port Townsend (70/75-ton lift work yard) | 11 | \$.78/ft per day | \$936 | \$1,404 | \$.63/ft per day | \$756 | \$1,134 |
| Port Townsend (300-ton lift work yard) | -- | \$1.19/ft per day | \$1,428 | \$2,142 | \$.96/ft per day | \$1,152 | \$1,728 |
| Port Townsend (non-working, long-term) | -- | \$8.32/ft per month | \$333 | \$499 | \$8.32/ft per month | \$333 | \$499 |

Note: Rates and fees obtained from the City of Port Townsend, October 2021.

Environmental fees

Port Townsend assesses environmental fees at \$.75 per foot.

Business lease rates

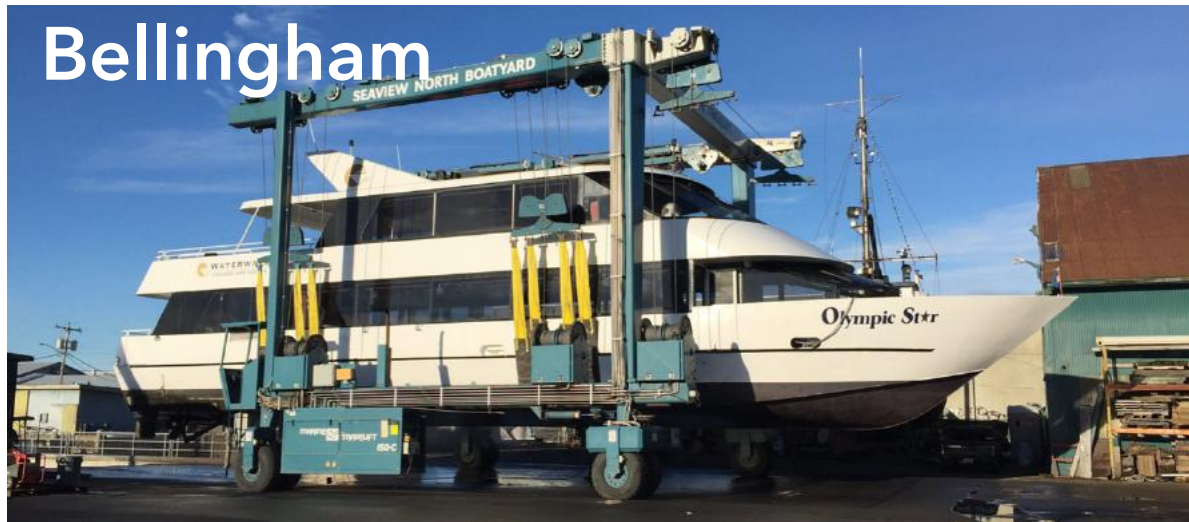
Rather than basing lease rates on appraised value like many others, its lease rates are determined by market studies conducted every five years surveying lease rates at similar ports. Current rates are \$6.60 to \$9.96 per square foot annually and are the most expensive of shipyards surveyed.

| | Minimum business lease cost per square foot annually | Maximum business lease cost per square foot annually | Average | Valuation method |
|---------------|--|--|---------|-------------------|
| Port Townsend | \$6.60 | \$9.96 | \$8.28 | Market rate study |

Note: Rates obtained from the City of Port Townsend, October 2021.

Other fees/services

- Wash pad: \$2.30 per foot per hour (70/75-ton lifts); \$3.30 per foot per hour (300-ton lift)
- Electric: \$1.52 per day or \$30.30 per month (non-working, long-term storage); \$5 per day plus \$.10 per kilowatt hour (work yards)
- Inspection: equal to roundtrip haul out rate
- Labor rate: \$69 per half hour



Haul out lifts

Seaview Bellingham operates two haul out lifts rated at 35 tons and 165 tons. Rates fluctuate depending on the size of the vessel. The cost per foot for a 40-foot vessel is \$9 per foot, and the cost for hauling out 60-foot vessels is \$11 per foot. The shipyard's haul out rates are among the least expensive among shipyards and fall below the average and median cost for these services.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seaview | 35/165 | \$9-\$11 per foot | \$360 | \$660 |

Note: Rates obtained from Seaview, October 2021.

Storage

Seaview Bellingham is a private shipyard and manages several properties offering storage. Work yard storage at the site of its 35- and 165-ton lifts are the most expensive rates among shipyards at \$1.50 per foot per day. Seaview offers both indoor and outdoor storage at its Fairhaven property at rates of \$20 per foot per month (indoor) and \$7 per foot per month (outdoor). The indoor rates align with average storage costs calculated in this survey, and its outdoor storage rate is below the median.

| Storage rates | | | | | | | |
|---------------------|--------------|-------------------|-----------------------|-----------------------|-------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seaview | 7 | -- | -- | -- | \$1.50/ft per day | \$1,800 | \$2,700 |
| Fairhaven (indoor) | -- | \$20/ft per month | \$800 | \$1,200 | -- | -- | -- |
| Fairhaven (outdoor) | -- | \$7/ft per month | \$280 | \$420 | \$7/ft per month | \$280 | \$420 |

Note: Rates and fees obtained from Seaview, October 2021.

Environmental fees

Assessed at \$3 per foot.

Business lease costs

Seaview declined to provide lease rates for its locations.

Other fees/services

- Electric: \$6 per day (Seaview Bellingham); \$35 per month (Fairhaven storage facilities)
- Wash down: \$4 per foot (Seaview shipyard only)
- Initial set up fee: \$19 per foot (haulout, pressure wash, environmental fee, blocking and launch)
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour
- Tarp fee: \$100



Haul out lifts – Seaview Seattle operates 55-ton and 80-ton marine lifts at the rate of \$14 per foot for 40-foot vessels, and \$16 per foot for 60-foot vessels. These rates are above both the average and median cost.

| Haul out lift capacity, rates, and costs | | | | |
|--|-----------------|--------------------------|---------------------|---------------------|
| | Capacity (tons) | Cost structure (One way) | Haul out cost (40') | Haul out cost (60') |
| Seaview | 55/80 | \$14-\$16 | \$560 | \$960 |

Note: Rates obtained from Seaview, October 2021.

Storage – The Port of Seattle Fishermen’s Terminal and Maritime Industrial Center offers long and short-term storage at the rate of \$.50 per square foot per month. Its storage rates are less than half the average cost and below median costs, making it one of the most affordable storage options among shipyards surveyed. Seaview Seattle does not offer storage and instead defers to its Fairhaven location.

| Storage rates | | | | | | | |
|---------------|--------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| | Size (acres) | Short-term rate | Short-term cost (40') | Short-term cost (60') | Long-term rate | Long-term cost (40') | Long-term cost (60') |
| Seattle MIC | 6 | \$.50/sqft per month | \$280 | \$540 | \$.50/sqft per month | \$280 | \$540 |

Note: Rates and fees obtained from Port of Seattle, October 2021.

Environmental fees – Seaview Seattle assesses environmental fees at \$3 per foot, the same as the rate at its Bellingham shipyard.

Business lease costs –Seattle Seaview declined to discuss lease rates. The Port of Seattle did not respond to a business lease rate request by deadline.

Other fees/services

Seaview:

- Wash down: \$4 per foot
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Electric: \$6 per day
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Forklift: \$150 per hour
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour

Port of Seattle:

- Covered storage (\$75 per day)
- Forklift (3 tons): \$65.12 per hour (self-drive); \$111.76 per hour (forklift and operator)
- Hoist-WWall (3 tons): \$65.11 per half hour
- Crane (3/4 ton): \$31.84 per half hour
- Crane-WWall (3 tons): \$111.66 per half hour

Second Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
[Mill Dock Lot 5] Mill Dock Lot 8

This **second** modification to amend the “Leased Property” section by swapping Mill Dock, Lot 5 with Mill Dock, Lot 8, extending the Facility Lease Agreement for an additional five (5) years, and updating the monthly rate is made and entered into as of July 1, 2022, by and among:

Jimmy Pritchett, dba Metal Head Marine LLC, PO Box 2158, Wrangell, Alaska, 99929, and the City and Borough of Wrangell, Alaska, 99929.

Now therefore, both parties agree as follows:

- A. Modification No. 1 made March 7, 2016 changed the business name from JP Welding, LLC to Metal Head Marine LLC.
- B. **This modification changes Section 1, Duration, Section 2, Leased Property, and Section 4(a), Conditions of Leasing, of the original agreement and second extension as follows:**

SECTION 1, DURATION

This lease shall be in effect for an additional five-year term, more specifically, from the date above until June 30, 2027.

SECTION 2, LEASED PROPERTY

The property subject to this Lease is described as: [Mill Dock, Lot 5, 40 feet x 50 feet (2000 sq. ft.)] Mill Dock, Lot 8, 80 feet x 100 feet (8,000 sq. ft).

SECTION 4, CONDITIONS OF LEASING

- a. Lease payments shall be 0.104 x the total square footage (stated below) and payable in advance on the 1st day of each month for FY 2022 (July 1, 2022 – June 30, 2023) and shall increase at a rate of 2% each FY thereafter as follows:

2% increase each year

| | | |
|-------------------------------------|-----------------|-------------------|
| July 1, 2022 – June 30, 2023 | \$832.00 | each month |
| July 1, 2023 – June 30, 2024 | \$848.64 | each month |
| July 1, 2024 – June 30, 2025 | \$865.61 | each month |
| July 1, 2025 – June 30, 2026 | \$882.93 | each month |
| July 1, 2026 – June 30, 2027 | \$900.58 | each month |

Upon execution, this second amendment will become an attachment to the original agreement, dated January 1, 2014.

Jimmy Pritchett, dba Metal Head Marine LLC

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Metal Head Marine
Jim Pritchett

To City of Wrangell Harbor Department

My name is Jimmy Pritchett, and I own Metal Head Marine and operate in Wrangell shipyard at Lot 5. I started my business in 2008, and as it has developed, I have acquired more equipment and increased the number of people I employ. I have outgrown the available space where I am located now, which has led to the need for additional space to continue expanding my business.

With more leased space, I would erect a building to accommodate larger vessels, giving me a more controlled environment and the ability to work more efficiently. This would result in a considerable gain in efficiency as a lot of my current time is spent erecting and dismantling temporary shelters to perform my work.

Having more space also allows me to acquire additional tooling and maintain more inventory, making me more able to keep working through the supply chain issues we now all face and take advantage of discounted buying opportunities when products are available. This is something I need to do to stay competitive.

The proximity of the USFS vessel and the tourism associated with the Nolan Center, coupled with the noise and dust, and fumes my business inherently creates, is a less than ideal situation for the current location that I am in. Not having a spot to put a large building makes it difficult to perform my work without affecting the nearby tourist area negatively when visitors are present while I am working.

I am a serious and proven player here in the Wrangell shipyard and have spent much money already developing my business over the last 14 years. I intend to spend millions of dollars more over the next 30 years on various tooling, buildings, and inventories if I have the space to do it.

If the City of Wrangell were to make additional space available to me, that would allow me to expand my business and increase my productivity and efficiency, thus helping me succeed in this increasingly volatile and challenging business environment.



4/22/2022

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|---------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | July 27, 2021 |
| | <u>Agenda Section</u> | 13 |

Discussion and Possible Action on Public Safety Building Options Review and Administrative Recommendation

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

FISCAL NOTE:

Expenditure Required: None at this time

| | | |
|-----------|-----------|----------|
| FY 20: \$ | FY 21: \$ | FY22: \$ |
|-----------|-----------|----------|

Amount Budgeted:

| | | |
|--|--|--|
| | | |
|--|--|--|

Account Number(s):

| | | |
|--|--|--|
| | | |
|--|--|--|

Account Name(s):

| | | |
|--|--|--|
| | | |
|--|--|--|

Unencumbered Balance(s) (prior to expenditure):

| | | |
|--|--|--|
| | | |
|--|--|--|

Reviews/Approvals/Recommendations

| | |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1

RECOMMENDATION MOTION:

No motion. Discussion only.

SUMMARY STATEMENT:

At a December 13, 2021 work session, related to the Public Safety Building (PSB) and its improvements options, the Borough Assembly asked the Borough Manager to perform a thorough

review of alternatives and return to them with options to consider as a solution to the PSB facility condition concerns.

Through administration and staff reviews and review with AMC Engineers, three plausible options have been identified as presented here for consideration and discussion with the Assembly. Without having an updated cost estimate, the costs provided below are derived as a rough order of magnitude cost from costs developed by AMC Engineers' 2020 probable cost opinions for the full building renovations and construct new at the former WMC site. Not included in the 2020 probable costs was tenant relocations through renovation sequencing requirements. Below are options for consideration:

Option 1 - Renovate the existing PSB in a long-term phased approach, to address the most critical of needs. A Phase I project would provide for rehabilitation to the building envelope with consideration to transition the flat roofs to sloped roofs.

A building envelope rehabilitation is the most critical of needs for the PSB. A phased approach was discussed with the Assembly in December 2021 with a rough order of magnitude costs for the most critical building envelop work at approximately \$4,100,000. This first phase project would include all building envelop systems, including structural, flat roofs, exterior wall systems and siding, exterior doors, and windows. (Note: This cost includes replacing the flat roofs in-kind, as they are designed now, and does not include a cost to consider designing a reconstructed roof to eliminate the flat roofs and tie into the sloped roof sections.)

The building envelope encloses the structure to protect it from damage. Improving a structure's envelope includes protecting the building from the elements, assisting in mechanical load support, and maintaining the structure's interior condition, keeping it safe from outside elements. Another critical role of the building envelope is that of facilitating climate control. Climate-controlled buildings have heat and air systems to make interior conditions comfortable and safe. Building envelopes help maintain the conditioned air in the building and help to control ventilation and airflow and reduce energy waste.

Phase II is proposed to address mechanical issues. Phase III is proposed to address architectural finishes, accessibility, electrical and water system devices, standby generator, and the existing metal roof panels (if not addressed in Phase I with a flat roof modification).

Option 2 - Renovate the entire existing PSB, in-kind, in a single project. This includes construction of a single renovation project, phased over the most reasonable shortest timeframe. A single project approach has a rough order of magnitude costs for all identified upgrades, with new elevator and controls added, at approximately \$16,000,000.

Option 3 - Construct a new PSB, at a new site, to house all existing tenants, except for the Fire Department. To house the Fire Department, the existing Fire Department space at the PSB would be maintained for Fire Department as well as that existing for the Shooting

Range and Mechanical Room(s) with necessary repairs and system modifications for those building spaces. Demolish the remainder of the building. Construct new covered vehicle/equipment storage where building section is demolished.

While a probable cost for this option has not been fully identified, a portion of it was reviewed through the development of costs to construct new at the former WMC site. That project level was estimated in 2020 at approximately \$24,000,000. A probable cost opinion has not been developed to demolish and renovate the existing PSB for continued use by Fire Dept., Shooting Range and construction of additional vehicle storage. By adding a projected \$7,000,000 for that piece of the project as a rough order of magnitude costs for a project of this type, a rough order of magnitude of costs for this full project option is \$51,000,000.

Borough Assembly concurrence, as to the solution for pursuit of continuing operating a viable building to house our PSB tenants with their services to this community, is necessary to ensure planning efforts are supported as staff continue to work to describe the project, obtain probable costs, and seek funding for the selected project.

We have asked AMC Engineers to provide us a fee proposal to update the 2020 cost estimate for the Renovation project. They offer that service for a fee of \$6,380 (see attached).

We have asked AMC Engineers to provide us a fee proposal to update the 2020 costs estimate for a new construction project and add to that a new cost estimate to demolish and renovate the existing Public Safety Building to maintain the building integrity related to accommodating the Fire Department and all of their activities, the Shooting Range, the Mechanical Room, and as well add costs for constructing a new enclosed space for vehicle and large equipment storage (i.e. street sweeper, vac truck, two manlifts, etc.). They offer that service for a fee of \$34,690 (see attached).

Once the selected project's costs and project description are received from AMC Engineers, we would proceed to seek funding opportunities and/or GO bonding.

The process for a General Obligation issuance through the Alaska Municipal Bond Bank Authority (AMBBA) requires a considerable amount of time and ample notice to the Bond Administrators. There is typically a Fall and Spring issuance each year. The Borough would target a Fall issuance (September/October 2022) for a construction bond for the Public Safety Building. Per discussions with the AMBBA, a fall issuance would likely result in a 4 to 4.25 percent interest rate depending on whether the bonds are issued at a premium or discount. Funds would be received likely in early calendar year 2023 and the debt service would be due the following year. Effectively, this means that the mill rate for calendar year 2023 property taxes would be adjusted to absorb the debt service.



701 East Tudor Road, Suite
Anchorage, AK 99503 | 907.257.9100

2215 Midway Ln, Suite 200
Bellingham, WA 98226 | 360.255.7235

amc-engineers.com

Item c.

13 May 2022

Ms. Amber Al-Haddad
Capital Facilities Director
City and Borough of Wrangell
P.O. Box 531
Wrangell, Alaska 99929

via email: aal-haddad@wrangell.com

RE: Wrangell Public Safety Building Replacement and Repair Options (20813)

Subject: Building Assessment Survey Fee Proposal, Revision 1A

Dear Amber:

This revised fee proposal is in response to your request for architectural and engineering services for Replacement and Repair Options of the Wrangell Public Safety Building (PSB), located in Wrangell, Alaska. The building houses Wrangell's Police Department, Jail/Correctional Facility, Fire Department with Apparatus Bay, Indoor Shooting Range, Department of Motor Vehicles, TSA Pre-Check, US Customs and Border Patrol, and the State of Alaska Court System - Wrangell District. The building has been in operation for thirty-three years and is in need of significant repair and renovation work.

Our scope of services is based upon your 8 March 2022 email, clarified per our 30 March 2022 proposal, and 5 May 2022 conference calls requesting a fee proposal for a new Wrangell Public Safety Building, PSB, Assessment report with two options. AMC Engineers will provide Mechanical and Electrical services and will be the Prime Consultant. Our selected subcontractors included:

- Northwind Architects for architectural services.
- PND Engineers for structural and civil services.
- Estimations Inc. for estimation of probable construction costs.

The following understanding is the basis for our Scope of Services.

Two (2) different project ROM cost estimate options will be developed:

Option 1: Renovate the existing Public Safety Building, in kind, as identified in AMC's 2021 condition survey report. The scope of work includes revising the probable costs to include the design and construction of a single renovation project, phased over the most reasonable, shortest time period, for a projected 2022-2024 project. Additions to the 2020 cost estimate: a full elevator modernization; an allowance for tenant relocations through the phased renovation sequencing approach.

Report Assumptions: No occupancy changes; Jail would not be relocated for phased work, but rather the jail would likely close if it could not continue to operate through phases of the work; fire engines must be maintained in a ready to respond state so work in the apparatus bay will have to accommodate them. Building sketches are not required. No site visit(s) or other expenses are required. Option 1 tasks are limited to PM and cost estimating services. No architectural, mechanical, electrical, structural, or civil engineering services are required.

Cost Estimating Assumptions: Update the CA/CI percentage for a renovation project of this nature; adding an estimating contingency in addition to the escalation for inflation and a construction contingency due to today's volatility of material costs. The largest burden of work is for the cost estimator. Clarifications and notations of the previous report and cost estimates will be used to the fullest extent possible. A written summary of these clarifications and notations will be provided along with the new estimate of probable construction costs. Use of \$/SF or other accepted cost estimating metrics is acceptable.

Option 2 has two parts.

Part 1 - Construct a new Public Safety Building at the corner of Bennett Street and Ishiyama Drive. The newly constructed building will house all of the existing tenants, with the exception of the shooting range and the Fire Department, including the apparatus bays, training room, offices, and apartment. Limited architectural, mechanical, electrical, structural, and civil engineering services are required.

Part 2 - Renovate the existing Public Safety Building to maintain the building integrity related to accommodating the Fire Department and all of their activities, including the apparatus bays, training room, offices, and apartment. Maintain the basement level Garage, Shooting Range, and Mechanical Rooms. Demolish the remainder of the building not required for the Fire Department and basement level needs identified. Construct a separate, open air covered storage for heavy equipment storage located where the building is demolished. Limited architectural, mechanical, electrical, and structural engineering services are required; no civil engineering services are required.

Report Assumptions: The new building site is assumed to have continuous 20' deep muskeg without contamination for the entire project footprint, for over-excavation and backfill; no alternative foundations or methods for reducing excavation and backfill. New building is assumed to be two-stories.

Covered storage, 30'D x 120'L x 18'H, with open sides, on hard packed surface, lights, 120V general purpose power receptacles, and not located over the remaining basement.

Building sketches are not required. No site visit(s) or other expenses are required.

Cost Estimating Assumptions: Update the CA/CI percentage for a renovation project of this nature; adding an estimating contingency in addition to the escalation for inflation and a construction contingency due to today's volatility of material costs. Clarifications and notations of the previous report and cost estimates will be used to the fullest extent possible. A written summary of these clarifications and notations will be provided along with the new estimate of probable costs. Use of \$/SF or other accepted cost estimating metrics is acceptable.

Additional architectural services may include:

1. New PS Building concept design with plans, sections, and elevations.
2. Existing fire hall renovation concept design with plans, sections, and elevations.
3. Concept design with 3-D presentation graphics.
4. Concept presentation at Wrangell.

Estimated costs for additional site visits are shown on the attached fee proposal.

The project cost estimates will contain the following elements:

1. The project cost estimates to include related construction, administration, and project costs including:
 - 1.1. Demolition and Construction ROM estimate of probable construction costs.
 - 1.2. Architectural and engineering (AE) design, permit, bid, CA, Cx, and record documents costs.
 - 1.3. City of Wrangell administration costs including Special Inspections.
 - 1.4. Moving tenants from existing to new buildings and/or spaces.
 - 1.5. Furniture, Fixtures, and Equipment, FFE.
 - 1.6. Phasing costs, including tenant temporary locations with services, for one phased contract of the existing building.
 - 1.7. Assume construction starting in Summer of 2023.

Other assumptions include:

1. Narratives will include brief narratives with assumptions used for the cost estimator to develop costs based upon \$/SF including previous project report information. Reissuing of previous reports in total or partial is not required.
2. ROM estimates of probable construction costs deliverable in PDF format to you will include:
 - 2.1. 95% draft narrative with project options ROM cost estimate documents.
 - 2.2. Final documents incorporating 95% revisions necessary to address written review comments.
3. Utility maps will be provided for estimating service lengths and utility capacities will be assumed to be adequate for the new building site.
4. A site visit will not be needed by any of the team members.
5. Systems will be selected by us with consideration given to all advance criteria provided. We will exercise reasonable engineering judgment in the selection of systems and approaches.
6. Energy or economic analysis will not be required.

Fee Proposal:

We propose to provide the assessment services indicated per the attached 13 May 2022 Fee Proposal on a Time and Expense Budget (T&EB) basis. We will inform you when we reach 90% of our T&EB.

Additional services including the following will be performed on a Time and Expense (T&E) basis unless other arrangements are made.

1. Additional services such as changes in project scope, delays, printing, and other impacts.
2. Formal or other meetings not directly required for supporting our report and estimates.
3. Site visits, conference, or video-conference calls.

A portion of expenses and other costs will be charged monthly.

Our Standard Terms and Conditions apply to all services and our 2022 Rate Schedule applies to all additional services.

This agreement is between AMC Engineers and you. There are no third party beneficiaries to this agreement.

Flexibility

This is our current understanding of the scope and effort required for this project. We remain flexible and can work with you to adjust the scope, modify our list of deliverables, discuss the schedule, and negotiate our fee accordingly.

Thank you for contacting us on this project. If this proposal is acceptable as written, your written acknowledgment would be appreciated.

We look forward to working with you.

Sincerely,

AMC ENGINEERS



David L. Boggs, PE
Principal Mechanical Engineer

Attachment:

- 13 May 2022 AMC Fee Proposal Summary with discipline breakdown, 1 page

\\amc-epod-fs\projects\20813 WRANGPSB\PM\Fee\220512 Fee R1\LT220513 Fee R1A WPSB Options 1_2.docx

Project Number: 20813
Project Code: WRANGPSB
Prepared by: DLB

Date: 13-May-2022
Approved by: D. Boggs

WRANGELL PUBLIC SAFETY BUILDING OPTIONS

Time and Expense Budget Fee Proposal, Revision 1A

Summary of Services

| OPTION 1 | Labor | Expenses | Total |
|-------------------------------------|----------------|------------|----------------|
| PM | \$1,910 | \$0 | \$1,910 |
| Mechanical & Electrical | \$0 | \$0 | \$0 |
| AMC Labor & Expenses | \$1,910 | \$0 | \$1,910 |
| Sub-Consultants | Labor | Expenses | Total |
| Architectural, NWA | \$0 | \$0 | \$0 |
| Civil, PND | \$0 | \$0 | \$0 |
| Structural, PND | \$0 | \$0 | \$0 |
| Cost Estimator, Estimations | \$4,060 | \$0 | \$4,060 |
| | \$4,060 | \$0 | \$4,060 |
| 10% Markup on Sub-Consultants Labor | \$410 | | |
| Option 1 Grand Total | \$6,380 | \$0 | \$6,380 |

| OPTION 2 | Labor | Expenses | Total |
|-------------------------------------|-----------------|------------|-----------------|
| Mechanical & PM | \$8,760 | \$0 | \$8,760 |
| Electrical | \$4,500 | \$0 | \$4,500 |
| AMC Labor & Expenses | \$13,260 | \$0 | \$13,260 |
| Sub-Consultants | Labor | Expenses | Total |
| Architectural, NWA | \$8,000 | \$0 | \$8,000 |
| Civil, PND | \$2,000 | \$0 | \$2,000 |
| Structural, PND | \$4,500 | \$0 | \$4,500 |
| Cost Estimator, Estimations | \$4,980 | \$0 | \$4,980 |
| | \$19,480 | \$0 | \$19,480 |
| 10% Markup on Sub-Consultants Labor | \$1,950 | | |
| Option 2 Grand Total | \$34,690 | \$0 | \$34,690 |

| Optional Additional Architectural Services | Labor |
|---|---------|
| New PS Building concept design with plans, sections & elevations | \$9,400 |
| Existing fire hall renovation concept design with plans, sections, & elevations | \$8,280 |
| Concept design with 3-D presentation graphics | \$4,920 |
| Concept presentation at Wrangell | \$1,680 |

| SITE VISITS | Labor | Expenses | Total | Duration |
|----------------|---------|----------|---------|------------------------------|
| AMC, M&E | \$6,640 | \$3,300 | \$9,940 | 2-day & 1 night site visit |
| NWA, Architect | \$1,120 | \$473 | \$1,593 | 1-mid day, 4 hrs in Wrangell |
| NWA, Architect | \$1,120 | \$735 | \$1,855 | 1-mid day & 1 night |

Basic Assumptions

This fee proposal is in response to your request for architectural and engineering services for the Wrangell Public Safety Building Replacement and Repair Options.

We propose to provide the services indicated above and clarified per our 30 March 2022 proposal and 5 May 2022 conference calls on a Time and Expense (T&E) basis with additional assumptions and clarifications in our 13 May 2022 fee proposal letter.

This is our current understanding of the scope and effort required for this project. We remain flexible and can work with you to adjust the scope, modify our list of deliverables, discuss the schedule, and negotiate our fee accordingly.

Thank you for selecting AMC Engineers to work with you on this project!

Option 1 - Phase I of Multi-Phase Projects - Structural, Flat Roofs, Siding, Exterior Doors, Windows

| | |
|---|------------------------|
| 2020 Estimated Construction Cost | \$ 2,400,000.00 |
| General Contractor Overhead and Profit (15%) | \$ 360,000.00 |
| General Contractor Bond & Insurance (3%) | \$ 72,000.00 |
| Construction Contingency (20%) | \$ 480,000.00 |
| Estimated Construction Total | \$ 3,312,000.00 |
| Engineering Design (10%) | \$ 331,200.00 |
| Construction Administration / Inspections (15%) | \$ 496,800.00 |
| Estimated Total Project Cost of Option 1 | \$ 4,140,000.00 |

Option 2 - Renovate PSB In Kind, Single Project

| | |
|--|-------------------------|
| 2020 Estimated Construction Subtotal | \$ 9,252,000.00 |
| General Contractor Overhead and Profit (15%) | \$ 1,387,800.00 |
| General Contractor Bond & Insurance (3%) | \$ 277,560.00 |
| Construction Contingency (20%) | \$ 1,850,400.00 |
| Estimated Construction Total | \$ 12,767,760.00 |
| Engineering Design (10%) | \$ 1,276,776.00 |
| Construction Administration / Inspections (15%) | \$ 1,915,164.00 |
| Estimated Total Project Cost of Option 2 - Renovate PSB In Kind, Single Project | \$ 15,959,700.00 |

Option 3 - Construct New Site PSB and Demolish/Renovate Old PSB for Fire Dept.

| | |
|---|--------------------------|
| 2020 Estimated Construction Subtotal for New Site Work | \$ 24,624,000.00 |
| Estimated Subtotal Demo/Renovate Old - PROBABLE COST OPINION NOT DEVELOPED TO DATE * | \$ 7,000,000.00 * |
| Estimated Subtotal Construct New and Demo/Renovate Old | \$ 31,624,000.00 |
| General Contractor Overhead and Profit (15%) | \$ 3,693,600.00 |
| General Contractor Bond & Insurance (3%) | \$ 738,720.00 |
| Construction Contingency (20%) | \$ 4,924,800.00 |
| Estimated Construction Total | \$ 40,981,120.00 |
| Engineering Design (10%) | \$ 4,098,112.00 |
| Construction Administration / Inspections (15%) | \$ 6,147,168.00 |
| Estimated Total Project Cost of Phase III | \$ 51,226,400.00 |

These costs are based on AMC Engineer's November 2020 probable cost estimate for the PSB Rehabilitation Option and the Construct In-Kind All New Site. These costs not been updated to reflect current cost trends based on current building material costs.

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|--------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | May 24, 2022 |
| | <u>Agenda Section</u> | 5 |

EXECUTIVE SESSION: Potential Mill Property Acquisition Update and Discussion

SUBMITTED BY:

Jeff Good, Borough Manager

FISCAL NOTE:

Expenditure Required: \$N/A

| | | |
|-----------|---------------|----------|
| FY 19: \$ | FY 20: \$ N/A | FY21: \$ |
|-----------|---------------|----------|

Amount Budgeted:

| | | |
|--|------------|--|
| | FY20 \$N/A | |
|--|------------|--|

Account Number(s):

| | | |
|--|-----|--|
| | N/A | |
|--|-----|--|

Account Name(s):

| | | |
|--|-----|--|
| | N/A | |
|--|-----|--|

Unencumbered Balance(s) (prior to expenditure):

| | | |
|--|-------|--|
| | \$N/A | |
|--|-------|--|

Reviews/Approvals/Recommendations

| | |
|-------------------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | |
| Name(s) | |
| <input checked="" type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. None

RECOMMENDATION MOTION:

I move, pursuant to AS 44.62.310 (c)(1), that we recess into executive session to discuss matters in which the immediate knowledge would clearly have an adverse effect upon the finances of the borough, specifically for an update and to discuss the potential purchase of the Mill Site property.

SUMMARY STATEMENT: None.