

**Agency: Commerce, Community and Economic Development**

**Grant Recipient: Community & Economic Dev**

**Project Title:**

**Project Type: Maintenance and Repairs**

# Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance

**State Funding Requested: \$2,685,000**

**House District: 1 / A**

Future Funding May Be Requested

**Brief Project Description:**

Deferred Maintenance of the state owned Ketchikan Shipyard.

**Funding Plan:**

**Total Cost of Project: \$2,685,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
State Funds	\$1,500,000	2009			\$3,000,000	2012
<b>Total</b>	<b>\$1,500,000</b>				<b>\$3,000,000</b>	

**Detailed Project Description and Justification:**

The Ketchikan Shipyard is owned by the State of Alaska, Alaska Industrial Development and Export Authority (AIDEA).

The shipyard's dry docks, steel sheet piling ring cells, and pier structures are in critical need of corrosion control and civil upgrades to prevent catastrophic failure. Funds appropriated for deferred maintenance of the Ketchikan Shipyard may be used for corrosion control or other priority regulatory or operational deferred maintenance requirements of critical shipyard infrastructure.

**Project Components:**

Dry Dock Corrosion Control  
 Pontoon Deck  
 Paint (includes steel inserts \$50,000) \$ 550,000  
 Wing Wall \$ 435,000  
 Tank Internals \$ 200,000  
 Subtotal \$1,185,00

Sheet Pile Cell Walls/Pier  
 Surface Preparation and Coating \$1,500,000

Grand Total \$2,685,000

**Public Safety:** The Ketchikan Shipyard reduces risk to Safety-of-Life-At-Sea (SOLAS) and threats to sensitive marine and

For use by Co-chair Staff Only:

**\$2,000,000  
Approved**

coastal environments by providing regionally available, full service ship repair capacity for stricken vessels and maritime emergencies.

**Private Sector Tools:** The Ketchikan Shipyard is the anchor industry to continued growth and diversification of regional and state wide marine and maritime industrial clusters and increases opportunities for home porting of commercial and publically owned ships in Alaska.

**Investment in Future:** Completion of the Ketchikan Shipyard is the Ketchikan Gateway Borough's #1 Economic Development project for the regional Comprehensive Economic Development Strategy. Correction of deferred and regulatory maintenance and refurbishment conditions is required for continued and optimal operation of the facility.

**Support for Essential Services:** Construction, maintenance, refurbishment, and repair of state owned marine transit asset is an essential public service. Performing these services in Ketchikan strengthens and diversifies the local, regional, and state economies.

### Project Timeline:

Engineering to proceed in 2010 with expenditures occurring in 2010 and 2011

### Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Alaska Ship & Drydock, Inc.

### Grant Recipient Contact Information:

Name: Karl Reiche - AIDEA  
 Address: 813 W Northern Lights Blvd,  
 Anchorage, AK 99503  
 Phone Number: (907)269-3000  
 Email: kreiche@aidea.org

Has this project been through a public review process at the local level and is it a community priority?  Yes  No

# THE COMMUNITY OF KETCHIKAN

## FISCAL YEAR 2011 STATE FUNDING REQUEST



### PROJECT NAME

Deferred Maintenance of the Ketchikan Shipyard

### APPLICANT

Alaska Ship and Drydock, Inc.

### FUNDING REQUEST

Dry Dock Corrosion Control	\$1,185,000
Sheet Pile Cell Walls	\$1,500,000
Total Requested	\$2,685,000

### PROJECT DESCRIPTION

The Ketchikan Shipyard is owned by the State of Alaska, Alaska Industrial Development and Export Authority (AIDEA).

The shipyard's dry docks, steel sheet piling ring cells, and pier structures are in critical need of corrosion control and civil upgrades to prevent catastrophic failure. Funds appropriated for deferred maintenance of the Ketchikan Shipyard may be used for corrosion control or other priority regulatory or operational deferred maintenance requirements of critical shipyard infrastructure.

The photographs below show protective coatings failure on Dry Dock #1 and the sheet pile cells walls.



Dry Dock #1



Sheet Pile Ring Cells

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Project Components:

**Dry Dock Corrosion Control**

Pontoon Deck	
Paint (includes steel inserts \$50,000)	\$ 550,000
Wing Wall	\$ 435,000
Tank Internals	\$ 200,000

**Subtotal**            **\$1,185,00**

**Sheet Pile Cell Walls/Pier**

Surface Preparation and Coating	<b><u>\$1,500,000</u></b>
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**Grand Total**        **\$2,685,000**

**Public Safety:**

The Ketchikan Shipyard reduces risk to Safety-of-Life-At-Sea (SOLAS) and threats to sensitive marine and coastal environments by providing regionally available, full service ship repair capacity for stricken vessels and maritime emergencies.

**Private Sector Tools:**

The Ketchikan Shipyard is the anchor industry to continued growth and diversification of regional and state wide marine and maritime industrial clusters and increases opportunities for home porting of commercial and publically owned ships in Alaska.

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**Support for Essential Services:**

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April 20, 2010

The Honorable Sean Parnell  
Alaska State Capitol Building  
Third Floor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Parnell:

**Re: FY 2011 Capital Budget - City of Ketchikan Projects**

On behalf of the City of Ketchikan, I wish to take this opportunity to stress the critical nature of the infrastructure projects included in the FY 2011 Capital Budget for the City of Ketchikan.

As you know, the past several years have seen substantial decline in both timber and tourism industry dollars coming into the City of Ketchikan. These declines have severely impacted our ability to deal with the continuing major infrastructure improvement needs that the City of Ketchikan is experiencing. Although we have incurred debt for many major capital improvement projects, there simply is too much for one municipality to shoulder without assistance.

Again, I wish to stress the critical importance of all of these projects to the City of Ketchikan and urge you for your continued support. These projects truly are of utmost importance to the City of Ketchikan.

In closing, the City Council and I look forward to working with your office in the future to address matters of importance both to Ketchikan and the State of Alaska.

Should you have any questions on this matter, please do not hesitate to contact me.

Sincerely,

Lew Williams, III  
Mayor

cc: City Councilmembers  
Karen Rehfeld, OMB Director  
Randy Ruaro, Deputy Chief of Staff  
Ray Matiashowski