

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Hoonah****Federal Tax ID: 92-6001151****Project Title:****Project Type: New Construction and Land Acquisition****Hoonah - Hoonah Marine Industrial Center Phase III****State Funding Requested: \$1,219,119****House District: 5 / C**

One-Time Need

Brief Project Description:

Final construction phase of Hoonah Marine Industrial Center which includes: a concrete washdown facility complete with wastewater and stormwater treatment, surface course for boat yard, utilities, area security lighting, perimeter fencing, and an office with restrooms.

Funding Plan:

Total Project Cost:	\$2,419,119
Funding Already Secured:	(\$150,000)
FY2012 State Funding Request:	<u>(\$1,219,119)</u>
Project Deficit:	\$1,050,000

*Funding Details:**History includes funding for Phases 1 & 2:*

YEAR	SOURCE	AMOUNT
2005	EDA	\$2million
2006,09	SOA	\$4million
2008	Denali Comm.	\$300,000
2009	City Hoonah	\$421,800

*Phase 3 Funding Plan:**2012 Denali Comm. \$1,000,000 Request pending**2012 Homeland Sec. \$ 50,000 Request pending**2012 City Hoonah \$ 150,000 Funding secured**2011 State of AK \$1,219,119 Request submitted***Detailed Project Description and Justification:****PROJECT DESCRIPTION**

The City of Hoonah is seeking \$1,219,119 from the State of Alaska for the Hoonah Marine Industrial Center - Phase 3, which consists of a boat yard maintenance and repair facility and specifically includes the addition of a concrete washdown pad with wastewater treatment facility, a utility building with office space and restrooms, surface course for the boat yard space, security lighting and perimeter fencing. Phase 3 will follow the already completed phases 1 & 2, which consisted of 3 acres of filled tidelands for the facility and construction of a boat haulout pier and acquisition of 220 ton Travelift.

PROJECT JUSTIFICATION

Hoonah has traditionally been dependent upon timber and fishing industries for most of the community's jobs. With the decline of the timber industry, there is an increasing need for infrastructure to support fishing, tourism and other industries in northern Southeast. This project will provide such support and enhance fishing, tourism and other marine related businesses. Hoonah's northern Southeast location is ideal for hosting a Regional boat maintenance and repair yard. The 220 ton Travelift will be able to lift and maneuver many of the Tender and Seine boats that are too large for neighboring lifts.

The Travelift and pier can also accomodate the wide-base catamarans commonly used in the Region's tourist industry, which neighboring lifts have difficulty servicing. It is estimated that approximately 140 commercial fishing and charter boats based in Northern Southeast are unable to haulout locally, but will be able to utilize Hoonah's facility once it is complete.

One of the most important aspects of the Hoonah Marine Industrial Center is the ability to wash the hull of a boat once it is lifted from the water. Thus, the crucial component of Phase 3 for full operation of the facility, is the construction of the concrete washdown pad with the wastewater and stormwater treatment facility. State and Federal environmental standards require treatment of waste and stormwater produced by the operations at Hoonah Marine Industrial Center. Because of this, the facility is currently operating in a limited capacity. Without the washdown facility boatowners are severely limited as to allowable work they can do. The City has turned down many boats wishing to haulout, but have lifted a total of seven(7)boats for the purpose of restricted maintenance and repairs.

The City is anticipating revenue generation from the lift and sales tax from associated work. The City's primary goal is to further develop Port Facilities to encourage the fishing fleet to consider Hoonah a primary port to operate from for fishing ventures. This project is also anticipated to create 13+ jobs in the Marine Maintenance and Repair Sector. Further, the project will benefit the other local businesses realting to marine fuel, lodging, and groceries.

Project Timeline:

This project can be completed within 1 year of funding award.

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

City of Hoonah

Grant Recipient Contact Information:

Name: Marlene Duvall
 Title: City Administrator
 Address: 300 Front Street, PO Box 313
 Hoonah, Alaska 99829
 Phone Number: (907)945-3663
 Email: mduvall@cityofhoonah.org

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

Hoonah Marine Industrial Center –Phase III

Executive Summary

Located in Port Fredrick, the Hoonah Marine Industrial Center is a partially completed, modern boat haul out facility. Once completed, the facility will accommodate up to 220-ton vessels by allowing for both vessel storage and repair. It will also benefit and promote local businesses. Designed to support Southeast Alaska's commercial fishing fleet, transient vessels, and the City of Hoonah – two (2) phases of the project have now been completed. The first phase of the improvements included development of a three acre waterfront staging and service area with quarry development for rock material sources directly across the Gartina Highway. Phase two included a 220-ton boat haul out pier and Travelift equipment.

The currently unfunded Phase III includes a concrete wash down facility, an office, restrooms, surface course, security fencing, area lighting and utilities. Rock surfacing will allow for safe operation of the Marine Travelift at a smooth grade. A smooth grade is necessary to prevent loss of traction and tipping at any one wheel as the Marine Travelift is a self-propelled boat sling lift. The overall dimensions of the Marine Travelift measure 37' high x 44' wide x 40' long. The facility will be protected by security fencing and accessed by manual swing gates.

Utility improvements will include the distribution of power to electrical pedestals for utilization by vessel operators. The site will be illuminated by high-mast lighting. Water will be distributed to various locations across the site. All utility services will be located at the perimeter of the site to maximize available space for the Marine Travelift maneuvers.

Wastewater

One of the most important aspects of the boat haul out facility is the ability to wash the hull of a boat once it is lifted from the water. A concrete wash down facility is necessary to treat the wash water prior to discharge into the City of Hoonah's sanitary sewer system. Wash water cannot be drained back into the ocean. The treatment of the wash water is a complicated process called electrocoagulation. The electrocoagulation consists of separating the heavy metal contaminants from the wash water before it can be discharged into the sewer system. The system will also require a small support building to house the various apparatuses.

Wash water from a designated shipyard wash-down station is defined as wastewater and will require treatment prior to discharge according to Alaska Department of Environmental Conservation (ADEC) 18 AAC 70. The wash water contains metal and will be discharged to the sewer as the City has an existing mixing zone permit in place to allow the discharge. However, if the metal content measures above the ADEC 18 AAC 70 regulations outside the permitted mixing zone, the City could potentially be fined \$10,00 to \$25,000 a day, therefore, the City has elected to treat the wash water prior to discharge into the City sanitary sewer system.

Stormwater

The rainwater runoff from a shipyard is defined as industrial stormwater and is subject to Environmental Protection Agency (EPA)'s General Construction Permit prior to construction and the Multi-Sector Industrial Stormwater Permit. The permit does not allow water quality standards to be exceeded. Also, it requires the facility operator to develop and implement a Storm Water Pollution Prevention Plan (SWPPP) that identifies Best Management Practices (BMP)'s and other requirements. The City is currently developing the Multi-Sector General Permit SWPPP to operate the boat haul out. Phase III improvements include the additional treatment of stormwater prior to discharge.

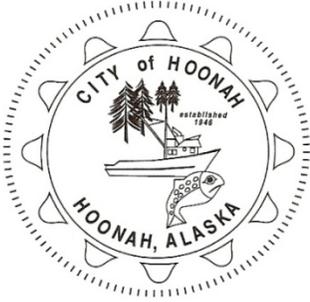
Economic Stimulus and Funding Required for Completion

According to a feasibility study dated September 2002, it is estimated that the completed facility would create 13 jobs within the community of Hoonah and generate over one million dollars in expenditures, annually, by vessel owners. These expenditures would create approximately \$60,000 in sales taxes to the City. The City of Hoonah requires additional funding to complete the work yard necessary to operate the 220-ton Marine Travelift safely and to install the environmental improvements required to meet Federal and State standards. To date, \$6.26 million has been invested in the development of a Marine Travelift, the haul out pier and 2.7 acres of intertidal fill. However, the facility cannot operate fully, until Phase III is completed. The project requires approximately \$2.4 million of additional funds to complete Phase III and become operational. The project is "shovel ready" as the design is complete and all Federal and State environmental permits are in hand.

Many community shipyards throughout Alaska are not meeting water quality standards. The City of Hoonah is at the forefront of this problem and desires that the Hoonah Marine Industrial Center become part of the solution by developing the project into a first class facility that meets all Federal and State standards.



This 190-ton seiner was lifted out in December 2010 for limited maintenance and repairs. Until Phase III is completed, only limited services can be performed on boats as the treatment of wastewater and stormwater via the washdown facility is essential for compliance with state and federal environmental standards.



City of
Hoonah

P.O. Box 360 Hoonah, AK 99829 (907) 945-3663 Fax (907) 945-3445

I. Ordinances and Resolutions

A. Resolution 10-11-10 a resolution supporting the acceptance of matching fund grant #MMG 41104

Stevan Brown/Nadine Morrison motion to pass resolution 10-11-10. Stevan Brown - yes, Mary Erickson - yes, Nadine Morrison – yes, Joyce Skaflestad - yes, passes 4 yes 0 no

B. Resolution 10-11-12 a resolution opposing an application from Aquabounty Technologies to the market engineered Atlantic Salmon

Stevan Brown/ Mary Erickson to pass resolution 10-11-12. Roll call vote Joyce Skaflestad – yes, Mary Erickson – yes, Stevan Brown – yes, Nadine Morrison - yes. Passes 4 yes 0 no

C. Land Purchase request passed by P&Z

i. Lot 1B & L2, Hoonah Harbor subdivision

Stevan Brown/ Mary Erickson motion for sale of lot 1b and L2. Passes 4 yes and 0 no

ii. Lot 10 Coho Creek subdivision.

Stevan Brown/Joyce Skaflestad motion for land purchase request lot 10 Coho creek subdivision.

Discussion. Question. Roll call vote: Mary Erickson - yes, Stevan Brown - yes, Joyce Skaflestad - yes, Nadine Morrison - yes, Passes 4 yes 0 no

D. Lot Lease approved by P&Z old stump dump on White Alice Road

Discussion. Member Brown feels it should be lease only. Support Mr. Johnson in his business a lease will protect him and us.

Motion/Seconded Steve Brown/Mary Erickson approve lease to Barney Johnson. Roll call, Stevan Brown - yes, Mary Erickson - yes, Nadine Morrison - yes, Joyce Skaflestad –yes Passes 4 yes 0 no.

II. New business

A. FY 2012 Capital Improvement Projects List

i. Phase 3 Industrial Center

ii. Raw Water Transmission Line Replacement

iii. Multi-service Building feasibility study and design

iv. Park Project

v. Expansion and upgrade of Harbor

Stevan Brown/Nadine Morrison motion to approve the CIP list. Roll call vote: Nadine Morrison -yes, Mary Erickson - yes, Joyce Skaflestad - yes, Stevan Brown – yes, Passes 4 yes 0 no

XI. COUNCIL COMMENTS – verbal comments

XII. ADJOURNMENT

Adjourned at 6:27 pm.

HOONAH MARINE INDUSTRIAL CENTER
PHASE III

PRELIMINARY ENGINEER'S ESTIMATE

Prepared By: PND Engineers, Inc. on September 29, 2009

PND Project 052038.08

Item	Item Description	Units	Quantity	Unit Cost	Amount
1505.1	Mobilization	LS	All Req'd	10%	\$71,602
2204.1	Portable Steel Shield	LF	350	\$7.50	\$2,625
2204.2	Base Course, Grading C-1	CY	4,500	\$50	\$225,000
2401.1	8-Inch DIP, Sanitary Sewer Pipe	LF	600	\$80	\$48,000
2402.1	Sanitary Sewer Manhole, Type 1	EA	3	\$4,000	\$12,000
2402.2	Sanitary Sewer Cleanout	EA	1	\$1,500	\$1,500
2402.3	Connect to Existing System	LS	All Req'd	\$1,500	\$1,500
2501.1	12-Inch CPP Culvert	LF	70	\$50	\$3,500
2502.1	Oil/Water Separator, Type 1	EA	2	\$18,000	\$36,000
2502.2	Oil/Water Separator, Type 2	EA	1	\$15,000	\$15,000
2502.2	Wash Water Vault	LS	All Req'd	\$35,000	\$35,000
2502.3	Adjust Manhole Rim to Finish Grade	EA	3	\$1,500	\$4,500
2502.4	Adjust Catch Basin Rim to Finish Grade	EA	6	\$1,500	\$9,000
2601.1	6-Inch DIP Water Pipe	LF	1,250	\$70	\$87,500
2601.2	Water Equipment	LS	All Req'd	\$20,000	\$20,000
2602.1	6-Inch Gate Valve	EA	2	\$1,500	\$3,000
2603.1	Fire Hydrant	EA	1	\$7,500	\$7,500
2603.2	Post Hydrant	EA	7	\$3,000	\$21,000
2605.1	2-Inch Water Service	EA	1	\$1,000	\$1,000
2702.1	Construction Surveying	LS	All Req'd	\$30,000	\$30,000
2707.1	Chain Link Fence	LF	878	\$90	\$79,020
2707.2	16' Swing Gate	EA	4	\$2,000	\$8,000
3302.1	6-Inch Thick, Concrete Highway Patching	LS	All Req'd	\$50,000	\$50,000
3302.2	Concrete Area Drain	EA	6	\$3,000	\$18,000
3305.1	CIP Concrete Wash Down Pad	LS	All Req'd	\$335,000	\$335,000
13121.1	Utility Enclosure Building	LS	All Req'd	\$250,000	\$250,000
16000.1	High Mast Lighting & Electrical	LS	All Req'd	\$425,000	\$425,000
16001.1	Support Building Back-Up Generator	LS	All Req'd	\$50,000	\$50,000
ESTIMATED CONSTRUCTION BID PRICE					\$1,850,247
CONTINGENCY (10%)					\$185,025
CONTRACT ADMINISTRATION & CONSTRUCTION INSPECTION (10%)					\$185,025
FINAL DESIGN AND CONTRACT DOCUMENTS					\$198,823
TOTAL RECOMMENDED PROJECT BUDGET					\$2,419,119



WARDS COVE HOLDINGS, LLC

88 E. HAMLIN ST.

P.O. Box 5030

SEATTLE, WA 98105-0030

PHONE (206) 323-3200

FAX (206) 726-3785

February 5, 2010

To Whom It May Concern:

This letter is in support of the City of Hoonah's efforts to secure funding for the Hoonah Marine Industrial Center-Phase 3.

We believe this project will result in an increase in economic activity to the City of Hoonah, which is crucial for the long term growth of this community. We believe that the jobs generated by vessel haul-out, boat storage, vessel repair and maintenance will provide needed careers for local citizens for years to come. This economic activity will provide opportunities for local businesses to expand and increased employment in marine related jobs such as; vessel repair and maintenance, fishing, fish processing, long-shoring, freight handling, warehousing and numerous other trades.

The vision of Hoonah as a hub for marine vessel haul-out, fish processing, retail operations, medical care and ferry service for northern Chichagof Island and surrounding areas is becoming more of a reality every day.

We support Hoonah Mayor Alf "Windy" Skaflestad and the Hoonah City Council in their continuing efforts to complete this vital marine project for the community of Hoonah.

Very truly yours,
Wards Holdings, LLC

A handwritten signature in black ink, appearing to read "Jan G. Supler".

Jan G. Supler
Vice President

HOONAH
TRADING ► COMPANY
147 Front St., P.O. Box 117
Hoonah, AK. 99829-0117
(907) 945-3211
(907) 945-3309 Fax

February 2, 2010

To Whom It May Concern:

Hoonah Trading Company supports the City of Hoonah in their efforts to secure funding for the Hoonah Marine Center-Phase 3.

We believe that the economic activity from the completion of this project will greatly benefit the community of Hoonah. Providing good jobs and careers for the citizens of Hoonah has always been a priority of the Hoonah City Council and the marine haul-out ,vessel storage and repair facility will meet these important goals.

The opportunity to serve the communities of Southeast Alaska with large boat haul-out capabilities will benefit new local business development and provide jobs that are necessary for the long-term economic health of the City of Hoonah. Keeping our citizens employed with good jobs that are related to our community's maritime Tlingit culture is very important. Fishing, fish processing and boating related activities are all local occupations that would be supported by the Hoonah Marine Industrial Center.

We support Hoonah Mayor Alf "Windy" Skaflestad and the Hoonah City Council in their efforts to complete Phase 3 of this very important marine project for the community of Hoonah.

Sincerely,



HOONAH TRADING COMPANY
Stevan P. Brown
General Manager