

Tuesday, March 02, 2010

MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)

From: Garry White, Director

Subject: Bulkhead Dock

**Background**

The SCIP Board of Director's Strategic Plan approved by the Assembly in 2009 lists Strategy #2 as, "Develop a plan to build a multi-purpose dock at the park".

The SCIP Board has broken this Strategy down into two separate phases.

Phase I - Calls for the construction of a 120' bulkhead dock. A bulkhead dock will be used to move materials in and out of the park via barges and small vessels.

Phase II – Considers providing additional infrastructure to allow larger vessels to tie up at the SCIP. Additional infrastructure will be necessary to accommodate ocean freight vessels, bulk water vessel, larger research vessels, and other uses, possibly including cruise ship vessels.

**Phase I**

Attached is a packet of material that the Director used in a recent visit to Juneau to advocate for funding from the Legislature for the bulkhead dock.

The Director touched on the benefits to both the CBS and State with future capital projects coming on line that could use a bulkhead dock. (Please see attached)



***"A Southeast Alaska waterfront industrial park in need of a deep water dock"***

A deep water dock at the Sawmill Cove Industrial Park in Sitka, Alaska will:

- Increase economic activity in the industrial park and throughout Sitka
- Create jobs
- Support existing businesses located in the Industrial Park
- Allow shipping and receiving of bio-fuel from wood products and fish oil
- Support critical near term development needs
- Support the Blue Lake Hydro-electric Dam expansion
  - ❖ Saves CBS money in logistical costs of project
  - ❖ Reduces traffic on State road system
    - Allows materials and equipment to be delivered on site
    - Allows rock and timber to be removed economically
- Permit the development and use of a local rock source for:
  - ❖ State road projects in Sitka (Sawmill Creek Road Phase III)
  - ❖ Sitka Airport expansion State project
  - ❖ Sitka Breakwater Harbor project
- Assist with infrastructure required to export Bulk Water
  - ❖ A large potential source of revenue for both State and CBS
- Allow for future development opportunities

For more information please contact:  
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## FY2011 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

### Project Title: SAWMILL COVE INDUSTRIAL PARK BULKHEAD DOCK

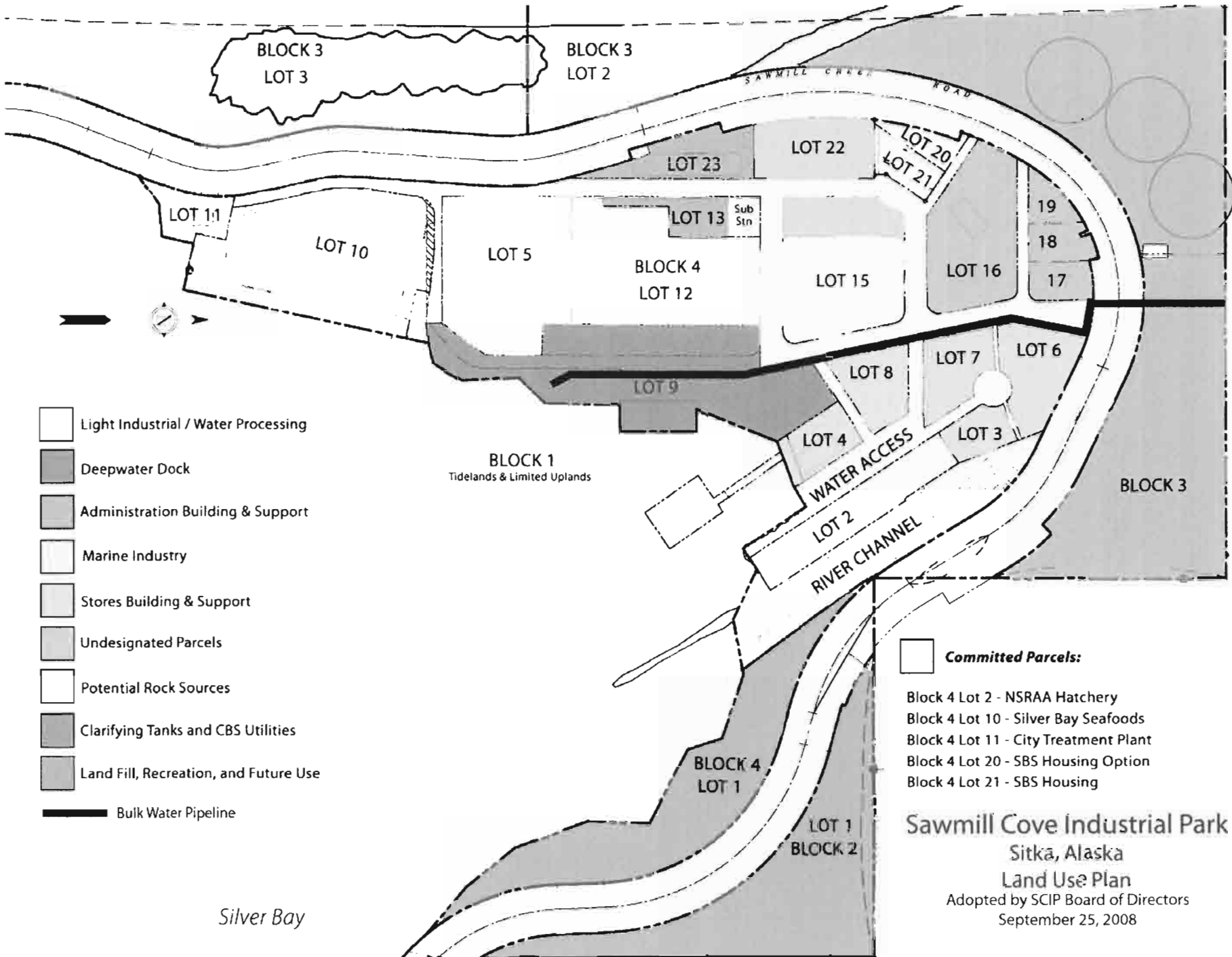
<b>Total Waterfront Development Project Cost:</b>	<b>\$ 9,844,000</b>
<b>Funding already secured:</b>	<b>\$ 143,000 (HUD Grant—1.5%)</b>
<b>FY2011 State Priority 1 Funding Request:</b>	<b>\$ 6,000,000 (State - 61%)</b>
<b>Other Priority 1 funding requests:</b>	<b>\$ 3,000,000 (Federal—30.5%)</b>
<b>Additional Funding Required:</b>	<b>\$ 701,000 (CBS Match—7%)</b>
<b>City and Borough of Sitka Federal Tax ID Number:</b>	<b>92-0041163</b>

The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over \$10,000,000 of Federal, State and CBS funds, uplands utilities and system upgrades are complete. The State contributed \$1 million toward the raw water line, and the Wastewater Outfall Project is also completed. The Industrial Park is operational, with tenants including Cove Partners, Theobroma Chocolate Company and Silver Bay Seafoods, which processed over 25 million pounds of fish in 2009 and invested nearly \$10 million in facility upgrades and equipment. In 2009, the seafood processors had 175 seasonal employees. A 150-person dormitory is operational; a second is planned.

The 2002 Sawmill Cove Industrial Park Waterfront Plan details the improvements that must be completed to permit deep water port use of the Industrial Park. The existing docks and waterfront facilities are too old and unsafe for use and must be removed and new pilings, sheet pile bulkheads, dredging and shoreline protection, and other improvements must be completed.

**The highest priority Waterfront Development Project is the Sawmill Cove Bulkhead Dock Completion – total cost \$9,844,000. CBS requests \$6,000,000 State funds; \$3,000,000 Federal funds and \$701,000 CBS match.** This multi-purpose dock facility, a sheet pile bulkhead cargo and freight dock, will be located in the center of the Industrial Park waterfront (Lot 9). **Phase 1 includes a 120 linear foot rock-filled sheet pile bulkhead dock, fender system, and uplands improvements to allow freight to come over the dock for \$5,119,000.** It will allow CBS to utilize this bulkhead dock to assist with the proposed Blue Lake Dam Expansion. The Sawmill Cove Industrial Park will be the ideal location to accept and stage materials for the expansion project. Currently there is no docking facility at the industrial park to accommodate the future need to deliver freight and rock for the Blue Lake Dam expansion. **Phase 2 includes 8 breasting/mooring dolphins and 900 linear feet of catwalks to allow bulk water tankers and larger vessels to utilize the dock for \$4,725,000.** The completion of this intermodal dock will permit the \$1.94 million Federal Transit Administration FY2004 earmark to be used to pave the uplands to accommodate public bus service.

**Sitka is the only urban port in Southeast Alaska without a deep water dock. The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other SE port, yet has no ability to function as a deep water port. The Waterfront Development Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility.**



Silver Bay