Agency: Commerce, Community and Economic Development

Grants to Municipalities (AS 37.05.315)

Grant Recipient: Seward **Federal Tax ID:** 92-6000086

Project Title: **Project Type:** New Construction and Land Acquisition

Seward - Marine Industrial Center Expansion

State Funding Requested: $21,100,000 **House District:** Kenai Areawide (33-35)

Future Funding May Be Requested

Brief Project Description:

Construct a breakwater for the Seward Marine Industrial Center Basin (SMIC) on the East side of Resurrection Bay as Phase 1 of the harbor development project to accommodate the Home-porting of the CDQ Fishing Fleets from Seattle to Alaska.

Funding Plan:

Total Project Cost:	$95,000,000
Funding Already Secured:	($400,000)
FY2013 State Funding Request:	($21,100,000)
Project Deficit:	$73,500,000

Funding Details:

The State appropriated four hundred thousand ($400,000) in the FY 2012 budget for the initial planning work that is currently underway. The Governor has requested ten million ($10 Million) in FY 2013 Bond Package for this project.

Detailed Project Description and Justification:

The City's initial request has been amended due to Coastal Village's (The largest CDQ group) recent fleet expansion and for anticipated multiple CDQ fleet moves to Seward. As a result, the City requests the Legislature's support for funding the construction of the necessary breakwater enclosure at the Seward Marine Industrial Center facility. The construction of the breakwater will provide for full vessel protection and functionality of the Industrial Center. An enclosed harbor will provide an immediate positive economic impact in Seward and the region. Several Coastal Villages vessels are now in Seward and more are expected to move as construction progresses. Seward readily recognizes the fleet(s) move as a state-wide project and resource and anticipates participation from other cities and ports. Inquiries regarding properties and availability are coming in on a regular basis and many are from Seattle. The City's foremost objective is to work with the State to provide Alaska jobs to Alaskans.

After receiving a request from Coastal Villages Region Fund (CVRF is the largest of six CDQ groups) to assess the prospect of relocating their home port from Seattle to Seward, Alaska, the City of Seward contracted respected engineers and economists to conduct a detailed scoping analysis.

Moving the home port of the CVRF fishing fleet from Seattle to Seward is an extraordinary cultural and economic opportunity for Alaska. This has been a longstanding goal of many prominent Alaskans that began with the Magnuson-Stevens Act and the Community Development Quota (CDQ) Program that began in December 1992. The forward visions of Senator Ted Stevens and others led to the

For use by Co-chair Staff Only:

$10,000,000 Approved

3:16 PM 5/2/2012

Contact Name: Heather Beggs
Contact Number: 465-2028

Magnusson-Stevens Act of 1976, which with its amendments first Americanized the fishing fleet in Alaska, and also provided fishing quotas to the communities surrounding prime fishing areas. It enabled the reinvestment of profits, produced needed jobs and "Alaskanize" the state's fishing fleet.

In examining ports across Alaska, only the City of Seward on Resurrection Bay met all of CVRF's requirements. Seward has space to meet CVRF's immediate needs and room to expand in the future to meet the needs of CVRF and other customer groups. It is the home of the Alaska Vocational Technical training center (AVTEC) where maritime crews receive training, licensing and recertification of maritime skills. It has a strong maritime, fishing and vessel repair industry and is ice-free year-round. Seward has the required road, rail and air access with close proximity to Anchorage and a broad resource base ranging from Anchorage and Kodiak to communities spread across
the Kenai Peninsula.

Implementation of this project will have a dramatic positive economic impact on the entire state.
Coastal Villages reports their CDQ fleet spends;
- $5-$10 million annually on maintenance of vessels,
- Approximately $20 million annually in Seattle on moorage, vendor support and maintenance
- Approximately $2 million annually in airfare for crew members to reach vessels in Seattle

Relocation of the homeport of Alaska's fishing fleet to its originally intended beneficiaries will realize the vision of Senator Stevens to revitalize Alaska's maritime/fishing industries while creating jobs and revenue in Alaska for Alaskans. This project will design and build the most cost effective breakwater to protect the moored vessels and docks. The city is encouraging private development of the uplands via a partnership with AIDEA.

Two point three ($2.3ML) million dollars of this amended CAPSIS request will be used to finalize project design and engineering of Phase1 and create the concept plan for Phase 2. Eighteen point five (18.5ML) million will provide for construction of the breakwater. Three hundred thousand (300,000) dollars will provide a City / AIDEA partnership for AIDEA's upland project management, project oversight, and serve as a central resource for further harbor-related economic development.

Project Timeline:

February 2012 Phase 1 Design Alternative selected
April 2012 Economic Feasibility Report completed for Phase 1
September 2012 -- May 2013 Construction of Phase 1: Breakwater
July 2012 -- February 2013 Preliminary Design Engineering for Phase 2

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

City of Seward

Grant Recipient Contact Information:

Name:	Jim Hunt
Title:	City Manager
Address:	410 Adams
	Seward , Alaska 99664
Phone Number:	(907)224-4012
Email:	jhunt@cityofseward.net

For use by Co-chair Staff Only:

Contact Name: Heather Beggs
Contact Number: 465-2028

3:16 PM 5/2/2012

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

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3:16 PM 5/2/2012

Contact Name: Heather Beggs
Contact Number: 465-2028

Contractor mobilization, site preparation	540,000
590 ft rubble mound breakwater	10,788,000
210 ft. sheetpile caisson, coated & protected	3,472,500
Sub Total	14,800,500
Contingency	2220075
Geotechnical Investigation	295,000
Construction Management	1184040
CONSTRUCTION TOTAL	18,499,615
AIDEA- Project management	300,000
Final Phase 1 Engineering & Phase 2 Design	2,300,000
Total Seward Request	21,099,615

ALASKAN-IZING THE FLEET

Bringing the Coastal Villages Region Fund CDQ vessels home to Alaska

The Program

Coastal Villages Region Fund (CVRF) represents 20 Western Alaska communities, and with 35% of the total assets is the largest of the six Community Development Quota (CDQ) groups. Combined, the groups are a billion dollar business annually, employing 2300 people in wage and salary jobs paying $32 million, with another $25 million in ex-vessel payments to 1500 permit holders and 1700 crew.

CVRF harvests cod, pollock, crab, salmon and halibut in the Bering Sea and Aleutian Islands, and holds over $300 million in CDQ assets.

The Project

Currently, the economic benefits of homeporting largely bypass Alaska in favor of Puget Sound. Given sufficient infrastructure choices ships will follow their owners. The CVRF fleet owners desire to bring their fleet home to Alaska, and have partnered with Seward to further develop the Seward Marine Industrial Center (SMIC) support facilities including:

- Breakwater to protect mooring basin
- 2500' of moorage
- 20,000 sq. ft. of warehouse
- 5,000 sq. ft. of office
- 5-10 acres fenced storage
- Private sector vendors for fuel, provisions, training and services across marine trades.

Why Seward?

- Year round ice-free port
- Road, rail and air access
- Fleet-capable drydock and ship repair
- History of fishing businesses
- AVTEC maritime licensing, training and certification
- Access to marine trades and services across all of South-Central Alaska
- Building onto $30+ million of community bonded basic port infrastructure
- Regulatory process streamlined by adding onto currently permitted SMIC projects and activities
- Existing baseline geotechnical work

"No single port can meet all the fleet's service, supply and repair needs. Seward's location will serve as the ideal hub for access to Anchorage, Cook Inlet, Prince William Sound and Kodiak port resources for the vessels".

Cost and Funding

Initial total cost estimate is $55 million including a 31% contingency, which will be refined and lowered as the design is further developed.

Given the size of the project and the economic importance of Alaskan-izing the CDQ fleet, Seward is pursuing a combination of grant funding and debt service options, including:

- State: AIDEA, Legislative appropriation, Statewide Port Bond Package, ADOT&PF Harbor program
- Federal: USACE, "TIGER" grant, EDA, USDA Rural
- Local bonding
- Private sector w'hse, offices, housing and vessel services

Benefits

In addition to construction jobs, the primary benefit is spending on vessel repair and maintenance and goods and services and jobs created and supported in Alaska rather than in WA.

Savings to CVRF are significant, including airfare to/from Seattle, and exemplified by average fuel savings of $75,000 per vessel per round trip to Seward rather than Seattle. Savings will more than offset the sometimes higher cost of doing business in Alaska, and are expected to increase as economies and efficiencies of scale grow with the relocation.

The harbor improvements will be critical in attracting other new business to Alaska, including exploration and support vessels for Beaufort and Chukchi O&G.

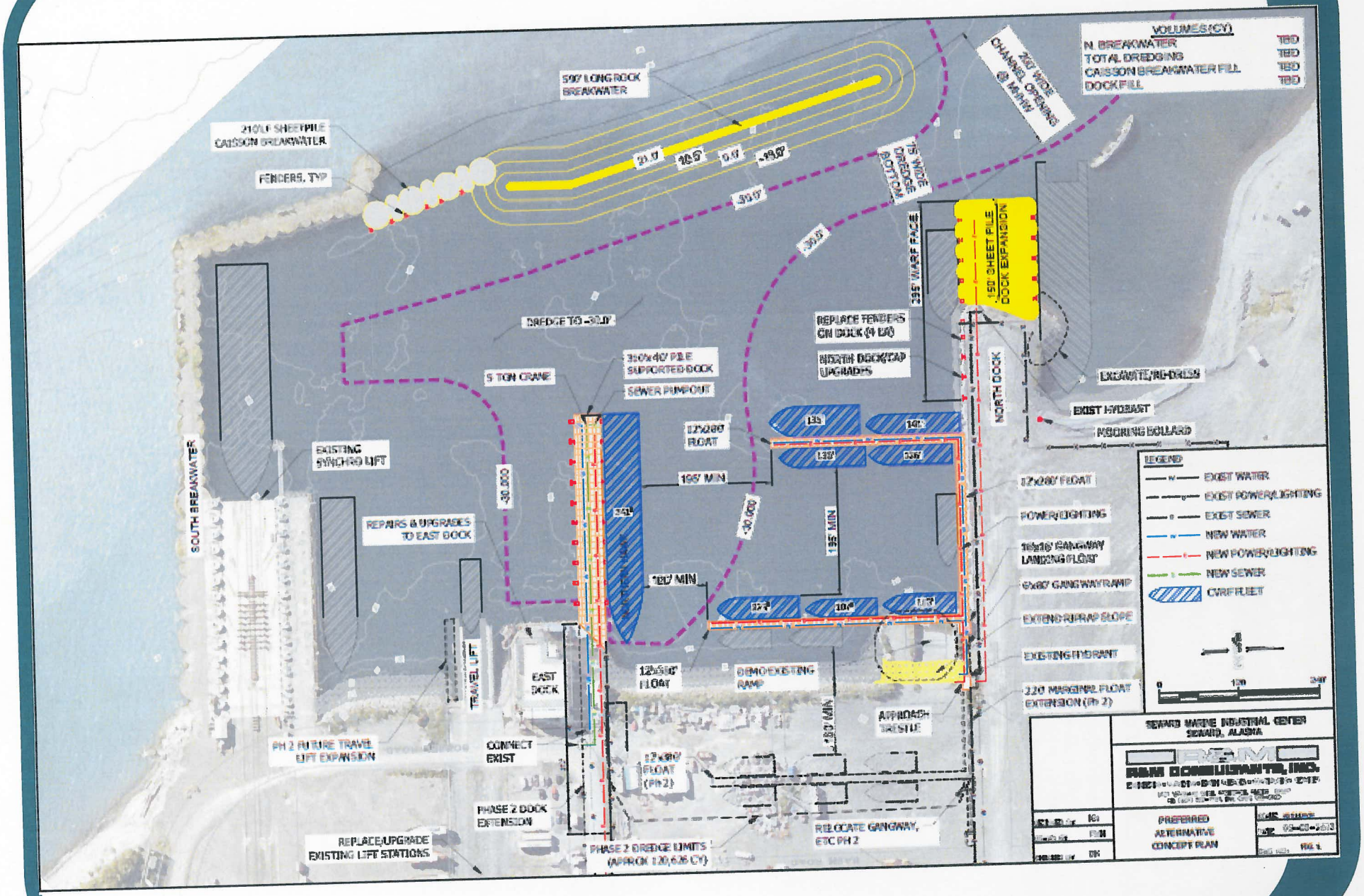
The Future

The economic activity associated with homeporting the CVRF fleet will enable private sector development to existing, new, and new-to-Alaska businesses.

Sales and property taxes and fuel excise taxes will far outweigh moorage charges. These, together with lease fees, will support debt service and ongoing operations and maintenance of the public infrastructure so that future state and federal subsidies are avoided.

This project furthers the late Sen. Steven's vision in the Magnuson-Stevens Fisheries Act and CDQ amendments of achieving sustainable and diversified economies in Western Alaska, as well as bringing significant benefits to the state as a whole.

City of Seward • P.O. Box 167 • Seward, Alaska 99664 • www.cityofseward.us
City Manager Jim Hunt • 907-224-4012 • jhunt@cityofseward.net


VOLUMES (CY)
N. BREAKWATER TBD
TOTAL DREDGING TBD
CAISSON BREAKWATER FILL TBD
DOCK FILL TBD
500' LONG ROCK BREAKWATER
210 LF SHEETPILE CAISSON BREAKWATER
FENDERS, TYP
20.0'
18.5'
0.0'
-19.5'
-30.0'
-30.0'
200' WIDE CHANNEL OPENING @ MHHW
15' WIDE DREDGE BOTTOM
395' WHARF FACE
150' SHEET PILE DOCK EXPANSION
DREDGE TO -30.0'
REPLACE FENDERS ON DOCK (4 EA)
NORTH DOCK/CAP UPGRADES
NORTH DOCK
EXISTING RIPRAP
EXIST HYDRANT
MOORING BOLLARD
310'x40' PILE SUPPORTED DOCK
SEWER PUMPOUT
5 TON CRANE
12'x280' FLOAT
135
140
137
136
195' MIN
-30.000
-30.000
341
195' MIN
180' MIN
124
104
113
12'x280' FLOAT
DEMO EXISTING RAMP
EAST DOCK
TRAVEL LIFT
EXISTING SINCRO LIFT
REPAIRS & UPGRADES TO EAST DOCK
SOUTH BREAKWATER
PH 2 FUTURE TRAVEL LIFT EXPANSION
CONNECT EXIST
12'x80' FLOAT (Ph 2)
PHASE 2 DOCK EXTENSION
REPLACE/UPGRADE EXISTING LIFT STATIONS
PHASE 2 DREDGE LIMITS (APPROX 120,626 CY)
RELOCATE GANGWAY, ETC PH 2
APPROACH TRESTLE
-30' MIN
12'x280' FLOAT
POWER/LIGHTING
16x16' GANGWAY LANDING FLOAT
6x80' GANGWAY RAMP
EXTEND RIPRAP SLOPE
EXISTING HYDRANT
220 MARGINAL FLOAT EXTENSION (Ph 2)
LEGEND
EXIST WATER
EXIST POWER/LIGHTING
EXIST SEWER
NEW WATER
NEW POWER/LIGHTING
NEW SEWER
CURF FLUET
0
120
240'
SEWARD MARINE INDUSTRIAL CENTER
SEWARD, ALASKA
PBM CONSULTANTS, INC.
PREFERRED ALTERNATIVE CONCEPT PLAN
DATE 09-00-2003
FIG. 1

SEWARD, ALASKA

Home-porting the Community Development Quota Fishing Fleets

Alaska's Coastal Villages Regional Fund

PROJECT EXPLANATION

Coastal Villages (CVRF) approached the City of Seward over a year ago about home-porting their and other CDQ fleets in Seward. Seward was chosen because it has highway access, rail, and because Resurrection Bay is ice-free, year-round. CVRF is prepared to move hundreds of millions of dollars in assets from the Seattle, WA area to Alaska. They have been called the role model for the balance of the CDQs in establishing majority ownership and for developing a successful business model.

One fact is apparent: Seward cannot accomplish this project alone. Thousands of jobs will be created across southern Alaska and the City will need the aid of other cities and ports to support this economically historic opportunity. The City will need AIDEA's guidance in developing new infrastructure and serving as a central contact for wide-scale economic development. This project may be the largest in many years and its economic impact will benefit Alaska for decades. We need your support to make this project a reality.

Financial assistance is needed to initiate this project. The construction of a breakwater for the Seward Marine Industrial Center on the East side of Resurrection Bay will accommodate the Home-porting of the Community Development Quota (CDQ) Fishing Fleets.

- Two point three million ($2.3 ML) dollars is included in the City's capital request to finish the engineering design, manage the construction, and plan the next phase of development.

- Three hundred thousand ($300,000) dollars will provide a City/AIDEA partnership for AIDEA's upland project management, project oversight, and service as a central resource for further harbor-related development.

- Eighteen point five ($18.5ML) million dollars will construct the breakwater and will enclose the Seward Marine Industrial Center.

The breakwater is long overdue in providing a safe harbor for vessels moored at SMIC. Our project enjoys unanimous local support. I am attaching a set of [grant] support letters for a broader explanation of our needs in addition to project cost estimates provided by our consultants.

Jim Hunt
City Manager, Seward
(907) 224.4012
jhunt@cityofseward.net

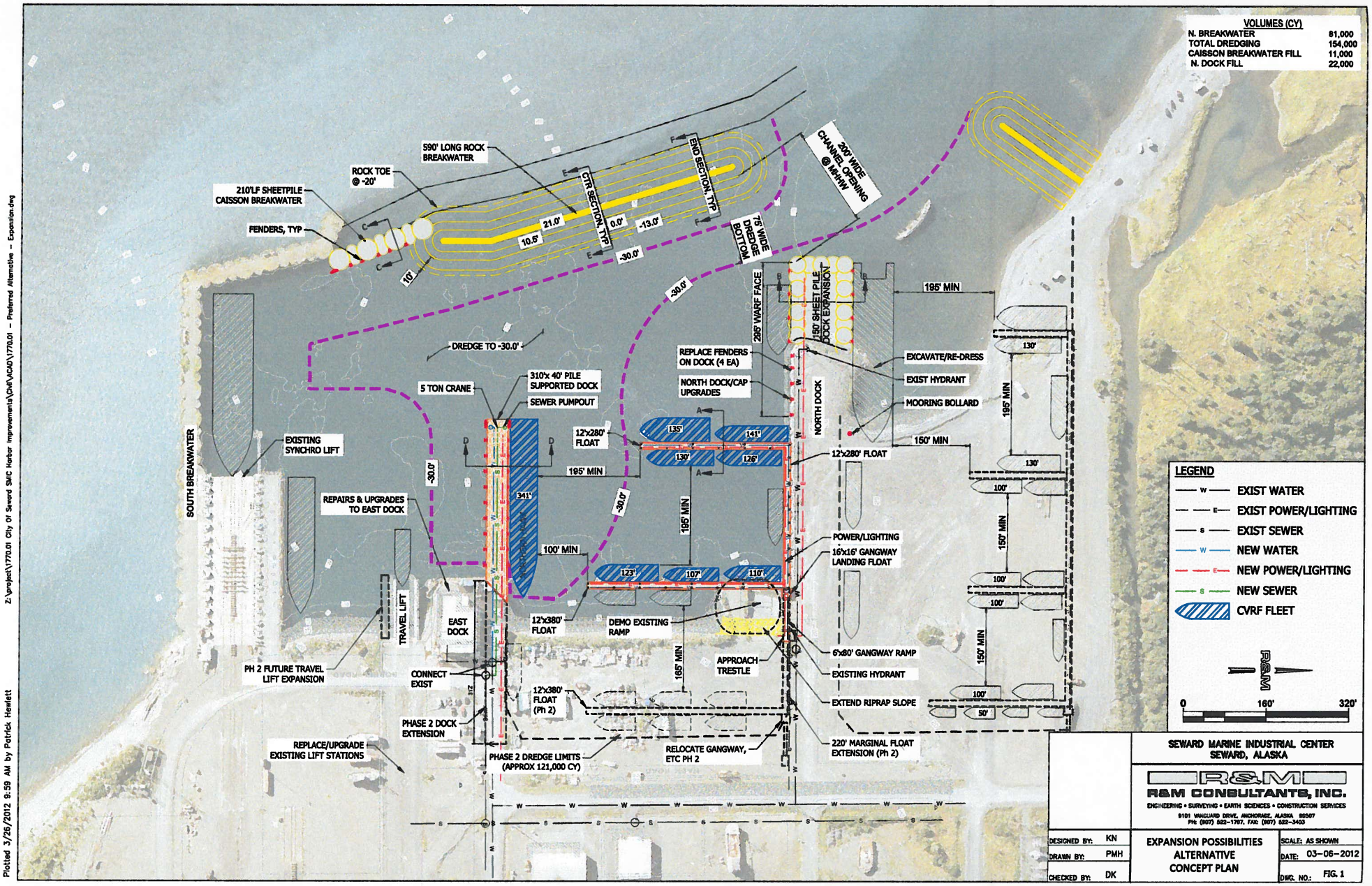
SEWARD MARINE INDUSTRIAL CENTER

OPINION OF PROBABLE CONSTRUCTION COSTS

Recommended Phase 1 Project

Description	Quantity	Unit	Unit Price	Extended Price	Assumptions
Mobilization/Demobilization	1	LS	$ 430,000	$ 430,000	
Site prep, construction Survey, erosion/pollution control	1	LS	$ 25,000	$ 25,000	
Wave Barriers					
210' x 40' sheetpile caisson, coated	29500	SF	$ 75	$ 2,212,500	assumes 20' embed, -21' basin, +18 top.
Classified backfill (local)	14000	CY	$ 30	$ 420,000	Does not assume dredged material as fill (savings could be realized). Natural basin at -21 to +18.
Corrosion Protection	1	LS	$ 1,260,000	$ 1,260,000	Assume one anode every 10 sf from mudline (-21') to MLLW (0'), or equivalent impressed current system.
590ft long Rock breakwater, armor rock (8-14k #)	45000	ton	$ 90	$ 4,050,000	Assume 590 ft long BW, Rock density 165 pcf, 35% voids. **Assume Local Rock. (Requires quarry investigation to confirm quality and availability).**
590ft long breakwater, filter rock (1000#)	17000	ton	$ 50	$ 850,000	Assume 590 ft long BW, Rock density 165 pcf, 30% voids. Assume local Seward rock source.
590ft long Rock breakwater, core rock (3" to 12")	57000	ton	$ 50	$ 2,850,000	Assume 590 ft long BW, Rock density 165 pcf, 15% voids. Assume local Seward rock source.
Bedding material (1" minus)	23000	cy	$ 20	$ 460,000	Assumes 4' thick bedding under breakwaters.
Summary					
Construction Total				$ 12,557,500	
Estimate Contingency			24%	$ 3,013,800	
Owner's Contingency			6%	$ 934,278	
Geotechnical Investigation				$ 295,000	Assumes Offshore: 3 borings to 150', and 1 boring to 75' and Upland (future buildings and trestles): 1 boring to 100', and 3 borings to 50'.
Final Engineering			4%	$ 622,852	
Construction Management			6%	$ 934,278	
Project Total (2012 dollars):				**$ 18,357,708**	

Description	Mack	R & M
Contractor mobilization, site preparation	540,000	455,000
590 ft rubble mound breakwater	10,788,000	8,210,000
210 ft. sheetpile caisson, coated & protected	3,472,500	3,472,500
Classified backfill local		420,000
Sub Total	14,800,500	12,557,500
Contingency	2,220,075	3,948,078
Geotechnical Investigation	295,000	295,000
Construction Management	1,184,040	934,278
CONSTRUCTION TOTAL	18,499,615	17,734,856
AIDEA- Project management	300,000	0
Final Phase 1 Engineering & Phase 2 Design	2,300,000	622,852
Total Seward Request	21,099,615	18,357,708



SEWARD MARINE INDUSTRIAL CENTER
SEWARD, ALASKA

R&M CONSULTANTS, INC.
ENGINEERING • SURVEYING • EARTH SCIENCES • CONSTRUCTION SERVICES
9101 VANGUARD DRIVE, ANCHORAGE, ALASKA 99507
PH: (907) 522-1707, FAX: (907) 522-3403

DESIGNED BY: KN	EXPANSION POSSIBILITIES ALTERNATIVE CONCEPT PLAN	SCALE: AS SHOWN	
DRAWN BY: PMH		DATE: 03-06-2012	
CHECKED BY: DK		DWG. NO.: FIG. 1	

Z:\project\7770.01 City Of Seward SMIC Harbor Improvements\Civil\ACAD\7770.01 - Preferred Alternative - Expansion.dwg

Plotted 3/26/2012 9:59 AM by Patrick Hewlett

Kent Dawson

From: Ted Leonard [tleonard@aidea.org]
Sent: Tuesday, April 03, 2012 10:58 AM
To: kdawson@alaska.com; Jim Hunt (jhunt@cityofseward.net)
Subject: Seward Paragraph

Kent:

Attached is the paragraph that you requested.

Ted

From: James Hemsath
Sent: Tuesday, April 03, 2012 10:01 AM
To: Ted Leonard
Subject: Seward Paragraph

AIDEA has been asked to assist in the management, oversight and creation of a development plan for the uplands infrastructure for the CDQ harbor in Seward. Under the assumption that the costs for the development of the harbor and break wall will be covered by others, AIDEA will work with the Coastal Villages (CVRF) and other CDQ's to determine the:

- Required Upland services and infrastructure – both in Seward and Statewide
- Commercial viability of those needs (investment costs vs delivered cost)
- Likely providers
- Economic viability of those services being provided in Seward vs. Seattle
- Business and finance plan, including timelines, to create the necessary support infrastructure
- Economic impact created with the porting of the CDQ fishing fleet in Seward

It is estimated that the cost to provide these services will be $300,000. These costs will cover AIDEA costs as well as the costs of both obtaining and then executing necessary professional service contracts (estimating, economics, project management).

Jim

James R. Hemsath PE, PMP
Deputy Director - Project Development and Asset Management
Alaska Industrial Development and Export Authority
AIDEA - Investing in Alaskans
www.aidea.org
907.771.3040