



5615 W Marginal Way SW
Seattle, WA 98106
(206) 764-8346

July 21, 2022

**ALASKA MARINE LINES, INC. (Proposer)
RESPONSE TO RFP FOR LEASE OF:**

INTERMODAL FREIGHT FACILITY LOCATED AT:

280 TERMINAL WAY more particularly
described as follows (Property):

Lot 6F according to Appendix A, within a
portion of ATS #4, Skagway Recording
District, First Judicial District, State of
Alaska.

PROPOSER:

Alaska Marine Lines, Inc.
5615 W Marginal Way SW
Seattle, WA 98106

CONTACT:

Don Reid, 907.375.2059

Alaska Marine Lines, Inc. - Letter of Transmittal

Property to be leased: INTERMODAL FREIGHT FACILITY LOCATED AT:

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ATS #4, Skagway Recording District, First Judicial District, State of Alaska.

PROPOSER:

Alaska Marine Lines, Inc.
5615 W Marginal Way SW
Seattle, WA 98106

CONTACT:

Don Reid, (907) 375-2059

Proposer is willing to negotiate in good faith and enter into a lease agreement with the Municipality consistent with Skagway Municipal Code, including Chapter 16.03, Lease of Lands.

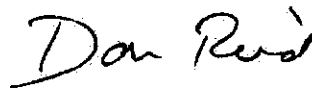
- Proposer certifies that the Proposer is in compliance with:
 - (1) The laws of the State of Alaska;
 - (2) The applicable portion of the Federal Civil Rights Act of 1964;
 - (3) The Equal Employment Opportunity Act and the regulations issued thereunder by the federal government; and
 - (4) All terms and conditions set out in the RFP.

Persons authorized to make representations for the Proposer:

Kevin Anderson, President
5615 W Marginal Way SW
Seattle, WA 98106
(206) 768-3544

Don Reid, Vice President – Operations
6520 Kulis Dr.
Anchorage, AK 99502
(907) 375-2059

Dave Curtis, Vice President – Pricing
5615 W Marginal Way SW
Seattle, WA 98106
(206) 768-3519



Authorized Representative of Proposer: _____

Don Reid, Vice President – Operations

Alaska Marine Lines, Inc. - Proposal Narrative

- Operational plans for providing an intermodal freight facility including quantities of freight transported
 - *AML's plans for operating the facility would be consistent with the present marine and freight operations which moved roughly ~9500 tons of Skagway inbound and outbound cargo and ~11,000 tons of Yukon inbound and outbound cargo.*
- Proposal of annual rent amount at or above the minimum appraised market value.
 - *Subject to acceptable lease terms, \$7,730.00 per month + 5% sales tax (this is the amount that AML is paying for the same facility in 2022 + 4.8% increase which matches the 4.8% general rate increase that AML took with its Skagway tariff freight rates in 2022).*
- Statement of qualifications and experience of Proposer to successfully construct and operate similar intermodal freight facility.
 - *AML presently owns and/or operates more than a dozen facilities of equal or greater size and freight volume.*
- Statement of the financial fitness of Proposer to construct, maintain, and operate intermodal freight facilities.
 - *AML and Parent company Lynden Inc. are financially fit to construct, maintain, and operate intermodal freight facilities.*
- Quantification of freight provided locally. The Municipality may provide tariff credits for the provision of freight services to the Skagway community.
 - *Roughly 9500 tons inbound and outbound annually.*
- Acknowledgment of the ability to maintain insurance coverages as provided below.
 - *AML is able to maintain all insurance coverages consistent with operating a marine terminal at coverage levels that meet or exceed those common in the industry for this size and type of facility.*
- Assumption of the maintenance of the Property and improvements.
 - *AML will maintain the property and improvements.*
- Statement of ability to protect the Property, the environment, and the Skagway community by planned implementation of environmental testing, monitoring, and compliance systems and enhancements.
 - *AML has comprehensive spill and contingency plans covering all of our marine and uplands properties including those owned and leased.*
- Provision for security and stevedoring services.
 - *AML presently has and will maintain a USCG Facility Security Plan for the existing facility. AML's agent and affiliate, Alaska Marine Trucking will perform the stevedoring services as a subcontractor.*
- Provision for environmental bonding.
 - *AML has pollution insurance at a level consistent with industry standards.*
- Acknowledgement of the obligation to pay appropriate tariffs as detailed in Port of Skagway Tariff No. 2, a copy of which is attached as Appendix C.
 - *AML presently rents the wharf and the upland facility and as the facility operator does not pay wharfage in addition to the rent. In facilities where we pay wharfage, the property owner usually provides the dock, dock maintenance, and some uplands for handling the cargo, as opposed to lease fees covering the same facilities. If there was an additional wharfage fee imposed it would have to be passed on to the freight Shippers as a new line item on freight bills.*
- Acknowledgement of obligation to assume all environmental liabilities for the existing facilities and their future use, including but not limited to diesel and gasoline range organics (GRO).
 - *AML acknowledges the obligation to assume liability for all environmental liabilities it may have caused at the existing facilities and their future use.*
- Acknowledgement of the obligation to comply with all federal, state, and municipal laws and regulations associated with the existing facilities and their future use as an intermodal freight facility, without limitation,

any environmental laws and regulations concerning the site cleanup and remediation of any petroleum or other hazardous material contamination.

- *AML acknowledges the obligation to comply with local, state and federal laws.*
- Description and quantification of local investment, including jobs created and retained.
 - *AML employees 4 year around employees who reside in Skagway through our affiliate and subcontractor for terminal operations, Alaska Marine Trucking.*
- Comprehensive environmental monitoring and compliance plan
 - *AML has comprehensive spill and contingency plans covering all of our marine and uplands properties including those owned and leased.*
- The purpose of the proposed lease, including proposed use of the Property;
 - *AML intends to operate a freight terminal in a manner consistent with the recent historical use of the property.*
- The proposed term of the lease. In determining whether to grant a lease for the requested term, the nature, extent and cost of the improvements which the Proposer agrees as a condition of the lease to construct thereon, the value of the applicant's proposed use to the economy of the Municipality, and other relevant factors, will be considered. The term of any given lease shall depend upon the desirability of the proposed use, the amount of investment and improvements proposed to be made by the Lessee, and the nature of the improvements proposed with respect to the durability and time required to amortize the proposed investment;
 - *35 year lease requested for the wharf and uplands property that AML presently occupies.*
- Describe any Property improvements proposed to be removed/demolished and details regarding same. To the extent that any existing Property improvements are not proposed to be removed/demolished, describe the remaining useful life of any such existing improvements and provide support for such asserted remaining useful life;
 - *There are no plans for removal or demolition of existing improvements at this time. With regular repair and maintenance the life of the existing improvements is indefinite.*
- The use, value and nature of improvements to be constructed;
 - *There is no new construction planned at this time beyond regular maintenance of the existing buildings and the wharf.*
- The type of construction
 - *No new construction planned at this time.*
- At a minimum, 35% designs for any new construction and/or structures to be placed on site;
 - *No new construction planned at this time.*
- Dates that construction is estimated to commence and be completed;
 - *No new construction planned at this time.*
- Whether the intended use complies with the zoning ordinance and comprehensive plan;
 - *No new construction planned at this time.*
- The financial ability of Proposer to successfully complete the proposal and operate the Property as proposed;
 - *AML is financially stable as evidenced by consistent marine freight service to Southeast Alaska since 1980.*
- Lessee shall provide as-builts of all construction within 60 days of final construction to the Borough Manager or designated representative.
 - *No new construction planned at this time.*
- Proposer's Resources and Experience – Proposer shall provide a statement setting forth:
 - (i) its size, resources, and business history, including number of employees and types of business in which respondent is engaged;
 - a. *AML and its affiliate Alaska Marine Trucking employ roughly 400 people in Alaska and*

Washington. AML has been continuously operating a marine freight service in Southeast Alaska since 1980.

(ii) experience in the type of business to be operated on the leased Property, with special note to any that is similar in ownership, service, and use;

a. *AML has been continuously operating a marine freight service in Southeast Alaska since 1980.*

(iii) a list of the names, titles, and phone numbers of at least three references who are familiar with the Proposer's business.

(i) Skagway Hardware – John O'Daniel Manager 907-983-2253

(ii) AC Fairway Market – Lee McKenney Manager 907-983-2220

(iii) Petro Marine – Tim Cochran Terminal Manager 907-983- 2259