

Manager's Update – February 2, 2023

We are less than 50 days away from acquiring management of the Port of Skagway which means most of our focus is on port related issues. Department Heads are continuing to do excellent work in their respective departments; however, my focus is on the Port. Therefore, my report is reflective of this focus.

Port of Skagway Updates:

- **Rockfall mitigation:** We continue to work with the geotechnical engineers, cruise ship partners, White Pass, and ground transportation companies to refine our 2023 plan for utilizing the Railroad dock. These discussions are going well and we continue to improve the protective measures utilizing the feedback from discussions with our partners. The heavy rock scaling has been completed and we expect the attenuation measures (fencing from a layman's perspective) to begin installation by mid-February. White Pass is also working on the final design and purchasing procedures for the on-dock protection equipment.
- **Ore Dock Design:** We have received the 60% Ore Dock designs from KPFF, and they are available on our website at the following link. [Port of Skagway 2023 | Municipality of Skagway Borough Alaska](#). Additionally, there will be a public presentation of the designs on February 7th at the Port & Harbor Advisory Board work session at 5:00 P.M. in the Assembly Chambers.
- **Ore Dock Simulations:** Maritime Institute of Technology & Graduate Studies (MITAGS) developed a model of the proposed cruise ship float to be installed in the winter of 2023/2024. We had the Southeast Pilots and Captains from NCL, Princess, and Royal Caribbean. The simulation went well, and all the captains were comfortable with the approach and docking. Additionally, they were comfortable with an ore ship being at dock while they brought the ship in. We are working with the cruise lines to finalize mooring arrangements.
- **500 ft. Float:** I had the opportunity to visit Transpac where our 500 ft. floating dock is being constructed. The dock is coming along nicely, and I was very impressed with the construction of the float.
- **Upland Lease Negotiations:** I understand there has been some outreach from businesses lamenting that the MOS has not completed the appraisals yet so they can know what their rent might be. Under SMC 16.03.030 (C) the applicants for a lease would generally agree to pay the costs of any necessary survey, appraisal, etc. and provide a deposit on these fees. However, because negotiations have not resulted in an agreement to pay market rent, and at least in one case of the costs of the appraisal, I was waiting to order the appraisals. However, to move this process along I brought a contract for appraisals forward for Assembly approval despite having this basic agreement. This is a good faith effort and commitment of over \$65,000 to demonstrate to all the potential upland lease holders that the MOS wants all the possible information to move these negotiations forward, even without a commitment from potential lessees that they will reimburse the MOS for the cost of the appraisals.
- **Marine Services Platform:** Representatives from the Yukon government continue to work with us to fund an ore dock in Phase I of the Ore Peninsula upgrades. If the Yukon government funds this project, I believe it will not only provide the basic dock to continue ore exports out of Skagway; but, bring our communities closer together.

- **Small Boat Harbor Breakwater:** We continue to investigate the issues with the failing breakwater protecting the Small Boat Harbor. Our initial investigation suggests bad welds are the cause of the failure and unfortunately these were not field splices that could have been easily identified from construction logs and repaired. At this point, I believe we need to remove the end of the breakwater that has broken loose and do a complete evaluation of the best repair method with a comprehensive bid package.
- **Revenue Bond:** This effort continues to move through the process, and we expect the funds on Feb. 15, 2023. See the email below from the bond bank.

Good afternoon,

On Tuesday, the Bond Bank successfully sold it's 2023 Series One & Two Bonds. Please find attached the final cash flows for Skagway. The bond issuance netted the Municipality \$30,000,000 in project funds at a true interest cost of 4.56%.

Note these have already been provided to Bond Counsel. Please let Ryan or the PFM team if you have any questions.

Thank you,

*Matt Schoenfeld
Senior Managing Consultant*

Transfer Station: The bid package for the transfer station is open and there seems to be quite a bit of interest in the project. The bid documents can be viewed at the following link. [Bids and RFPs | Municipality of Skagway Borough Alaska](#)