

TO:	Mayor and Borough Assembly
FROM:	Brad Ryan, Borough Manager
DATE:	July 14, 2023
SUBJECT:	Cruise Dock at Ore

The Municipality of Skagway (MOS) received one bid from Pacific Pile and Marine (PPM) for the redevelopment of the Ore Peninsula on July 3, 2023. The base bid (excluding the MSP) to install a new cruise ship float, fuel header, sea walk, and other upland utilities was approximately \$75 million. This bid was considerably higher than the engineers estimate and over the available funds from the MOS to implement the project.

I have been working with PPM to reduce the scope to within the Municipality’s scope of the remaining revenue bond funds; installing the new cruise float would provide the basic infrastructure to host cruise ships at the Ore Dock in 2023. The reduced scope includes the installation of the new cruise float, transfer bridges, and sufficient pilings to host similar size ships that the MOS is now accepting at the Ore Dock.

The total cost estimate to complete this project is outlined as Scope A below. I have been asked what it would cost to increase the scope to include the necessary infrastructure to host the very large cruise ships, which is outlined in the table below labeled Scope B. It is important to note that Scope B will exceed the amount the Municipality has remaining in revenue bond funds after the pre-procured equipment is paid for, but could better accommodate cruise ships at the numbers they are this year. Ideas for payment of this overage will be presented to the Assembly on July 18. It is also important to note that Scope B does not provide contingency funds.

Scope A - Minus Deep Water Dolphins		Scope B - With Deep Water Dolphins	
Construction - Minus the two deep water Dolphins	\$ 37,026,401	Construction - Including the two deep water dolphins	\$ 41,196,876
Project Management and permit compliance	\$ 5,288,490	Project Management and permit compliance	\$ 5,288,490
Total	\$ 42,314,891	Total	\$ 46,485,366
Remaining Revenue Bond	\$ 45,000,000	Remaining Revenue Bond	\$ 45,000,000