

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-18

A RESOLUTION OF THE UNALASKA CITY COUNCIL SUPPORTING THE APPLICATION FOR A PORT INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT IN PARTNERSHIP WITH MATSON SHIPPING COMPANY, FOR THE MODERNIZATION OF POSITIONS 5-7 AT THE UNALASKA MARINE CENTER

WHEREAS, the Unalaska City Council recognizes the need for repair and maintenance at positions 5-7 of the Unalaska Marine Center (UMC); and

WHEREAS, the Unalaska City Council has approved the assessment and preliminary design work for drainage, crane rail inspection and resurfacing at UMC positions 5-7; and

WHEREAS, Matson owns a crane that is stored at and operates at positions 5-7 at the UMC; and

WHEREAS, Matson's crane is reaching the end of its useful life and no longer meets the growth needs of industry and our community; and

WHEREAS, Matson requires improved crane tie downs and cranes stops for a bigger and more modern crane; and

WHEREAS, Matson and the City require maintenance and improvements on the same section of dock; and

WHEREAS, the Unalaska City Council has had public discussion regarding Matson and the City partnering on a grant application for the UMC Position 5-7 Maintenance and Improvements; and

WHEREAS, the Unalaska City Council recognizes the economic benefits of combining the City's and Matson's project; and

WHEREAS, the Unalaska City Council has authorized the City Manager to enter into an agreement with Matson for a lease with the intent to store, maintain and operate a new crane; and

WHEREAS, the City of Unalaska and Matson have developed a memorandum of understanding defining the roles of this public, private partnership; and

WHEREAS, the Unalaska City Council fully supports this public, private partnership for the purposes of modernizing UMC Positions 5-7; and

WHEREAS, the Unalaska City Council believes that this project aligns with the funding criteria of the Port Infrastructure Development Program Grant.

NOW THEREFORE BE IT RESOLVED that Unalaska City Council fully supports the public, private partnership application of the City Unalaska and Matson for the modernization of the Unalaska Marine Center Positions 5-7 for the Port Infrastructure Development Grant Program.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 23, 2024.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Estkairen P. Magdaong
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Marjie Veeder, Acting City Manager
Date: April 23, 2024
Re: Resolution 2024-18: Supporting the application for the Port Infrastructure Development Program Grant in partnership with Matson Shipping Company, for the modernization of Positions 5-7 at the Unalaska Marine Center

SUMMARY: Resolution 2024-18 is simply a resolution of support for the joint application of the City of Unalaska and Matson Shipping Company to design and construct new and improved crane tie-downs and crane stop, and to repair the surface and drainage of the City owned craned rails at UMC Positions 5-7. This joint application is a response to the Port Infrastructure Development Program Notice of Funding Opportunity. This Resolution will accompany the grant application and is required for the application. Approving this resolution is not a financial commitment on behalf of the City of Unalaska.

PREVIOUS COUNCIL ACTION: On February 27, 2024 Council held a work session on this joint application. On April 9, 2024 Council adopted Resolution 2024-12 authorizing the City Manager to negotiate a lease agreement for a new crane at UMC.

BACKGROUND: The City of Unalaska was already working on an assessment of and initial design for repair and maintenance of the drainage, cranes rails and surfacing at UMC Positions 5-7. Matson Shipping is in the process of ordering a new crane to meet the demands of industry and future vessels. The dock infrastructure for the crane needs to be upgraded and replaced in order to meet the specifications for securing a new and larger crane. These two projects involve the same section of dock. Combining the two projects makes a single, cost-effective project. This project aligns with the grant criteria of the Port Infrastructure Development Program (PIDP).

DISCUSSION: This project is a marriage of two projects between the City of Unalaska and Matson Shipping Company. Unalaska Marine Center Positions 5-7 began operating as a container terminal in 1992. UMC Positions 5-7 are showing their age and it is clear that the City needs to fix some drainage and resurface this heavily used section of dock. At the same time, Matson Shipping needs to replace their gantry crane. The proposed crane will have greater capacity and will need different tie-down components with greater capacity for securing the bigger crane. The current crane tie-downs and crane stop are original to the 1992 construction and they will not meet the needs of a new crane.

There is approximately a 2-year lead time for ordering and receiving the new crane. This lead time allows the City and Matson to partner on the design for the maintenance and repair and also the design and construction of the newly required infrastructure for the crane. Combining these necessary projects is cost-effective, but also provides the two organizations the opportunity to jointly apply for the PIDP Grant.

Council has already authorized the City Manager to negotiate a lease with Matson for the storage and operation of their new crane. That lease is the trigger for the purchase of the crane. Once the crane is procured, the clock starts ticking on the construction. The dock construction needs to be completed in time to receive the new crane.

The application for the PIDP grant is due May 10. The grant writing team has been diligently working behind the scenes since February and this resolution of support for the grant is a support document to accompany the application.

The City will be the entity to submit the application, the City will administer the grant, oversee the bid process and construction, and the City will ultimately own the project. There is typically a 20% match by the entities applying and this 20% match will be a joint responsibility between Matson and the City. The rough order of magnitude is still being completed, but we will have a stronger indication of the cost of the project closer to the end of the month. As discussed during the February 27 meeting, a successful application provides significant financial benefits to the Port.

ALTERNATIVES: Council may adopt Resolution 2024-18, or not. If the resolution is not adopted, the grant application will not be submitted.

FINANCIAL IMPLICATIONS: The City and Matson are applying for construction costs of the improvements. The City will own the project upon completion. There is no financial commitment for the City to apply.

LEGAL: City legal counsel are in the process of reviewing the various documents and agreements for the public, private partnership.

STAFF RECOMMENDATION: Staff recommends adoption.

PROPOSED MOTION: I move to adopt Resolution 2024-18.

CITY MANAGER COMMENTS: I support the staff recommendation.

ATTACHMENTS: None.