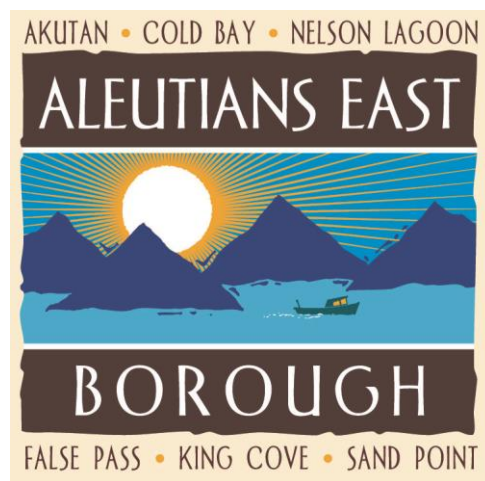


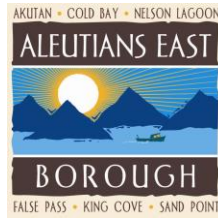
Aleutians East Borough Special Assembly Meeting



Meeting: Wednesday, March 20, 2014 – 3:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda



Agenda

Assembly Special Meeting

(packet available on website www.aleutianseast.org)

Date: Thursday, March 20, 2014

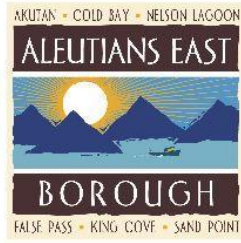
Time/Location: Meeting: 3:00 p.m. - By teleconference in each community location below:
King Cove AEB office False Pass city office
Sand Point – AEB office Akutan city office
Nelson Lagoon Corp. Cold Bay city office - library
office
AEB Anchorage office (3380 C St)

ASSEMBLY MEETING AGENDA

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda.

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Resolution 14-16, a Resolution of the Aleutians East Borough Assembly contributing \$2,225,000 to the Cold Bay Airport – Apron and Taxiway Construction Project.
5. Authorization to enter into an agreement with Kvichak Marine Industries, Inc. to assist the Borough in selling the hovercraft, Suna-X.
8. Next Meeting Date and Time
9. Adjournment

Community Roll Call & Public Comment on Agenda Items



Agenda Statement

Date of Meeting: March 20, 2014

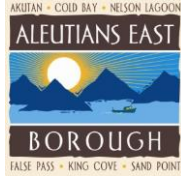
To: Mayor Mack and Assembly Member

From: Anne Bailey, Community Development Coordinator

RE: Resolution 14-16, Contributing \$2,225,000 to the Cold Bay Airport – Apron and Taxiway Construction Project

As you know, the Borough built a new terminal building on Lot 1A, Block 23 expecting that a new apron and taxiway would be built to support it. In anticipation of the new apron and taxiway project the Borough requested \$2,000,000 from the State of Alaska and received the funds in December 2012 as a Designated Legislative Grant. The Borough also designated \$225,000 towards the project in January 2011 and approved the funds in AEB Ordinance 13-05 as part of the budget in March 2013.

The project is now getting some traction. If federal funds become available for this project, the Borough and the Department of Transportation (DOT) will enter into a Memorandum of Agreement (MOA) authorizing the transfer of Borough funds to DOT for project delivery. In order to proceed with the MOA, DOT has requested a resolution from the Borough stating that the Borough agrees to contribute \$2,225,000 towards the Cold Bay Airport – Apron and Taxiway project, should federal funding become available. This resolution is now before you for your consideration. Once the MOA is complete, I anticipate that it will be brought before the Assembly for Approval.



RESOLUTION 14-16

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY CONTRIBUTING \$2,225,000 TO THE COLD BAY AIRPORT – APRON AND TAXIWAY CONSTRUCTION PROJECT

WHEREAS, the Aleutians East Borough fully supports the construction of a new apron for the AEB Terminal Building on the East side of RW 15-33 North of RW 8-26 and a new taxiway with lighting; and

WHEREAS, in 2006 the Aleutians East Borough built a new terminal building on Lot 1A, Block 23, which does not have direct access to the existing apron; and

WHEREAS, the Aleutians East Borough built the terminal in this location because they were prohibited from building on the existing apron due to the Federal Aviation Administrations Restricted Visibility Zone restrictions; and

WHEREAS, in 2013 the City of Cold Bay leased Lot 1A, Block 35 from the Department of Transportation (DOT) Aviation Leasing Department for a new health clinic on the future apron to directly service medical evacuations that frequently land in Cold Bay further emphasizing the need for the apron and taxiway; and

WHEREAS, in anticipation of the new apron and taxiway project the Aleutians East Borough requested \$2,000,000 from the State of Alaska and received the funds in December 2012 as a Designated Legislative Grant for the Cold Bay Apron and Taxiway Construction project; and

WHEREAS, in January 2011 the Aleutians East Borough designated \$225,000 for the Cold Bay New Apron and Taxiway and approved it in Ordinance 13-05 as part of the budget in March 2013; and

WHEREAS, should federal funding become available, the Aleutians East Borough and Department of Transportation (DOT) will enter into a Memorandum of Agreement authorizing the transfer of Aleutians East Borough funds to DOT for project delivery.

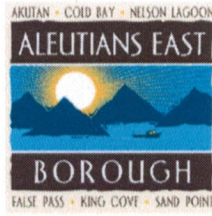
NOW THEREFORE BE IT RESOLVED that the Aleutians East Borough Assembly agrees to contribute \$2,225,000 towards the Cold Bay Airport Apron and Taxiway project, should federal funding become available.

PASSED AND APPROVED by the Aleutians East Borough Planning Commission on this ?th day of March 2014.

Stanley Mack, Mayor

ATTEST:

Tina Anderson, Clerk



Agenda Statement

Date of Meeting: **March 20, 2014**

To: **Mayor Mack and Assembly**

From: **Rick Gifford, Administrator** *RG*

Re: **Agreement with Kvichak Marine Industries, Inc to Facilitate the Sale of the Hovercraft, SunaX**

The Aleutians East Borough (AEB) has been working with Kvichak Marine Industries, Inc. (KMI) for several years now and KMI is very familiar with the hovercraft, the operations and maintenance. They are also very familiar with the additional improvements that were added to the hovercraft for the Akutan Airport operation and the inventory of spare parts. KMI has offered to help the Borough facilitate the sale of the hovercraft per the attached Memorandum of Understanding (MOU).

Summary of Agreement

KMI will perform the Services set forth in the MOU for a five percent (5%) commission, after closing on the final net sales price of the SunaX package. KMI will be responsible for travel to Anchorage and/or Akutan to show the SunaX or meet with potential buyers. The Borough will be responsible for advertising and any public notifications. If the hovercraft does not sale after two rounds of the public bidding process, the Borough at its sole discretion may cancel the agreement in its entirety.

The Borough Attorney has reviewed the MOU with KMI.

Recommendation

Based on the working knowledge that KMI has with the SunaX and the Borough's close relationship during the operation of the hovercraft in Akutan, the administration recommends approval of the MOU with Kvichak Marine Industries, Inc.

Kvichak Marine Industries, Inc.

February 18, 2014

Mayor Stanley Mack
Aleutians East Borough
3380 C Street, Suite 304
Anchorage, Alaska 99503-3952

Re: Sell "SunaX Package" Program.

Dear Stan:

The opportunity to sell the SunaX, assorted spares and equipment and move her to a new mission is between now and mid-summer. This letter is provided to confirm our understandings regarding the efforts Kvichak Marine Industries (KMI) will perform and the compensation agreed upon for the efforts required and committed to facilitate the sale of the Aleutians East Borough's (AEB) Hovercraft, SunaX, with all spares, tools and accompanying equipment (SunaX package)

Accordingly, the parties agree to initiate the effort, subject to the following understandings:

KMI will:

- 1 – Actively promote and make all efforts to encourage and support qualified buyers of the SunaX package into the bid process.
- 2 – Make all details of the craft, including actual and estimated costs of maintenance and operation to all potential buyers.
- 3 – Create and distribute to potential customers marketing materials for the SunaX package
- 4 – Support potential buyers by providing input into their pro-forma financial analysis evaluations.
- 5 – Evaluate and provide to potential buyers options and opportunity's to move the SunaX package to new operational locations.
- 6 – Travel to Anchorage or Akutan, at its own expense to show the SunaX or meet with potential buyers.
- 7 - Develop and place ads (as pre-approved by AEB) as appropriate to advertise the sale of the SunaX package. The ads will list KMI as the point of contact and include KMI contact details.
- 8 – Develop and place (as pre-approved by AEB) the official public notification of bid process as appropriate.

9- Write and support the official RFP for the sale of the SunaX package as directed by AEB.

10 - Assist AEB in evaluating the market and setting the "reserved" bid level.

11 – Support AEB with the review and evaluation of the bidder's proposals.

AEB will:

1 – Confirm all conditions of SunaX package sale.

2 –Reimburse KMI for the direct cost of all (AEB pre-approved) advertising and public notifications.

3 – Pay KMI a 5% commission, after closing on the final net sales price of the SunaX package.

Cancelation Clause: If after two rounds of the public bidding process, AEB has not received a proposal from a qualified customer that AEB is willing to exercise for the sale of the SunaX, AEB at its sole discretion may cancel this agreement in its entirety.

Please confirm AEB's agreement with these understandings by signing and returning a copy of this letter to us.

Very truly yours,

Keith Whittemore
Kvichak Marine Industries, Inc.

Agreed:

Aleutians East Borough

By: _____

Title: _____

Date: _____

Date & Location of Next Meeting

Adjournment