

**FERRY**

**PRO-  
POSALS**

# *Lynn Canal Ferry Project*

*Improving Juneau's  
Access*

*Complementing  
the  
Alaska Marine Highway*



JANUARY 1996

## POSITION PAPER

### ISSUE

Lynn Canal ferry operations

### CONDITIONS

It is widely recognized that current transportation service is limited in the Lynn Canal Corridor and that expanded service would result in significant social and economic benefits.

### OPPORTUNITIES

Goldbelt, Inc. is actively researching transportation, tourism, and infrastructure development opportunities in the Lynn Canal Corridor and throughout the region. Goldbelt, Inc. has identified private sector opportunities which, if pursued, will increase transportation service in Lynn Canal.

### POSITION

Goldbelt, Inc. is in a unique position to participate in private sector ferry operations in the Lynn Canal Corridor. This participation could greatly increase transportation service in Lynn Canal and provide substantial benefits to the State, Goldbelt, Inc., local communities, and the region.

### KEY POINTS

- Additional transportation service is needed in Lynn Canal.
- Ferry operations will continue to play a vital role in the solution of the Juneau Access issue.
- Lynn Canal Corridor represents an area with sufficient ferry traffic volume (demand) to warrant private sector participation.
- Private sector operations do not have the same constraints as State operations.
- Private sector ferry operations can be efficient and cost effective.
- The private sector can greatly assist in providing the critical transportation required in Lynn Canal.

## **GOLDBELT, INC. EFFORT TO DATE**

Goldbelt, Inc. has a clearly defined mission, with specific investment and development goals and objectives.

Goldbelt, Inc. has

- Committed to marine infrastructure development in Echo Cove with the objective of enhancing marine transportation service in Lynn Canal.
- Invested in the construction and operation of high speed vessels which will be in service in Southeast Alaska this year.
- Initiated feasibility analysis of specific private sector ferry operations in Lynn Canal.

## **BENEFITS**

Goldbelt, Inc. has concluded that there is a wide range of benefits associated with infrastructure development in Echo Cove and private sector participation in Lynn Canal ferry operations.

- Participation by the private sector will increase total available capacity.
- Increased capacity to meet demand will encourage use of marine transportation services and result in an increase of associated benefits.
- Private sector capacity deployed in Lynn Canal would free up State ferries to serve other areas of high demand.
- Increased capacity in Lynn Canal would greatly enhance access to the State Capital.
- Increased capacity and additional service alternatives will lead to private sector competition, heightened efficiency, and further economic growth.
- With private sector participation, the above benefits can be attained without an increase in the State maintenance and operating budget.

## **A PUBLIC / PRIVATE "PARTNERSHIP"**

Goldbelt, Inc. is continuing to analyze specific conditions and opportunities related to private sector participation in Lynn Canal ferry service.

In all cases Goldbelt, Inc. desires to work in a partnership with the State of Alaska to effectively address the Juneau Access issue and the need for expanded transportation service in Lynn Canal.

## **WHAT'S NEXT?**

Goldbelt, Inc. would like to determine the State's position regarding private sector participation in Lynn Canal ferry service and how such participation could be integrated with the current goals and objectives of the State.

Goldbelt, Inc. encourages the state to issue a request for proposals (RFP) to determine the level of interest and solicit private sector participation in Lynn Canal ferry operations.

This RFP should address the following elements:

- **New service which is supplemental to current State service.**
- **Phased implementation of expanded private sector service.**
- **A terminal location in Echo Cove.**
- **Service alternatives and strategies for the M/V Malaspina.**

**Please Contact: Joseph M. Boedle, President and CEO  
Goldbelt, Inc.  
9097 Glacier Highway, Suite 200  
(907) 790-4990**

# EXHIBITS

# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

PRECONSTRUCTION ENGINEER/SOUTHEAST REGION

TONY KNOWLES, GOVERNOR

6860 GLACIER HIGHWAY  
JUNEAU, ALASKA 99801-7999  
PHONE: (907) 465-4428  
TEXT: (907) 465-4647  
FAX: (907) 465-2030

Goldbelt, Inc.

JUL 19 1995

RECEIVED

July 18, 1995

Mr. Joseph M. Beedle  
President and CEO  
Goldbelt, Inc.  
9697 Glacier Highway, Suite 200  
Juneau, Alaska 99801

Dear Mr. Beedle:

Thank you for stopping by so we could discuss your Echo Bay development project. I hope that we were able to help you with this endeavor.

The department is looking for innovative ways to fund and maintain roadways and facilities. The proposal Goldbelt made to Commissioner Perkins earlier this summer concerning Northern Lynn Canal ferry service is intriguing. A variation of your plan may help us with constructing the Juneau Access project. An un-subsidized, reliable marine service providing public sector jobs for public transportation in Alaska is innovative and would certainly be viewed as another attractive benefit of constructing a roadway.

As you know, the department cannot commit a guarantee or obligation to Goldbelt to study or provide this service if the roadway is constructed. However, since Goldbelt has already performed extensive studies to determine the viability of providing ferry service, I thought we might become partners in developing ideas and possible scenarios; such as:

- 1) Providing private sector surface transportation from the Echo Bay area to Haines and Skagway as an interim service estimated to last two to five years.
- 2) The same service described above, from the Katzehin River area to Haines and Skagway, as an interim service estimated to last two to five years. The Echo Bay service would stop once the roadway and terminal at Katzehin were constructed.
- 3) Permanent service from either Skagway to Haines or Katzehin to Haines. Haines would not be accessible by road under the East Lynn Canal option.

July 18, 1995

Attached are the traffic volumes we anticipate with construction of the roadway, and consequently the volumes a shuttle service would be expected to accommodate. This information will be an appendix to the EIS document and is considered confidential at this time. Please do not copy the contents or make the information available for public consumption.

From the three scenarios listed and interfacing with the traffic forecast, we would welcome your detailed evaluation of what the private sector could provide for marine transportation with these routings. Details such as vessel size, configuration and scheduling along with fare structures, capital investments, etc. should be addressed.

If possible, we would like this information prior to October 1, 1995. The details will be incorporated into our economic modeling so the user costs can be evaluated accordingly.

Thanks Joe for your consideration in this matter.

Sincerely,



Patrick J. Kemp, P.E.  
Preconstruction Engineer

cc: William F. Ballard, Regional Environmental Coordinator  
Mike McKinnon, Chief of Planning  
Jonathan Scribner, Southeast Regional Director

PJK/jln



**Goldbelt**

9097 Glacier Hwy, Suite 200, Juneau, Alaska 99801 (907) 790-4990 Fax (907) 790-4999

August 17, 1995

Pat Kemp, Preconstruction Engineer  
Department of Transportation and Public Facilities  
6860 Glacier Highway  
Juneau, Alaska 99801

Dear Mr. Kemp:

Thank you very much for your letter of July 18, 1995, regarding innovative alternatives to addressing the transportation needs of the Lynn Canal Corridor.

As you know, Goldbelt, Incorporated is very interested in private sector participation in this area and has engaged in significant preliminary analysis of the issue. Our conclusion is that private sector participation in Lynn Canal ferry operations is a viable expansion alternative with positive social and economic benefits to the State of Alaska, traveling public and Goldbelt.

Goldbelt, Inc. welcomes your invitation to "partner" ideas and possible scenarios with the goal of enhancing transportation service in the Lynn Canal Corridor and improving Juneau Access. The term "partner" implies a sharing of costs and benefits to achieve a desired outcome that is mutually advantageous to the parties concerned. In this case, Goldbelt, Inc. firmly believes that solutions forged in a public-private partnership will achieve the most desirable results for all effected parties.

#### ASSUMPTIONS

Given your correspondence, and for the purpose of discussion, Goldbelt, Inc. assumes the following:

- Utilizing public funds, a hard link (road) will be phase constructed north out of Juneau, along the east side of Lynn Canal and will be maintained throughout the year.
- Initial phase construction will extend the existing road system to Echo Cove; subsequent construction will proceed to the Ketzehin River (and beyond).
- During phase construction and thereafter, ferry service will remain an integral part of the enhanced transportation system.
- Private sector ferry service supplemental to existing state ferry service is necessary and desired by the state.
- Initially, private sector ferry service would connect the extended Juneau road system with the communities of Haines and Skagway.

- Private sector ferry service in Lynn Canal will increase the total ferry capacity throughout the Southeast region and allow the state to re-deploy certain vessels to critical areas of high demand.
- Transition from public to private ferry service will be carried out (over time) in phases to ensure maximum service to the public with minimum disruptions.

Given the above assumptions, Goldbelt, Inc. would consider the following contributions to a public-private transportation partnership within the Lynn Canal Corridor:

- Waterfront property in Echo Cove for terminal and docking facilities, staging areas and multi-use uplands development.
- Capital construction funds for purpose-built "state of the art" high efficiency ferry vessel(s).
- Assistance with capital construction funding for terminal, docks and upland facilities.
- Assumption of maintenance and operating costs of ferry vessel(s).
- Assumption of management and control of ferry vessel(s).
- Assumption of maintenance and operating costs of terminal facilities in Echo Cove.
- Assumption of maintenance and operating costs resulting from increased traffic and terminal activity in Haines and Skagway.
- Assumption of management and control of terminal operations in Echo Cove.
- Assumption of management and control of increased traffic and terminal activity in Haines and Skagway.
- Development and operation of inter-modal link services (i.e. shuttle service between terminals and key transportation centers) to support the transportation enhancement project.
- Commitment to optimum operating schedules which maximize service to the public, minimize cost and maximize operating revenues.
- Commitment to a reasonable and stable tariff structure.
- Assistance with system reservation and marketing activities.

#### **STATE/FEDERAL PARTICIPATION**

Given the above, Goldbelt, Inc. would desire the following types of state/federal participation:

- Assistance with capital construction funding of docks, terminals and upland facilities.
- Reconfiguration and modification of existing shore facilities (Haines and Skagway) as necessary to accommodate new, high efficiency ferry vessel(s).

- Commitment to modify existing state (ferry) service (routing and scheduling) to achieve maximum utilization of both state and Goldbelt, Inc. ferry vessels.
- Assistance with promotion of the enhanced multi-modal service in Lynn Canal Corridor.

### SUMMARY AND CONCLUSIONS

Existing transportation service in Lynn Canal is insufficient to meet current and anticipated demand. The state is conducting extensive studies in this area and has expressed an interest in investigating innovative alternatives emanating from a public-private partnership.

The state can make substantial public contributions to such public-private partnerships as long as a fair and competitive process is followed. As part of this public process, it is anticipated that a general solicitation of all interested private parties will take place; Goldbelt, Inc. looks forward to this with great interest.

It appears that at present, the state is interested in an informal exchange of data and ideas which will not compromise and future competitive process. Regarding your request that Goldbelt, Inc. evaluate the information which was provided with your letter, we understand that a consultant firm has been working on the same scenarios which you have outlined. In order for Goldbelt, Inc. to best assist the state, we would appreciate a copy of that analysis along with the most current draft of the Juneau Access project's EIS at your earliest convenience.

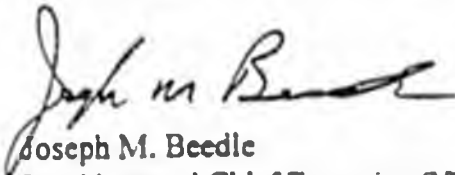
We are certain that you are aware that achieving the proper blend or balance of system variables (such as vessel size, speed, routing, capital costs and type of vessel service) is the key to the development of a cost effective marine system. Goldbelt, Inc. has been considering various combinations of these variables (in order to maximize system viability) and will incorporate the routing and traffic data that you provided into our analysis.

Goldbelt, Inc. wishes to be of assistance to the State of Alaska. Goldbelt, Inc. possesses a wide range of resources and is in a unique position to make a substantial contribution toward addressing the challenges of improving Juneau Access and enhancing transportation in the Lynn Canal Corridor.

We look forward to hearing from you soon.

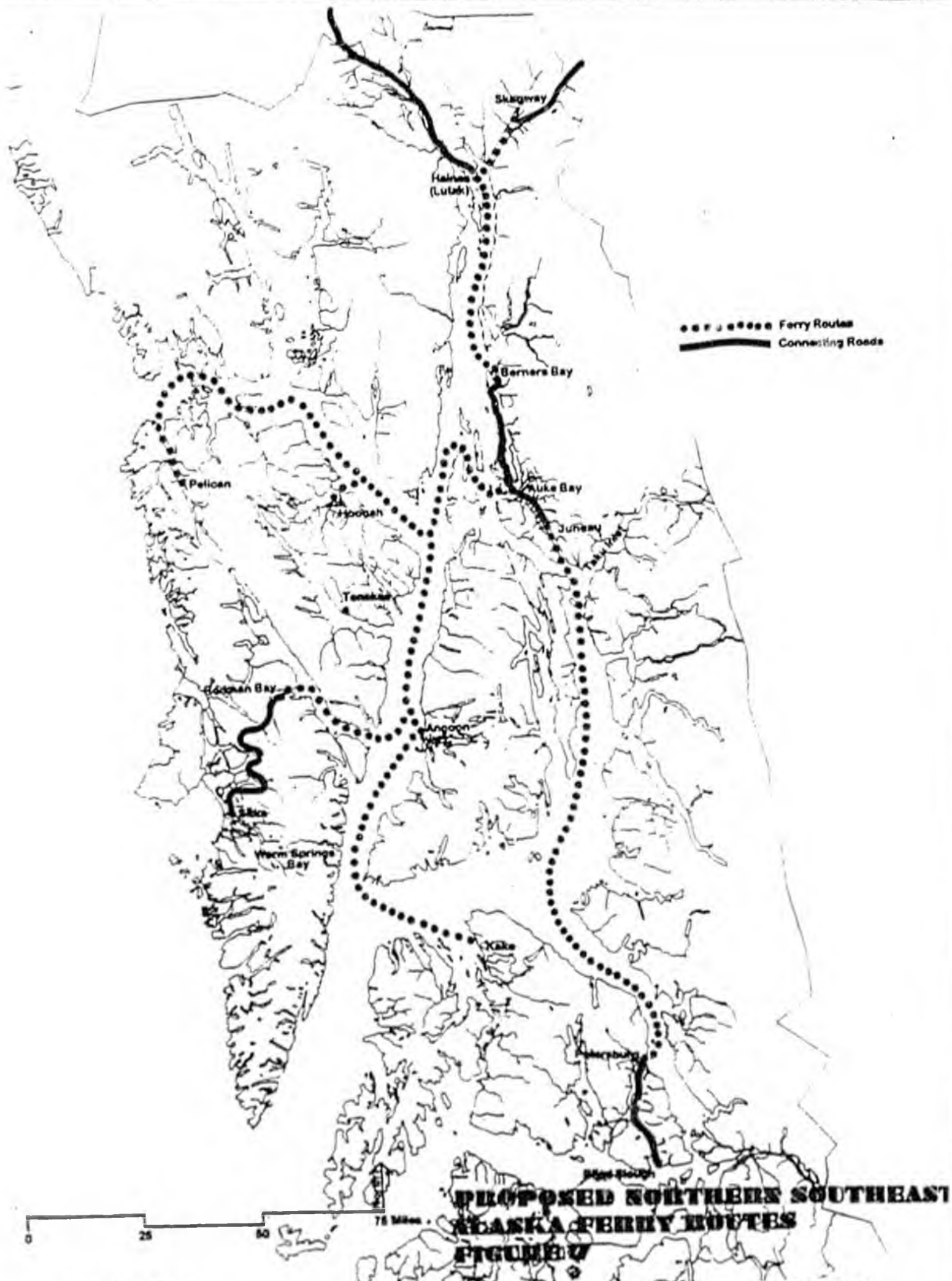
Sincerely,

**GOLDBELT, INCORPORATED**



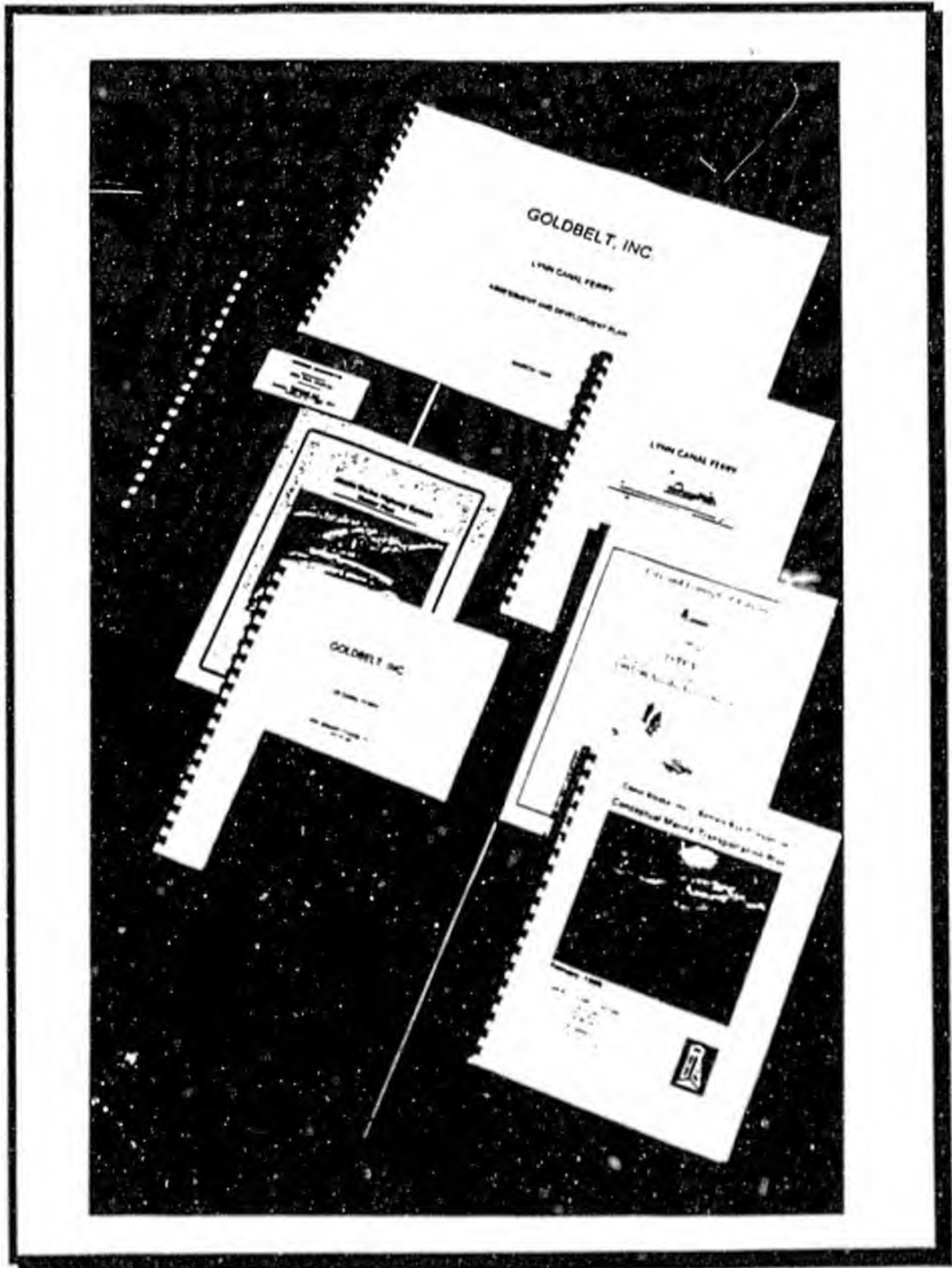
Joseph M. Beedle  
President and Chief Executive Officer

cc: Board of Directors



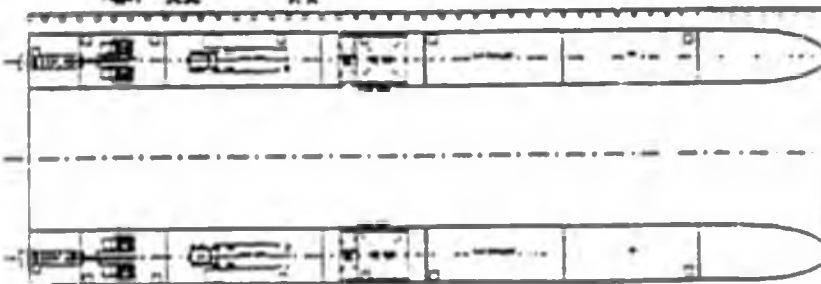
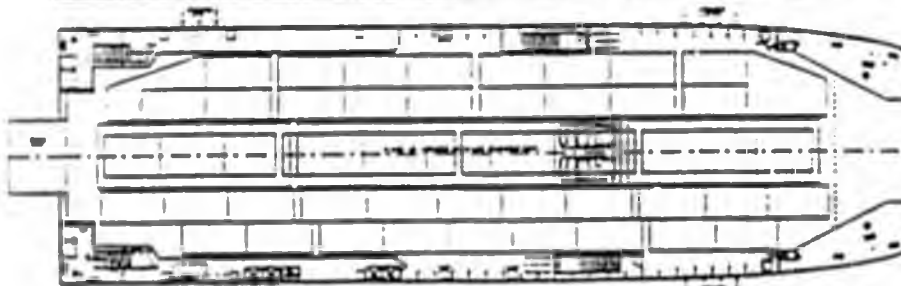
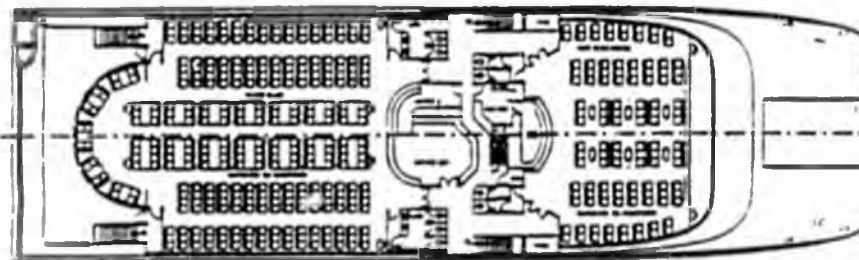
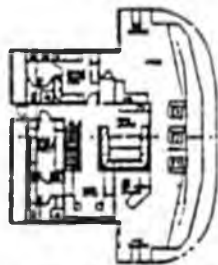
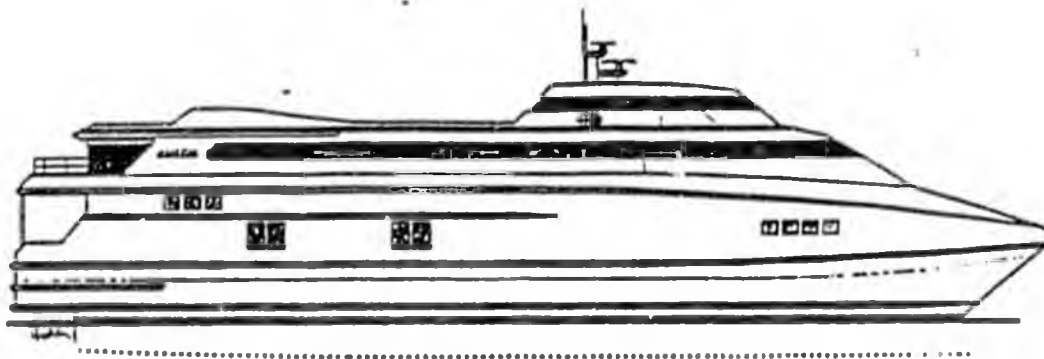


Goldbelt, Inc. is analyzing...



Conditions and opportunities in the Lynn Canal Corridor.

# AUSTAL AUTO EXPRESS 59



Austal Auto Express 59	
Length overall	59.9m
Length waterline	50.9m
Beam	17.5m
Depth moulded	5.5m
Draught (approx)	2.0m
Deadweight (approx)	180 tonnes
Fuel capacity	20,000 litres
Fresh water capacity	2,000 litres
Passengers	
• First class	116
• Tourist	334
• Total	450
Crew	13
Vehicles	96 cars or 46 cars + 4 coaches
Maximum speed	37 knots
Main engines	2 x MTU 20V 1163 6,500 kW

*Joe Beardslee*  
**Transportation Needs and Priorities in Alaska**



**DRAFT**  
For Public Review  
Comments Due January 8, 1996

**Alaska Department of Transportation and Public Facilities**  
**November, 1995**

## NATIONAL HIGHWAY SYSTEM TRANSPORTATION NEEDS AND PRIORITIES

Priority	Highway	Location	Name	Description	Cost Estimate
3	Marine Highway		M/V LeConto Auxiliary/Main Repower ✓	Replace the main engines, auxiliaries, switchboard, engineers control station and electrical distribution.	3,135,000
3	Marine Highway		M/V Malaspina DayBoat Conversion ✓	Preliminary engineering and construction for modifications to all spaces on the cabin deck, boat dock, and navigation deck. Install NVIC-required sprinkler system, smoke detection and fire alarm system and fire door indicator system. Replace various deck machineries and navigation equipment.	32,315,000
3	Marine Highway		M/V Malaspina Main Deck and Auxiliary Systems ✓	Replacement of the main propulsion train (engines, reduction gears, shafting, bearings, propellers, control and alarm system, new engineer operating station, bridge and bridge wing control consoles, new related piping systems and ancillary equipment structural fire protection self-closing doors to machinery spaces). Includes bow thruster refurbishment, replacement of main deck steel and shell plate and elevator refurbishment.	12,500,000
3	Marine Highway		M/V Malaspina NVIC and Door Modifications ✓	Safety of Life at Sea (SOLAS)-required lifesaving equipment, new vehicle loading doors and monitoring equipment, NVIC (Navigation and Vessel Inspection Circular)-required main deck vent system modifications, structural fire protection, galley exhaust fire extinguishing system and self-contained emergency lighting.	4,345,000
3	Marine Highway		M/V Tustumona Car Elevator Overhaul ✓	Major overhaul of the car elevator and cargo handling equipment.	1,500,000
3	Marine Highway		M/V Tustumona Navigation Equipment and Electronics ✓	Replace the bridge electronics and navigation equipment.	2,500,000
3	Marine Highway		Passenger Accomodation Upgrade ✓	Upgrade the staterooms on the AMHS vessels.	6,000,000
3	Marine Highway		Shoreside Facilities Condition Survey and Master Plan ✓	Provide a reconnaissance report outlining the work required to extend the usefulness of the shoreside facilities through the next 20 years.	800,000
3	Parks Highway		MP 52-58 Rehabilitation	Relocate utilities, acquire right-of-way and rehabilitate from MP 52-57 (Big Lake Road to Houston), widen the highway shoulders, resurface the highway, and make minor safety and geometric improvements. Construct a grade-separated railroad crossing at MP 56.5. Rehabilitate the bridge over the Little Susitna River.	7,500,000
3	Parks Highway		MP 58-66 Rehabilitation	Rehabilitate from Houston to MP 66.5 (just south of White's Crossing). Widen the highway to 40 feet and resurface the highway. Includes minor geometric and safety improvements.	11,750,000

Lynn Canal Ferry  
Position Paper

Page 14

Gordell, Inc.  
January 1996



AMHS Fast Passenger  
Vehicle Ferry  
Optimization Study

Draft Report  
August 1995

Submitted to H.W. Lochner, Inc.  
by



65 Marion St. • Suite 306 • Seattle, WA 98104  
Phone (206) 622-6221 • Fax (206) 622-1429

## AMHS Fast Passenger Vehicle Ferry Optimization Study

Route speed requirements for the three service areas were optimized through an analysis of block times and schedules. Speed requirements for the Lynn Canal and Prince of Wales Island service areas were found to be the same at 35 knots. In the Prince William Sound service area a lesser speed of 24 knots is optimal. Thus the vessel should have the flexibility and capability to provide both service speeds as demanded by the route conditions. The specific results of the analysis were found to be the following:

- If the Lynn Canal southern terminal is at Auke Bay, either excessively high speeds above 40 knots are required of the fast ferry to maintain two round trips within a 12 hour day, or the work day needs to be extended to 13 hours at a more reasonable 35 knot service speed, requiring additional manning.
- If the southern terminal is at Auke Bay, the work day for the M/V Malaspina, making one round trip as a day boat, will be 13.5, requiring additional manning over that required for a twelve hour work day.
- If the Lynn Canal southern terminal is at Sawmill Creek, the M/V Malaspina could complete one round trip within a 10 hour work day with improved port turn-around efficiencies.
- If the southern terminal is at Sawmill Creek, a 35 knot service speed for the fast passenger vehicle ferry will allow 2 round trips per day, with comfortable port turn-around times, within a 12 hour work day.
- Ketchikan, Hollis, and Metlakatla are adequately served by one round trip a day. A 35 knot service speed allows for an 8 hour day - saving man-hours while providing comfortable port turn-around times.
- Round trips to Hyder and Stuart, B.C. are possible within a 12 hour work day at a speed of 35 knots.
- In the winter, Cordova and Valdez are adequately served by one round trip a day. A 24 knot service speed allows for an 8 hour work day, saving man-hours.
- In the spring/summer seasons, a 35 knot service speed opens up the possibility of a new circuitous trip in 12 hours from Cordova serving Valdez and Whittier, including a 1 hour tour of the Columbia Glacier for the benefit of the tourist ridership. The direction of the circuit would alternate daily.
- In all the service areas the fast ferry provides round trips at regular, non-fluctuating, and convenient departure times for passengers. For the crews it provides a daily home base and regular working hours. For the vessels it will mean that overnight accommodations for the complete crew will not be required.

Clearly, in Lynn Canal, there is an advantage in service efficiency in shortening the route by moving the southern Juneau terminal to Sawmill Creek. However there are a great many uncertainties associated with such a move, and therefore, the examination of that option is for comparison purposes only.

An in-depth analysis of current state-of-the-art hull forms in service worldwide points to the wavepiercing catamaran hull form as being most optimum for AMHS service in the three service areas. The reasons are:

- From an operation stand point, the wavepiercer is the most economical fast passenger car ferry hull form in the world today.
- Seakeeping characteristics, in company with an active ride control system, are capable of providing 100% service reliability in the spring and summer months of operation in Lynn Canal.
- In winter in Prince William Sound, 100% service reliability is obtainable due to the relatively protected waters, and the good seakeeping capabilities of the ride control system equipped wavepiercer.
- On no routes within the seasons and service areas defined are exposure times to rough seas of sufficient duration, such that significant numbers of passengers will experience motion sickness.

Considering terminal modifications required to accept fast passenger vehicle ferries (and attempting to keep these to a minimum while retaining accommodation for the current fleet), the inherent flexibility in designing the loading facilities on wavepiercers is considered a definitive advantage of the hull form.

## AMHS Fast Passenger Vehicle Ferry Optimization Study

Examination of the various terminals encompassed by the three regional service areas pointed to the need to re-assess the future of the M/V Bartlett in Prince William Sound, implementation of planned terminal renovations, and procurement of a second wavepiercer fully compatible with the wavepiercer working Lynn Canal (thus reducing the number of loading doors on both from five to three). It is uncertain that Sawmill Creek can be used as a ferry terminal without a man-made breakwater.

Future use of the M/V *Malaspina* in year around day boat shuttle service on Lynn Canal was examined both from a southern terminus at Auke Bay and from Sawmill Creek. This type of service is necessary for successful implementation of the fast ferry whose deadweight limitations restrict the number of vehicles over 12 tonnes that can be carried. The M/V *Malaspina* would be depended upon to carry the vast majority of such heavy vehicles, with reduced crew (down from 50 to less than 33), providing shuttle service between the southern terminus and Skagway with a stop at Haines. Where speed is important, the wavepiercer will carry the majority of the traffic, and the M/V *Malaspina* will carry the larger heavier trucks. Nonetheless, the wavepiercer will be capable of carrying road limit vehicles with respect to weight, as required in service in the Prince of Wales Island and Prince William Sound service areas.

The financial analysis pointed out the capital cost benefits of retaining the Juneau southern terminus in upgraded facilities at Auke Bay. On the other hand, it also pointed out the significant long term operational economies in establishing the southern terminus in Berners Bay at Sawmill Creek.

Considering all of these requirements, a preliminary specification was developed for a future procurement through a competitive design and build process for the AMHS for:

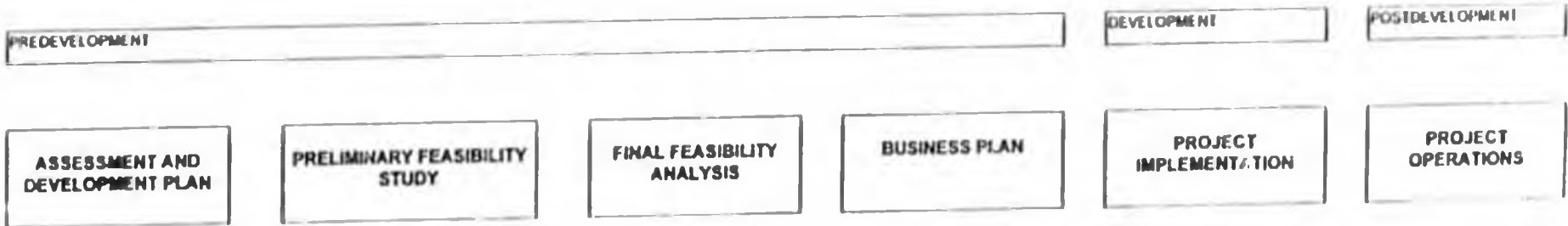
*An 80 vehicle aluminum hull, wavepiercing catamaran hull form ferry, powered by four diesels, each driving a steerable and reversible waterjet. The vessel will be capable of sustaining 35 knots on four engines, and 24 knots on two engines. This will provide the capability of efficient operation on Prince William Sound routes where 24 knots will suffice, while retaining the capability of 35 knots in order to provide two daily round trips in Lynn Canal, and one round trip in an 8 hour work day on the Prince of Wales Island routes.*

Thus it is envisaged that in or around the year 2005, a Lynn Canal shuttle service be in place that includes one daily run by the M/V *Malaspina* configured as a day boat, and two by the fast passenger vehicle ferry, with a total capacity of 160 vehicles per day under 12 tonnes on the wavepiercer and the larger vehicles on the slower M/V *Malaspina*. All of this shuttle service will, of course, be in addition to the regularly scheduled mainline service carrying the traffic that boarded south of Juneau for continuing travel north.

One final point to be made, is to point out the public appeal of the sleek, futuristic, high-tech, and aesthetic styling of the wavepiercer hull form over all others, and the interest by the public in its wave piercing action underway. In every market it has entered worldwide, wavepiercers have created excitement, and have upgraded the image of their operators. Simply put, these vessels excite the public. This fact is deemed to be of importance to the AMHS in building a public image which is seen as being responsive to public needs by providing not only the slower monohull service, but also fast, efficient, and convenient ferry service as well.

## PHASES OF DEVELOPMENT

THE STAGES OF DEVELOPMENT CAN BE BROKEN DOWN INTO PHASES



### WITH SPECIFIC OBJECTIVES

- DEFINE PROJECT GOALS & OBJECTIVES
- DEFINE SCOPE OF PROJECT
- DEFINE AN IMPLEMENTATION PATH

- REFINE GOALS & OBJECTIVES
- REVIEW EXISTING CONDITIONS
- REVIEW POTENTIAL OPPORTUNITIES
- DEFINE VIABLE ALTERNATIVES
- IDENTIFY PRELIMINARY COSTS AND BENEFITS

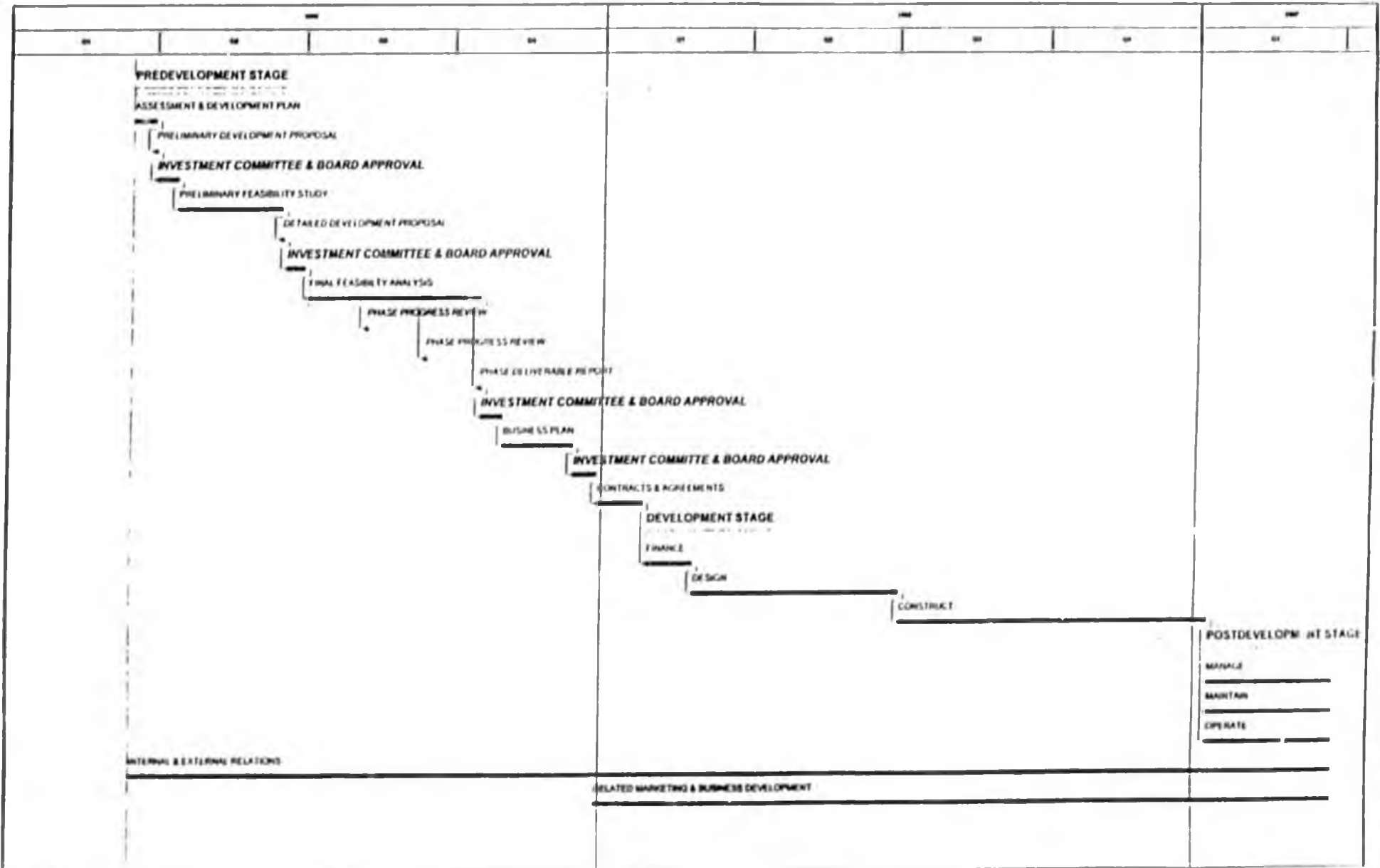
- REFINE GOALS AND OBJECTIVES
- DEFINE PREFERRED ALTERNATIVE
- DEFINE CONCEPTUAL DESIGN
- DEFINE COSTS & BENEFITS
- DETERMINE VIABILITY
- DEFINE A PRELIMINARY DEVELOPMENT STAGE STRATEGY

- REFINE GOALS & OBJECTIVES
- DEFINE FINANCIAL REQUIREMENTS & ARRANGEMENTS
- DEFINE ASSOCIATED PARTNERSHIPS & AGREEMENTS
- DEVELOP MARKETING PLAN
- DEFINE A DETAILED DEVELOPMENT STAGE STRATEGY

- MANAGE PROJECT
- FINANCE PROJECT
- PROJECT DESIGN
- PROJECT CONSTRUCTION AND ACQUISITION

- MANAGE OPERATIONS
- MAINTAIN OPERATIONS
- MONITOR OPERATIONS
- ACHIEVE EXHIBIT 110C GOALS AND OBJECTIVES

### RELATIONSHIP OF STAGES and PHASES \*



**RESOLUTION OF THE SOUTHEAST CONFERENCE URGING THE STATE OF ALASKA  
TO SUPPORT INCREASED PRIVATE FERRY DEVELOPMENT**

**WHEREAS**, the State of Alaska has built and maintained a ferry system that has provided major benefits to the people of Alaska, especially in Southeast Alaska; and

**WHEREAS**, the ferries constructed as part of that system are now nearly twenty years old and were designed for a different time when transportation needs were different from what they are today; and

**WHEREAS**, the existing state ferries are unlikely to be upgraded or replaced in a manner that will adequately meet all the contemporary or future needs of Alaskans; and

**WHEREAS**, available capacity in the state ferry system is insufficient to meet demand during peak periods and available service is infrequent and inconvenient during low volume winter months; and

**WHEREAS**, there are a number of ferry routes, particularly in Lynn Canal, where traffic demand and economic conditions are such that private sector ferry operations could succeed; and

**WHEREAS**, participation by the private sector in Alaska ferry operations would increase total available transportation capacity, resulting in substantial social and economic benefits to local communities, the region and the state; and

**WHEREAS**, increased capacity in Lynn Canal would greatly enhance access to Alaska's capital city. In particular, there would be operational advantages to adding a new ferry terminal closer to the northern end of the Juneau road system; and

**WHEREAS**, private ferry operators could be more flexible than the State in the service they provide to the public;

**NOW, THEREFORE**, be it **RESOLVED** that the Southeast Conference recommends that the State of Alaska support the private development of ferry service within Southeast Alaska, particularly in Lynn Canal, through the following actions:

- 1) encouragement of private ferry development through the construction of state transportation links that would provide

access to public and private waterfront property;

2) solicitation of proposals through Requests for Proposals (RFP)s for ferry and terminal construction that seek private industry ideas on how to satisfy Southeast Alaskan transportation needs;

3) development of public/private partnerships that would, among other things, establish a fast passenger vehicle ferry shuttle service on Lynn Canal.

BE IT FURTHER RESOLVED, that this recommendation depends upon the satisfaction of the following conditions:

- 1) no unreasonable expenses are imposed on the State
- 2) enhanced service is not obtained through private monopoly.
- 3) the private entities involved are financially capable of providing adequate service.

Authenticated: \_\_\_\_\_

\_\_\_\_\_  
Borne C. Miller  
Executive Director

1891\resoluti\ferry.res

# Goldbelt floats ferry plan

1129/96

**■ But can a privately-operated fast ferry service co-exist with the Alaska Marine Highway System?**

By SVEND HCLST  
THE JUNEAU EXPRESS

Running from a dock at Cascade Point about 40 miles north of Juneau, a high-speed ferry could get a passenger to Haines in less than an hour and a half. That same trip using state boats and the Auke Bay dock would take more than four hours.

Goldbelt Inc. is considering adding such a high-speed ferry to its spate of investments. Joe Beedie, president of Juneau's urban Native corporation, said Goldbelt can provide ferry service that is faster, more efficient and better than what is now offered by the Alaska Marine Highway System.

As envisioned, the ferry would run from Cascade Point, near Echo Cove to Haines and Skagway seven to 21 times per week from May 1 to Sept. 30. Goldbelt's dock would be about 30 miles closer to Haines than the dock at Auke Bay, about 75 miles from Haines.

The make and model of ferry has not been decided, and the plan would take a couple of years, but Goldbelt's plan calls for a \$20 million to \$30 million catamaran that is 200 feet long and can carry 150 passengers along with 40 cars at speeds from 25 to 35 knots.

For the plan to work, however, Goldbelt needs some cooperation from the state.

Beedie said he is confident that if the state asked for bids on ferry service on Lynn Canal, the corporation could deliver a bid the state would have trouble competing with.

But for the fast ferry idea to work, the state would have to reduce its summertime service on northern Lynn Canal.

Goldbelt needs about 40 percent of the traffic to enter into the service, Beedie said. It is foolish to compete with a non-profit.

Jay Hayden, director of the Alaska Marine Highway System, said he met with Beedie last year for about 20 minutes to talk about Goldbelt's idea.

He said his initial reaction was "The water is free. Goldbelt can set up a ferry service if they want." He said he hasn't thought too much about it since then.

For Hayden, any decision regarding the state service would have to be made by the public. That includes whether or not to drop ferry service during the summer to make Goldbelt's ferry plans work. He said there is more than the North Lynn Canal ferry runs to consider.

The ferry system in 1994 carried 600,000 passengers and 129,000 vehicles at about 15 afloat.

Drawing a sketch of a triangle, Hayden said the revenues, costs and service are interrelated. A change in one changes them all.

All the communities in the Southeast are clamoring for more service, Hayden said. If Goldbelt took over part of the state's business, service levels could drop through out the system to compensate.

On an annual basis, Lynn Canal ferries don't pay for themselves, he said, though they come close in the summer. "I think there's some other fun."

That corridor is helping maintain service somewhere else," he said. "We don't run any of the lines independently. We're going to manage the system on a regional basis."

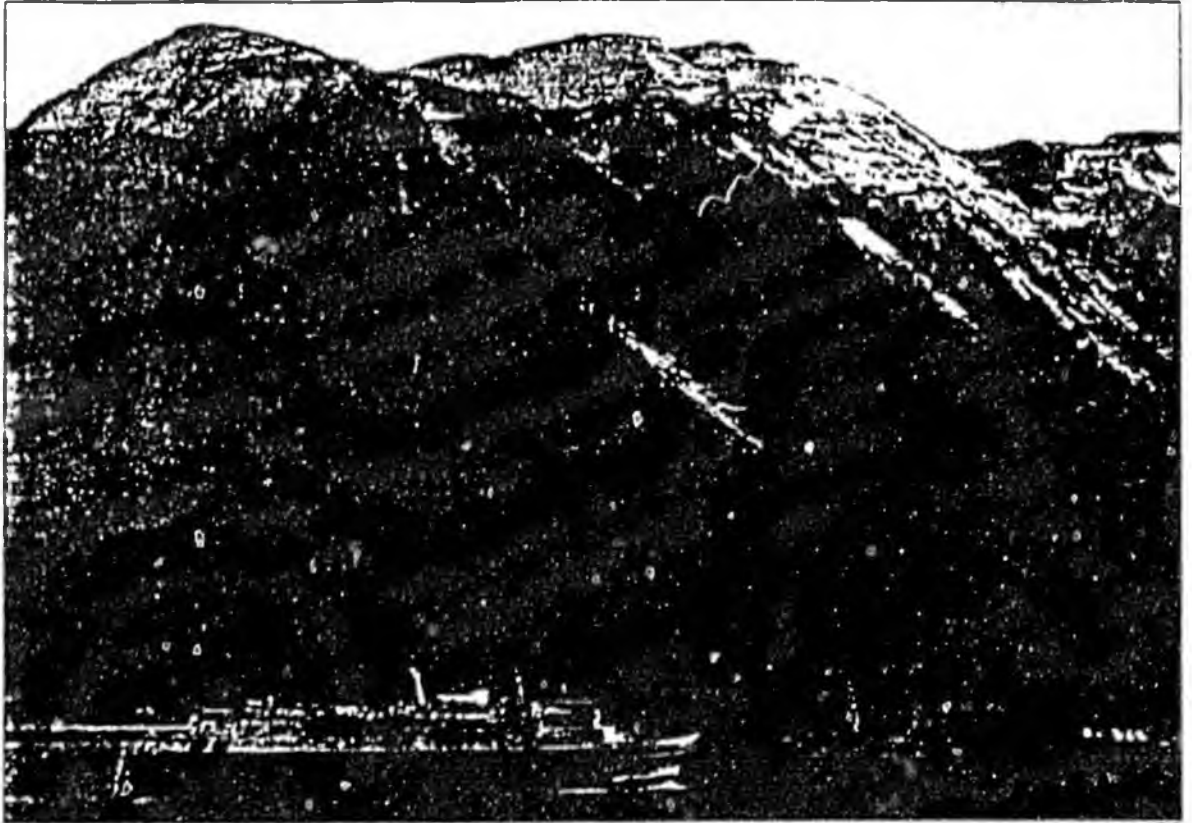
Alan, he said, the state would have to adjust its schedule to cover the less profitable winter traffic on Lynn Canal when Goldbelt's proposed ferry would stop.

The state ferry system's first loss at adding fast ferries to its fleet, Hayden said, came to the conclusion that it would cost too much. "It would be less comfortable and could wear out faster than operating boats."

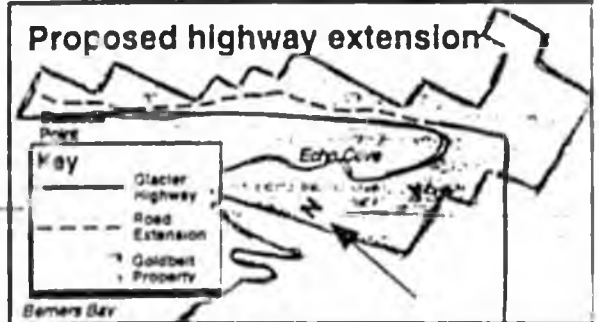
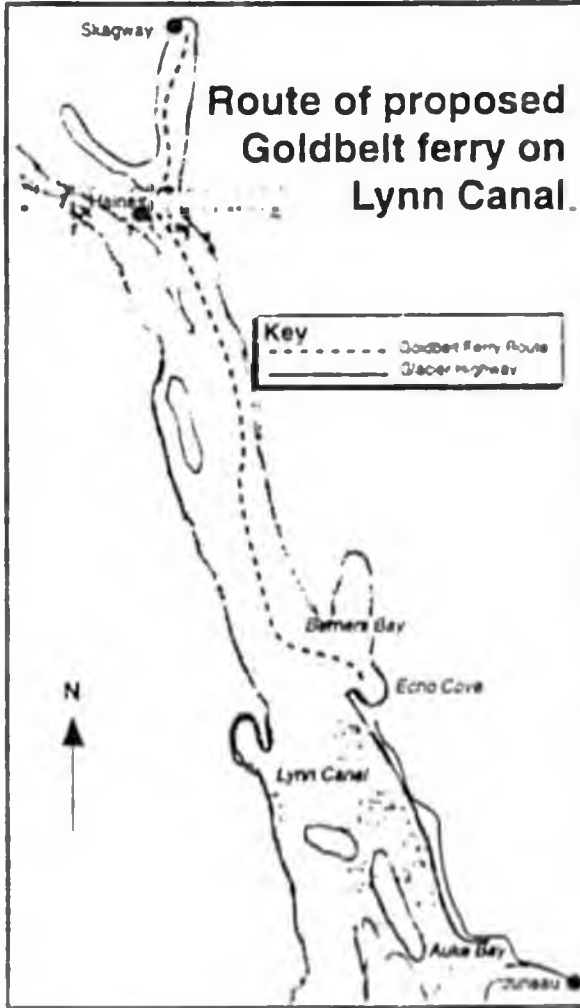
In the end, it comes down to how do people feel about access and are they willing to finance it," Hayden said.

State help would not be needed to construct a \$1 million to \$4 million terminal at Cascade Point, Beedie said, though Goldbelt could use some assistance.

The fast ferry, with a projected return of around 6 percent, is one



**Shoving off:** The Alaska State Ferry Malaspina pulls out of Auke Bay Wednesday. The ferry's trip to Haines will take at least four hours. Goldbelt spokesman Joe Beedie hopes a high-speed ferry planned by the Juneau Native urban corporation would get a passenger there in less than an hour and a half.



## Ferry one of many ideas for developing Echo Cove

**■ Cultural camp, housing, tour boat docks and shuttle boats are part of the vision**

By SVEND HCLST  
THE JUNEAU EXPRESS

A high-speed ferry is just one of the development ideas Goldbelt Inc. is planning for its land at Echo Cove.

The end of Juneau's northern road is where Goldbelt's plans begin. The draft master plan calls for a 3 1/2-mile dirt road extension to the Glacier Highway.

Once the road is in, development of the nearly 1,000-acre area would include a cultural camp on the southern side of Echo Cove, said Joe Beedie, president of Juneau's urban Native corporation.

As envisioned, the camp would be modeled after a traditional Tlingit village and would serve as a place for Native children to learn more about their history.

Plans for the northern coast of the cove, said Beedie, include a ramping area, housing for up to 100 people and a dock for tour boats, shuttle boats and the high-speed ferry. There would also be a facility where fishermen could offload fish and resupply.

The housing and shuttle boats planned for Echo Cove would be for miners at the Julian mine. Currently, Cedar Alaska Inc. has not made up its mind about opening the mine, which is across Berners Bay from the cove.

The bulk of the development would be at Cascade Point, near Echo Cove, Berners Bay and along the coast.

The total land to be developed, Beedie said, would cover less than 25 percent of Goldbelt's holdings in the area - about 80 acres.

Work on the road is already underway.

The U.S. Forest Service has been notified by Goldbelt that the studies needed to cut down trees in the right of way of the road have

started. The Forest Service will start asking for public input on the idea in about two weeks, according to Doug Stockdale, a Forest Service spokesman.

The right of way goes through both Goldbelt's land and within the boundaries of the Tongass National Forest.

Along with the sale of right-of-way trees, Goldbelt plans to selectively harvest "some trees from a 30- to 35-acre area out of sight of the future road to pay for the \$1.5 million improved logging road," Beedie said. The timber is expected to sell for between \$2 million and \$4 million, he said.

To add to its holdings at Echo Cove, and to make its property contiguous, Goldbelt signed a land exchange agreement with the Forest Service in December. The swap, which calls for Goldbelt to buy and then trade private land within the Tongass, would add 253 acres to the corporation's lands at Echo Cove.

Goldbelt is counting on the state to add onto the northern road over time, he said. The reason more traffic coming through Goldbelt's property would add value to the development, Beedie said.

The elements of the proposed development - transportation, housing, tourism and fisheries - are meant to bring in enough money to meet Goldbelt's investment policy.

The corporation's board wants a 10 percent return on investments, Beedie said. He said he thinks the planned developments will make the desired return by itself.

"Not everyone is happy to hear about Goldbelt's ideas for Echo Cove, including Diane Owen, a spokesman for the Juneau group Friends of Berners Bay."

"Basically, we're not happy with development there," he said. "If Echo Cove gets a road, a ferry, housing and an influx of tourists, the recreation value the bay and the ecology of the whole area will suffer," he said.

Please turn to Ferry, Page D4

of four legs" supporting Goldbelt's plan to develop some of its approximately 1,000 acres of land at Echo Cove.

Other than speed, another edge Goldbelt's ferry would have over state ferries would be that cars could be driven off and on without reservations or the wait.

Because the state ferries run along routes with several stops, Hayden said the system needs to use reservations and have cars arrive two hours early during the summer and an hour before the boat leaves in the winter.

State ferries offer a service in the summer that Goldbelt would not replace.

Goldbelt's high-speed catamaran wouldn't carry cargo containers.

The eight boat ferry system carried more than 10 million pounds of food, household items, and other cargo in 1995, Hayden said.

One of the basic principles of the Alaska Marine Highway System is to provide the same kind of

access a road would - for cars and trucks. Hayden said making room for cargo is obligatory since truckers pay gas taxes, and that money is used to support the ferry system.

State Rep. Kim Elliot, D-Juneau, said a lot of factors are in motion right now that could have an impact on Goldbelt's plan.

A big consideration, he said, will be the effects replacing some state service with Goldbelt's ferry would have on the state system.

A good idea of what the possible impact will be may be seen if an attempt to replace a stretch of the Alaska Marine Highway system by a group of public agencies in and around Prince of Wales Island succeeds.

Critics in the area asked the Legislature last week to help them implement a plan that would set up a port authority - separate from the state - to provide day-service ferries to Ina Ketchikan, Hella, Coffman Cove, Wrangell and Petersburg.

Please turn to Ferry, Page D4

# Ferry . . .

Continued from D1

burg.

Chairman of the Senate Transportation Committee, Sen. Steve Rieger, R-Anchorage, said he likes the idea of making the ferries more of a link between roads rather than transporting cars over a long distance. Privatization sounds interesting too, he said.

"If the private sector can do something, than that's something we should look at," he said.

In the other legislative chamber, Rep. Gary Davis, R-Kenai and chairman of the House Transportation Committee, is looking to the south to see what happens with the Prince of Wales authority.

They way they've worked it out, the new service, about two years away, would pay for itself and offer a more consistent service with more runs than that provided now by the state, according to Dennis Watson, the mayor of Craig.

The new service, Watson said, would cost about a third of what it costs the state to serve the area now.

Watson said the planned ferry system would be cheaper than the state's operation for several reasons. The main one, he said, is that day boats are a different class of vessel than the Aurora - the 250-passenger ferry the state now uses to service the area. Because they are day boats, the Prince of Wales ferries would not have quarters for the crew, and the crew would not operate under the same union contract state workers do.

The system would use two 195-foot ships at a cost of about \$9 million each, Watson said. They would seat about 150 people and 30 vehicles.

Watson and Beedle said the state's contract with the unions representing ferry crews is one of the reasons the state has to subsidize the ferry system to the level it does. Under both of their plans, ferries would only run during the day and would carry less crew because they would only operate during the day.

About 40 percent of the ferry

system's \$70 million budget comes from the state's general fund. Revenues, from fares, covers the rest.

Bob Provost, regional director of the Inlandboatmen's Union of the Pacific, said he's met with Goldbelt to discuss the idea of a high-speed ferry. His union represents between 500 and 600 unlicensed engineers, waiters and stewards depending on the season. He has no objections to having a different contract with Goldbelt.

He said the union's current contract with the state is fair given the requirements of the job. Ferry workers, he said, are paid well, but for good reason.

"You're taking these people away from their families and homes for, sometimes, two weeks at a time," he said.

There's another private ferry already running Lynn Canal.

Last summer was a bit of a disappointment for Bruce Gilbert, owner of Silver Eagle Transportation Inc. He ran a private, 65-foot ferry from Haines to Echo Cove that carried up to eight cars and 30 passengers at under 20 knots.

"It wasn't a very profitable operation, but when you're just starting out sometimes it costs more than you think," he said. "I was hoping to help out locals but it's mostly tourists."

But competition using a more northern port will work when you have "30,000 land-locked people" separated by the rest of Alaska by a boat ride.

In other countries, such as Australia, Norway and Japan, fast ferries comprise the hulk of ferry fleets. Alaska, he said, is way be-

hind.

George Davidson, a civil engineer, had Hayden's job five years ago under the administration of Gov. Steve Cowper.

After work sometimes, he used to juggle the ferry system's service levels with costs and revenues for fun. Once he tried to figure out where the ferry system could be privatized. He found three places.

One of the routes was in the Southcentral Alaska. One was the Prince of Wales area. One was between Juneau, Haines and Skagway in Lynn Canal.

He said Goldbelt's fast ferry has the advantages of more frequent trips, but people will have to drive farther to get to the ferry, and when they get there there may not be any room left, Davidson said.

If Goldbelt and the Alaska Marine Highway System can co-exist, Juneau and the rest of Southeast will be all the merrier, he said.

"I don't see the two going head-to-head as a negative," Davidson said. "It could well be that one could supplement the other."

---

---

# Goldbelt . . .

Continued from D1

Some Goldbelt shareholders are also opposed to the plan, but it is uncertain how many. Concerns about the development were raised at meetings held by the corporation, but there does not seem to be an active, organized group of shareholders opposing the Echo Cove plan.

# *Lynn Canal Ferry Project*

*Improving Juneau's  
Access*

*Complementing  
the  
Alaska Marine Highway*



[MARCH 14] 1996

**Goldbelt, Incorporated**  
**Juneau's Urban Native Corporation**  
**Legislative Transportation Committee**  
*March 14, 1996*

---

**Lynn Canal Ferry Service**  
**"Increased Service Through Private**  
**Sector Participation"**  
*Robert Martin*

---

**Goldbelt's Focus/Vision**

- ◆ Tlingit Culture (Tlingit = Tides People)
- ◆ Transportation/Tourism Investments
- ◆ Commitment to Vertical Integration
- ◆ Marketing
  - Travel Agencies, Economy of Scale
- ◆ Anchor Attractions
  - Glacier Bay, Tram, Tour/Ferry Boats
- ◆ Dedicated Capital (\$50 million)
- ◆ 33,000 Acres Land, 2,800 Shareholders

---

**AMHS History**

- Original Mission "*Basic Transportation Services*"
- Alternative to Land Highways "*Hardlink*"
- 24 hr. Ops., "*Slow, Safe, Sure*"
- 4 Orig. Projection B/E, Self Supporting
- Year Round Passenger & Vehicle Service
- Floating Hotel for Employees/Necessity
- State Operating Subsidy: 40% (\$30 million)
- Capital Funds Subsidy: State \$4M, Fed \$10M
- Limited Funds: State and Federal (FTWA)

## AMHS Issues

- ◆ **Increasing Demand**
  - *No increased capacity since 1977 w/Aurora*
- ◆ **Aging Fleet**
- ◆ **Rising Operating Costs**
  - *Vessel type/reliability*
- ◆ **Declining State Revenues**
- ◆ **Inherent Inefficiency due to "Public Nature"**
  - *Political pressure/service/ no profit motive*
- ◆ **Increasing Regulatory Requirements**
  - *USCG, SOLAS, EPA*

---

---

---

---

---

---

---

---

## Echo Cove Terminal

- ◆ **Road Extension by Goldbelt**
- ◆ **Dock/Terminal by Goldbelt**
- ◆ **Roll-on-Roll-off, Fast Turn**
- ◆ **Private or Collaborative Reservations**
- ◆ **Private Terminal Operations**
- ◆ **Maintenance by Goldbelt**

---

---

---

---

---

---

---

---

## Lynn Canal Ferry Solution

- ◆ **Echo Cove:**
  - *Shortens route (Saves 30 miles each direction)*
  - *Increases capacity (More frequency)*
  - *Allows day boat use, two full runs in daylight*
- ◆ **Fast Ferries:**
  - *Cost efficient, 50% more cap. cost = 100% more capacity*
  - *Day services, Greater frequency, Elim. 24 hr. labor*
  - *Attractive to rider, roll-on-roll-off efficiency loading*
- ◆ **Private Sector:**
  - *Eliminates operational subsidy and capital subsidy by State*
  - *Builds in flexibility and increases level of service*

---

---

---

---

---

---

---

---

## Lynn Canal Ferry Solution (Continued)

---

- ◆ **Lynn Canal:**
  - Current bottleneck, demand exceeds supply
  - Increased through put to other destinations
  - Increased service level in Lynn Canal
  - Increases the load factor for AMHS elsewhere
- ◆ **Other AMHS Vessels:**
  - Re-deploy vessels to other areas of high demand

---

---

---

---

---

---

---

---

## State Ferry Studies Show

---

- ◆ **Load growth most important factor affecting AMHS financials**
- ◆ **Lynn Canal:**
  - Provides over 40% of system traffic
  - Has high unaccommodated demand
  - If service levels improved, could increase traffic demand by 100%
- ◆ **Conventional hulls operating out of Echo Cove as day boats could make two round trips per day**

---

---

---

---

---

---

---

---

## Ferry Studies Show: (Continued)

---

- ◆ **Fast ferry day boats: Can make two trips per day to both Skagway and Haines during peak**
- ◆ **Existing fleet Requires extensive capital improvements**
- ◆ **Private participation: Can supplement existing State service and be profitable**

---

---

---

---

---

---

---

---

## Ferry/Lynn Canal Economics

- ◆ Public service originally necessary because of market failures. Socio-economic growth was stimulated by Public Ferry Service. Current demand exceeds capacity, private sector can assist in providing the service.
- ◆ Public private partnerships have worked elsewhere, increased service has resulted
- ◆ Growth in Lynn Canal capacity will feed more traffic into system, increasing load factors.
- ◆ Socio-economic growth will be stimulated

---

---

---

---

---

---

---

---

## Partners/International Experience

- ◆ Goldbelt will utilize established international talent and apply "best industry practices"
- ◆ Example: *Ian Biner, Dev. Mgr., Holyman Ltd, Sydney Australia ( Operates in Australia, England, Denmark,...)*
- ◆ Observations: *Al. is not an isolated case!*
- ◆ The Alaska situation is similar to others
- ◆ Others solutions

---

---

---

---

---

---

---

---

## AMHS Ferry Solutions

- ◆ Incremental participation, private sector
- ◆ Cooperative planning/participation
  - Revenue sharing
  - Resource sharing
  - Flexible deployment
- ◆ Other solutions

---

---

---

---

---

---

---

---

## Goldbelt Summary

- ◆ Capacity needs to increase in Lynn Canal
- ◆ Incr. capacity = positive impacts system wide
- ◆ Priv. sector partic. is cost effective alternative
- ◆ "Best Industry Practices" must be utilized
- ◆ Learn from similar transitions
- ◆ Give us an indication of your support:
  - Administration
  - Legislature

---

---

---

---

---

---

---

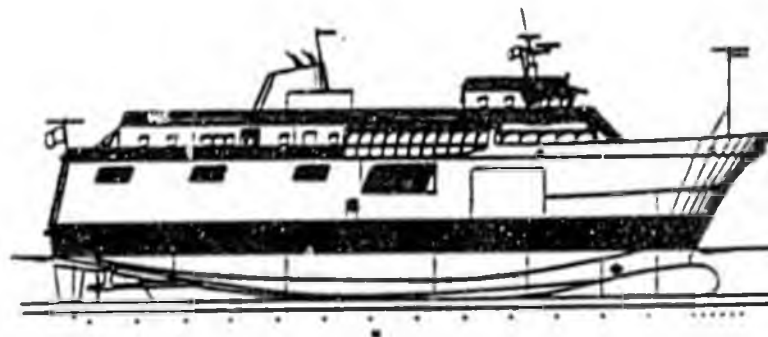
---

# Summary of Description and Project Analysis

Reconnaissance Design of  
Passenger/Vehicle Ferry Vessels and Terminals

## PRINCE OF WALES ISLAND FERRY PROJECT

Project No. 75472



Volume 1 of 3

Prepared for:

**The City of Craig, Alaska**

By

**Kent Miller, Project Manager  
Ketchikan, Alaska**

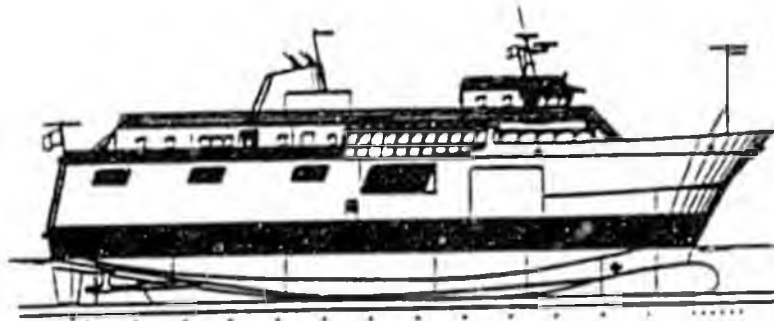
February 1996

# Summary of Description and Project Analysis

Reconnaissance Design of  
Passenger/Vehicle Ferry Vessels and Terminals

## PRINCE OF WALES ISLAND FERRY PROJECT

Project No. 75472



Volume 1 of 3

Prepared for

**The City of Craig, Alaska**

By

**Kent Miller, Project Manager  
Ketchikan, Alaska**

February 1996

## INTRODUCTION

Reconnaissance design of vessels for the Prince of Wales Island Ferry Project has been prepared by Elliott Bay Design Group, naval architects and marine engineers, of Seattle, Washington. Reconnaissance design of terminals has been prepared by Peratrovich, Nottingham and Drage, consulting engineers of Juneau, Alaska.

This work was done for the City of Craig, Alaska with funding by the U.S. Department of Transportation, Federal Highway Administration and the State of Alaska, Department of Transportation and Public Facilities, under Project No. 75472.

Reconnaissance design was prepared pursuant to the conclusions and recommendations of the *Project Plan: Kasaan Bay and Whale Pass Ferries*<sup>4</sup>, prepared for the City of Craig in 1994.

In the course of the project, the consultants and representatives of the City of Craig met with citizens and community groups in Ketchikan, Craig, Klawock, Hollis, Thorne Bay, Coffman Cove, Wrangell and Petersburg, including the City Councils of Craig, Thorne Bay and Wrangell, the Prince of Wales Community Advisory Council (POWCAC), and the Ketchikan, Prince of Wales and Wrangell Chambers of Commerce, as well as the Southeast Conference at its annual meeting in Whitehorse, Y.T.

The project was carried out under the oversight of Dennis Watson, Mayor of the City of Craig, and Tom Briggs, Craig City Administrator. The project was managed for the City by Kent Miller. Harold E. Moeser, Statewide Harbors Engineer, coordinated the project for the Alaska Department of Transportation and Public Facilities.

---

<sup>4</sup> City of Craig, Alaska, *Project Plan: Kasaan Bay and Whale Pass Ferries*, prepared by C. L. Cheshire, DePue & Associates, Kent Miller and James A. VanAltvorst, August 1994.

## SUMMARY AND CONCLUSIONS

Alaska Marine Highway service was established between Ketchikan and the Prince of Wales Island port of Hollis in 1974. Traffic grew very rapidly through 1984, as service expanded and the Island's road system developed. From 1985 through 1995 average growth of traffic continued at approximately 6.8% annually; however, peak traffic was reached in 1992.

Since 1992, traffic growth has been constrained by the Marine Highway's inability to provide adequate service on a regular and convenient year-around schedule. At the same time, the need for improved ferry service to help diversify the Island's economy and improve residents' lifestyles has become a primary concern of Prince of Wales communities. With improved ferry service, historical growth of traffic is believed capable of resuming, substantially increasing ferry use by both area residents and tourists.

The *Project Plan: Kasaan Bay and Whale Pass Ferries*<sup>2</sup>, prepared for the City of Craig in 1994 recommended two new ferry services: the first - the Kasaan Bay ferry - would replace the current Marine Highway service as the primary year-around link between Prince of Wales and Ketchikan providing an adequate level of essential service on that route. The second - the Whale Pass ferry - would provide a new seasonal connection of Prince of Wales highways to Wrangell and the Mitkof Highway (to Petersburg). Together, the two ferries would develop Prince of Wales as an integral part of Southeast Alaska's north-south transportation corridor. The Prince of Wales terminus of the Whale Pass ferry has been revised to Coffman Cove, based on investigations for the present Reconnaissance Design

The recommended ferries would be identical 196 foot shelter deck vessels, with capacity of 149 passengers and 28 vehicles. The Kasaan Bay ferry would offer twice daily service, 365 days a year between the existing Clark Bay Marine Highway terminal, near Hollis, to a new terminal adjacent to the existing Alaska Marine Highway Terminal in Ketchikan. Between mid-July and the end of August this ferry would make one additional trip each week. For three weeks in April, this vessel would be dry-docked. Limited passenger-only service to Kasaan could be added to this ferry's year around route. In 2002, the initial service level indicated for this ferry

---

<sup>2</sup> City of Craig, *Ibid.*

must be increased to accommodate peak month (August) traffic at a monthly vehicle deck load factor less than 95%.

The Coffman Cove ferry would offer one daily trip, six days a week, from May through September, between a new terminal at Coffman Cove, a second new terminal at Mitkof Highway Mile 24 (Blind Slough), and the existing Wrangle City barge ramp. For twenty-one days a year, probably in the spring, this vessel would replace the Kasaan Bay ferry; during the winter it would be dry-docked and would lay up at Clark Bay. In 2005, the initial service level indicated for this ferry must be increased to accommodate peak month (August) traffic at a monthly vehicle deck load factor less than 95%.

The two recommended ferries would be constructed as "large passenger vessels" under U.S. Coast Guard Subchapter "T", as applied to vessels less than 200 foot length, carrying fewer than 150 passengers.

The capital investment required to develop the recommended ferry system is estimated at \$29.2 million, including \$19.2 million for construction of vessels, and \$10 million for construction of three new terminals, improving the Clark Bay terminal, and other capital requirements. Of this sum the Kasaan Bay ferry would require an investment of \$12.9 million, with \$16.2 million for the Coffman Cove ferry.

Sources of capital funds are expected to include a \$4.3 million municipal bond issue, representing a one-third local matching share of funds necessary for the Kasaan Bay Ferry, with a total of \$24.9 million provided by the Federal Highway Administration and State of Alaska.

The Kasaan Bay ferry is recommended for startup in spring 1998, with the Coffman Cove ferry to follow in spring 1999.

A summary of capital investment and operating results of the recommended ferry system for 1999, its recommended first full year of operations, are estimated as follows:

	<u>Kasaan Bay Ferry</u>	<u>Coffman Cove Ferry</u>	<u>Total</u>
Capital Investment	\$12,900,000	\$16,200,000	\$29,200,000
Number of trips per year	740	122	-
Traffic:			
Passengers	82,200	19,300	-
Vehicles	25,100	5,600	-
Annual Revenues	\$3,138,500	\$846,700	\$3,985,200
Annual Costs	<u>2,787,100</u>	<u>822,500</u>	<u>3,609,600</u>
Income Available for Debt Service	351,400	24,200	375,600
Debt Service:			
Interest	258,400	-	258,400
Debt Repayment	<u>56,900</u>	-	<u>56,900</u>
Total	315,300	-	315,300
Net Income	\$ 36,100	\$ 24,200	\$ 60,300

The Kasaan Bay ferry is expected from the outset to pay its operating costs and debt service from earned revenues, using 1996 summer Alaska Marine Highway fares. In its first year the Coffman Cove ferry would cover its operating costs. This ferry's revenues are not estimated at a level that would contribute to debt service, although by 2000 its earnings could be sufficient to improve the system's debt service coverage. The two ferries together would function as a single system, and a substantial percentage of total traffic would use both vessels.

The recommended two ferries would provide year-around employment for 16 deck and engine crew members and seven shoreside personnel, with additional summer employment for five people. These employees' annual wages and salaries would total \$1.3 million. Food and beverage and other retail sales services aboard the vessels are recommended to be operated by a concessionaire. This department would provide additional full-time employment for approximately 10 full-time people and summer employment for three or four part-time people, with annual wages of approximately \$256,000.

It is recommended that crews' residences be on Prince of Wales Island. The Kasaan Bay ferry would provide year-round employment for three crews in the Craig - Klawock - Hydaburg - Hollis area. The Coffman Cove ferry would initially provide about two-thirds of a full year's work for one crew during its five month season; the

remainder of the annual workload for this fourth crew would be on relief of Kasaan Bay ferry crews.

It is reasonable to project that one crew could live in the Coffman Cove area; however, some rotation of crew members between the Clark Bay and Coffman Cove terminals is to be expected, providing for scheduled relief of the Kasaan Bay ferry for maintenance and also to furnish emergency replacements.

The previous Project Plan and the present Reconnaissance Design have developed these two ferries as a single project. It is now recognized that the Kasaan Bay Ferry is an inherently smaller, simpler project than the Coffman Cove Ferry. Its development schedule, on an independent track would be less than two years, contingent primarily on funding; its terminal improvements could be deferred. The Coffman Cove Ferry would require environmental assessments for the new highway-ferry route and its two new terminals. This process would require at least one year; regulatory permitting for the terminals could require an additional year and could involve indefinite delays. Therefore, the alternative of independently scheduling the two ferries' development has been considered. In this alternative, the Kasaan Bay Ferry would initially operate as a single vessel system. A summary of capital investment and operating results for this alternative is as follows, again 1999 is the proforma year.

	Kasaan Bay Ferry Only: <u>Existing Terminals</u> <sup>a</sup>
Capital Investment	\$10,663,000
Number of Trips per Year	708
Traffic:	
Passengers	78,400
Vehicles	23,900
Annual Revenues	2,991,100
Annual Costs	<u>2,645,700</u>
Income Available for Debt Service	345,400
Debt Service:	
Interest	212,600
Debt Repayment	<u>46,900</u>
Total	\$ 259,500
Net Income	\$ 85,900

<sup>a</sup> Includes minor improvements of Clark Bay terminal.

These projected operating results indicate the Kasaan Bay Ferry should be capable of functioning alone as a self-supporting independent ferry system. Therefore its expedited development should be considered a practical alternative. Of course, the single-vessel system lacks the redundancy provided by the two-vessel system. It would be more susceptible to unplanned service interruptions, although these could be minimized by a high-quality maintenance and repair program. Every two years the single-vessel system would experience a two-week shutdown for vessel dry docking required to maintain its operating certificate.

The Kasaan Bay Ferry alone would provide year-around employment for 12 deck and engine crew members and seven shoreside personnel, with additional summer employment for two people. These employees' wages and salaries would total \$1.1 million. Again, food and beverage services are recommended to be operated by a concessionaire. Crew residences would be in the Craig-Klawock-Hydaburg-Hollis area.

In the Ketchikan area five potential terminal sites were identified, and a site adjacent to the existing Alaska Marine Highway Terminal was selected. The alternative sites are on the North Tongass Highway at Peninsula Point, and near Knudson Cove. The North Tongass sites minimize steaming time and expense; however the Marine Highway terminal site was selected because of user preference and lower initial development cost.

Terminal sites also have been identified at Coffman Cove and at Blind Slough, near Mile 24 of the Mitkof Highway. These sites are on land owned by the State of Alaska. It is recommended that the ferry system establish its home port at the existing Clark Bay Marine Highway Terminal. At Wrangell, use of the City barge ramp is recommended.

At Clark Bay and Coffman Cove it is recommended that fuel be supplied from the Craig/Klawock area. At Ketchikan and Wrangell weekly it is recommended that the vessel load potable water and discharge solid waste during its normal port calls, these utility services would be provided by the cities of Ketchikan and Wrangell. No support services would be provided at Blind Slough. The vessel would be equipped with a marine sanitation device to process wastewater for discharge underway.

It is recommended that both ferries be developed by a single municipal operating authority, organized under the Municipal Port Authority Act (AS 29.35.600-29.35.73). This authority may be created by one or more municipalities located in the service area; other municipalities may also be included. This authority would be a self-supporting enterprise of the sponsoring municipalities. It would create no general obligation of their revenues or tax base, and would have no taxing powers of its own. It would have very limited governmental powers and extraterritorial operating authority.

Procedures for establishing this authority are recommended in the *Project Plan: Kasaan Bay and Whale Pass Ferries*, adopted by the City of Craig, in 1994.

# Summary of Final Report

Reconnaissance Design of  
Passenger/Vehicle Ferry Vessels

## PRINCE OF WALES ISLAND FERRY PROJECT

Project No. 75472



Volume 2 of 3

Prepared for:

**The City of Craig, Alaska**

Prepared By:

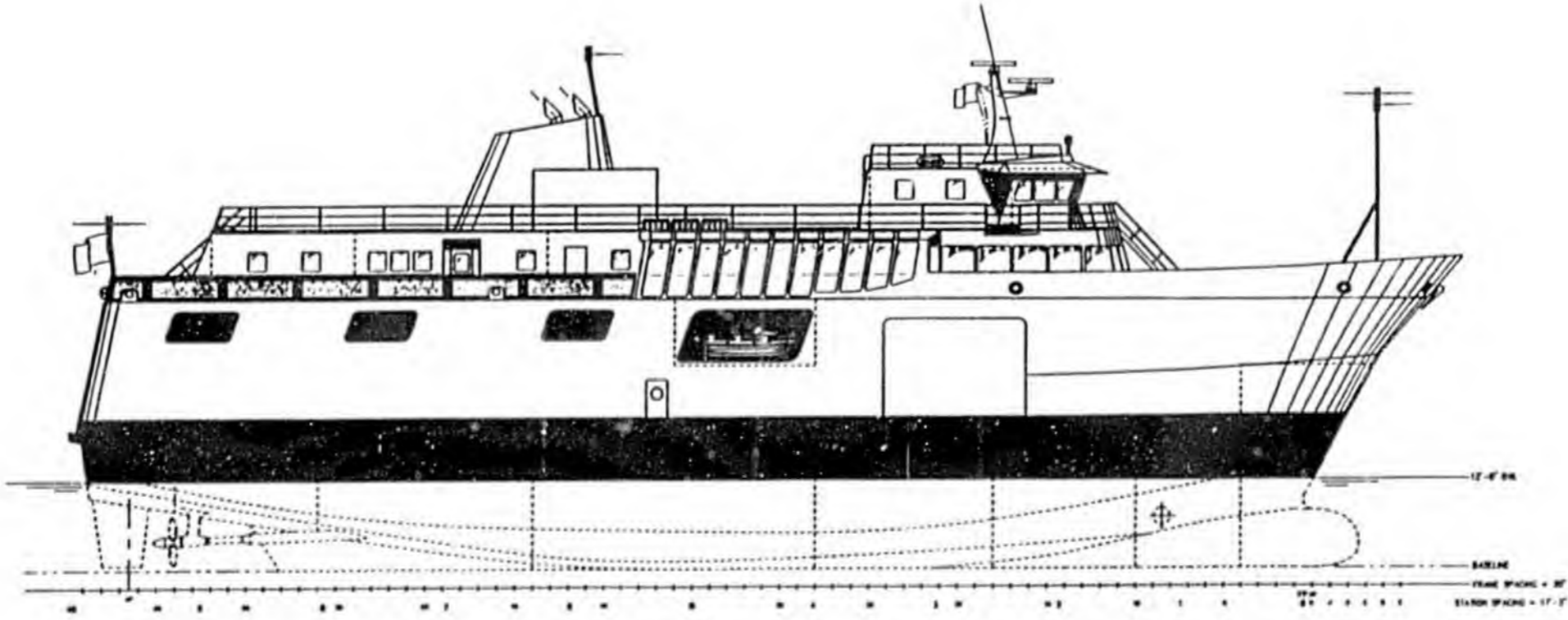
**ELLIOTT BAY DESIGN GROUP, LTD.**

Seattle, Washington

January 1996

THIS DRAWING IS PROPRIETARY TO  
**ELLIOTT BAY DESIGN GROUP, LTD.**  
 ALL RIGHTS RESERVED. NO PART OF THIS DRAWING  
 OR INFORMATION CONTAINED HEREIN IS TO BE REPRODUCED  
 OR TRANSMITTED IN ANY FORM OR BY ANY MEANS  
 WITHOUT THE WRITTEN CONSENT OF ELLIOTT BAY DESIGN GROUP.  
 © 1992 ELLIOTT BAY DESIGN GROUP

REVISIONS			
REV	DATE	DESCRIPTION	BY



OUTBOARD PROFILE

**PARTICULARS**

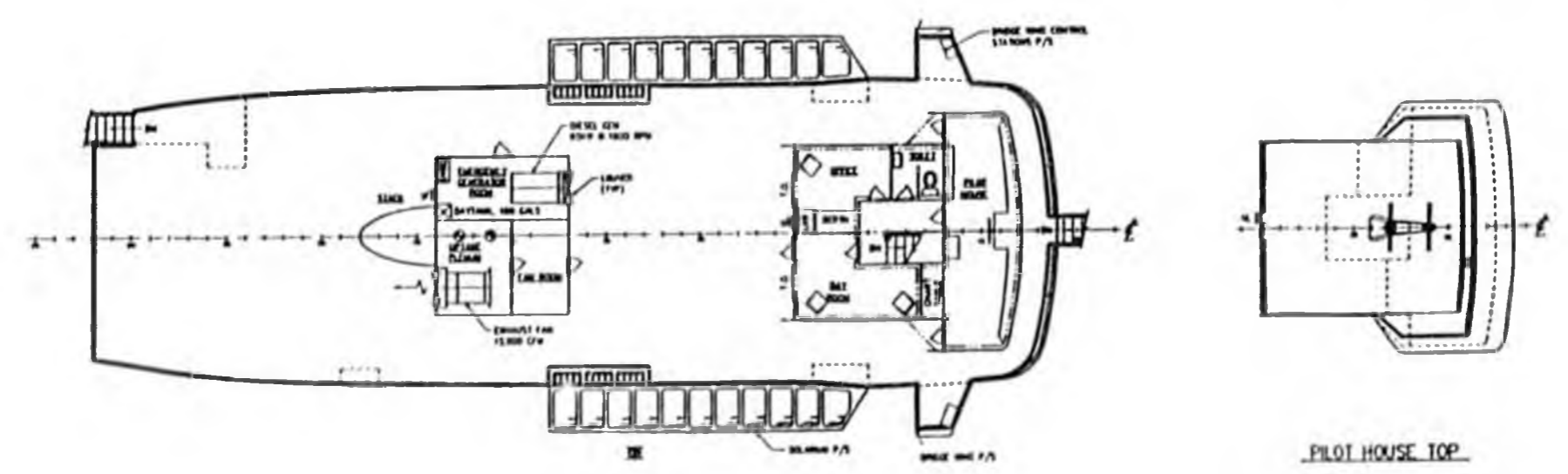
LENGTH OVER ALL	100'-0"
LENGTH BETWEEN PERPENDICULARS	177'-7"
BEAM AT BOW	33'-0"
BEAM AT MIDSHIP	33'-0"
BEAM AT STERN	33'-0"
DRAUGHT AT BOW	11'-0"
DRAUGHT AT MIDSHIP	11'-0"
DRAUGHT AT STERN	11'-0"
DISPLACEMENT	2000 TONS
WATERLINE COEFFICIENT	0.70
BLOCK COEFFICIENT	0.50



<b>ELLIOTT BAY DESIGN GROUP, LTD.</b>	
CITY OF CRAIG, ALASKA	
PRINCE OF WALES ISLAND TOWNSHIP	
OUTBOARD PROFILE	
PROJECT NO.	95073-3-1042
DATE	

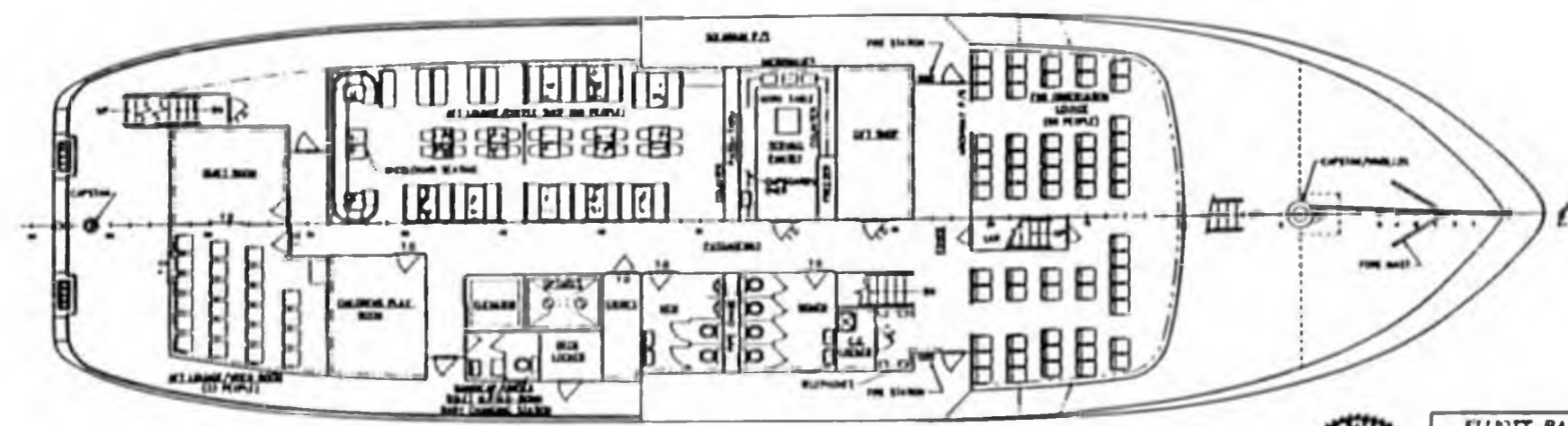
6 5 4 3 2 1

REVISIONS	
NO.	DESCRIPTION



BRIDGE DECK

PILOT HOUSE TOP



PASSENGER DECK



ELIOTT BAY DESIGN GROUP, LTD.	
CITY OF CRAIG, ALASKA	
PRINCE OF WALES ISLAND STONES	
PASSENGER & BRIDGE DECK ARRANGEMENT	
D	95073-3-1044

6 5 4 3 2 1

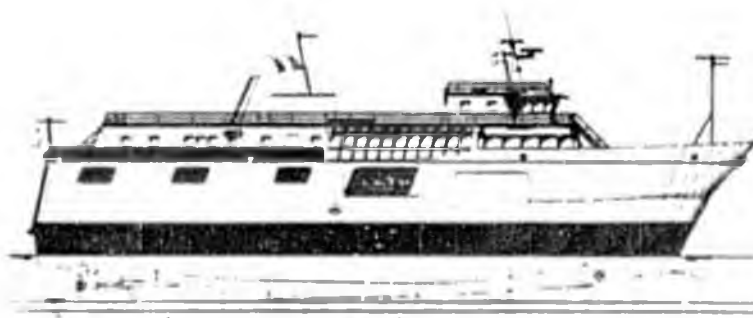


Summary of  
**Final Report**

Reconnaissance Design of  
Passenger/Vehicle Ferry Terminals

**PRINCE OF WALES ISLAND FERRY PROJECT**

Project No. 75472



Volume 3 of 3

Prepared for:

**The City of Craig, Alaska**

Prepared By:

**Peratrovich, Nottingham & Drage, Inc.  
Engineering Consultants  
Juneau, Alaska**

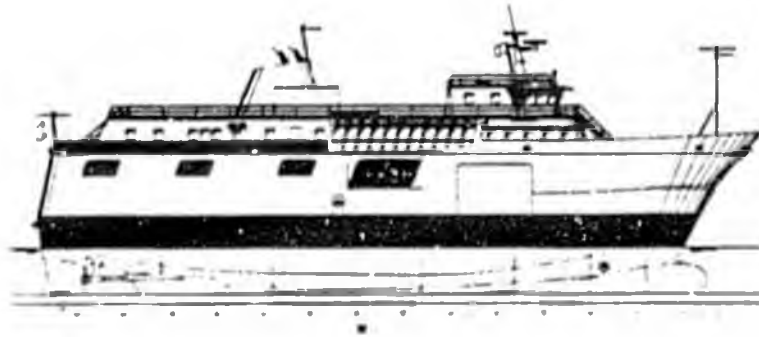
January 1996

# Summary of Final Report

Reconnaissance Design of  
Passenger/Vehicle Ferry Terminals

## PRINCE OF WALES ISLAND FERRY PROJECT

Project No. 75472



Volume 3 of 3

Prepared for:

**The City of Craig, Alaska**

Prepared By:

**Peratrovich, Nottingham & Drage, Inc.  
Engineering Consultants  
Juneau, Alaska**

January 1996

# Prince of Wales Island Ferry Project

## Reconnaissance Design of Passenger/Vehicle Ferry Terminals

January 1996

### Introduction

Prince of Wales Island has been recently recognized as one of Alaska's fastest growing communities, but the island's economy is handicapped by inadequate ferry service. In order to address that deficiency, the City of Craig undertook and completed a feasibility study titled Project Plan Kasaan and Whale Pass Ferries. Funding for the feasibility study was provided by the U.S. Federal Highway Administration "Partnership for Transportation Investment" and by the State of Alaska. The feasibility study, which was prepared by C. L. Cheshire, DePue and Associates, Kent Miller and James A. VanAltvorst was completed during August 1994. The study recommended that two new ferry routes providing service to Prince of Wales Island be owned and operated by a local authority. One of the routes would replace the existing Alaska Marine Highways service between Ketchikan and Hollis, and the other would provide first time service between northeastern Prince of Wales Island, Wrangell and Blind Slough south of Petersburg.

In August of 1995, the City of Craig requested proposals to provide a reconnaissance level report for new ferry vessels and new or modified ferry terminals at Kasaan Bay, Coffman Cove or Exchange Cove, Ketchikan, Wrangell and Mitkof Island. On September 15, the City of Craig selected the Elliot Bay Design Group for the vessel concept designs and Peratrovich, Nottingham and Drage (PN&D) for the terminal reconnaissance. PN&D signed a professional services agreement with the City of Craig on September 29, 1995.

The new ferries, as conceived by the Elliot Bay Design Group will be 192 feet in length, 53 feet in width and will draft 12 feet. The vessels are designed to carry 28 cars and 149 passengers. The vessel will have a stern port and a starboard side door located approximately 65 feet aft of the bow. The car deck will be approximately 7 feet above the waterline. Ideal loading/unloading conditions will occur when stern and side loading are alternated.

The following criteria were developed as minimum requirements for terminal sites

1. Access to sheltered water with depths of at least minus 20 feet MLLW and minus 25 feet MLLW desired.
2. Clear and safe seaward approaches with adequate turning basin.

# Prince of Wales Island Ferry Project

## Reconnaissance Design of Passenger/Vehicle Ferry Terminals

3. Ability to develop practical access to road systems.
4. Ability to develop adequate uplands.
5. Compatible adjacent property uses.

### Ketchikan Terminal

A total of 5 locations were considered for the Ketchikan terminal. Alternatives examined include a site adjacent to the south side of the existing Ketchikan Ferry Terminal, Peninsula Point (Mile 5.0 of Tongass Highway), Refuge Cove (Mile 8.6), north of Totem Bight (Mile 10.2), and near Knudson Cove (Mile 15.6). In addition the use of the existing Ketchikan Ferry Terminal, North Berth was considered.

A preliminary site visit evaluation eliminated the three alternatives furthest from Ketchikan, those sites being: Refuge Cove, Totem Bight and Knudson Cove. None of the three had adequate uplands without very expensive filling in submerged areas. All of the sites had grade problems associated with accessing Tongass Highway. Park service personnel were concerned that the Totem Bight site would interfere with the view plane from the monument. During public meetings on Prince of Wales Island these sites were identified as being undesirable due to their distance from downtown Ketchikan.

Peninsula Point, while superior to the sites further out-the-road, is also obviously very expensive to develop. A limited uplands area would require extensive filling of submerged tidelands. Exposed bedrock would present difficulties with pile driving. Access to the site is through an existing seaplane facility. As ferry vehicular traffic would be incompatible with seaplane movements, an alternate access would need to be developed via a new causeway over submerged tidelands to a location adjacent to the existing ADOT/PF Maintenance facility. This alternative was determined to be obviously much more expensive than the location adjacent to the existing ferry terminal.

The property immediately south of and adjacent to the Ketchikan Ferry Terminal is owned by the State of Alaska. The existing uplands has roughly 350 feet of frontage along Tongass Avenue and is 100 feet wide. It is located between Boyer Towing and the Alaska Marine Highways Ferry Terminal. The existing uplands are roughly the same elevation as Tongass Avenue.

An exit road from the AMH ferry terminal roughly bisects the property, and the area to the north of the exit road is currently being utilized for long term parking. The sight

## Prince of Wales Island Ferry Project

### Reconnaissance Design of Passenger/Vehicle Ferry Terminals

distance to the south along Tongass Avenue is limited by a crest vertical curve, but the sight distance is adequate at the existing exit. While site distance is adequate at the existing exit, an access point near the south boundry of the property would have not have adequate site distance

The property has direct access to the waters of Tongass Narrows via a basin that has been recently dredged to a minimum depth of minus 25 feet MLLW by ADOT/PF. The Alaska Marine Highways ferry terminal southerly dolphins lie outside and infringe approximately 100 feet in front of the north end of the basin. Predominant winds are aligned with Tongass Narrows in a northwest/southeast direction. The site is protected from severe wave action.

Water, sewer, telephone and electricity utilities are available at the site.

This site was recommended by Alaska Marine Highways for use as a terminal site for the Prince of Wales ferry system.

The proposed ferry slip consists of a line of three breasting dolphins and a mooring dolphin located on the north side of the basin, with two stern breasting dolphins towards shore. The line of dolphins is located to miss the AMH southerly dolphin. The POW ferry ve would back into the basin, against the stern dolphins, for loading/unloading through the stern door. Stern loading in Ketchikan will work well in combination with the existing side loading facility in Hollis. Vehicle and pedestrian transfer will occur via a 16 feet wide by 140 feet long transfer bridge. The transfer bridge will be supported on its seaward end by a float similar to the one at the existing Hollis facility.

Predominant southeast winds in Tongass Narrows will be close to right angles to the berthing alignment, which may cause difficulty docking during storms. Side loading, parallel with the wind, is not practical at this site.

Additional fill over submerged tidelands is necessary in order to possess sufficient room for staging, parking and a terminal building. The uplands fill must be advanced a distance of 70 feet seaward. The proposed concept design provides 19 parking spaces in addition to the 22 parking spaces in the existing AMH long term parking area for a total of 41 spaces. Six hundred linear feet of staging lanes are provided, which will accommodate 30 vehicles. One hundred feet of lane is available for commercial van or trailer parking.

At the facilities' single intersection, one lane entering, one right turn lane exit and one left turn lane exit are provided. Vehicles departing on the ferry would pull directly into

# Prince of Wales Island Ferry Project

## Reconnaissance Design of Passenger/Vehicle Ferry Terminals

staging lanes upon entering the terminal area. Vehicles dropping off passengers or long term parking would park in the spaces provided. The arrangement of the vessel berth is such that the transfer bridge aligns with the exit lane. Vehicles arriving on the ferry would proceed directly off the transfer bridge to Tongass Avenue. Left and right turn exit lanes will facilitate traffic entering Tongass Avenue.

A 1500 square foot terminal building provides ticket sale space, passenger waiting and bathroom facilities.

Snow removal would be provided by a local contractor.

The estimated capital cost to provide this facility is \$2.3 million.

An alternative would be to use the existing north berth at the AMH ferry terminal and the terminal facilities as well. If priority berthing is available from the Alaska Marine Highway System, the capital costs to construct a new terminal could be eliminated.

### Hollis Terminal (Clark Bay)

The existing Alaska Marine Highway ferry terminal at Clark Bay is available and will be utilized for the Prince of Wales ferry system southern route. The existing berth is a side loading facility. The facility is owned by the State of Alaska Department of Transportation and Public Facilities. The terminal has existing road access to the Prince of Wales road system.

The existing facility has electrical service at the site. Water service is provided by a well and a treatment plant and ocean outfall dispose of sewage.

The waters at the terminal are protected and sufficient turning radius is available for vessel maneuvers.

The existing vessel berth was originally designed for LeConte class vessels. The berth consists of a line of breasting dolphins accessed by a transfer bridge that is supported on a float. One dolphin lies to the west of the bridge and five others to the east. The four dolphins adjacent to the transfer bridge are accessed via catwalk from the float at the end of the transfer bridge. The fifth dolphin was added as a mooring point for larger, Matinuska class vessels. While a breasting fender was not included with the fifth dolphin when constructed, it was designed to function as a breasting dolphin with the addition of a fender. The water depth at the existing terminal is in excess of minus 25 feet MLLW.

## Prince of Wales Island Ferry Project

### Reconnaissance Design of Passenger/Vehicle Ferry Terminals

The facility will continue to function with the new Prince of Wales ferry much as it has with Alaska Marine Highways operations. The vessel will load/unload through a starboard side door.

During lay-up periods, the northern route ferry will lay astern of the loading/unloading berth. In order to provide a second berth, a breasting fender will be added to the outermost dolphin. In addition a new catwalk will connect the outer dolphin to the others.

The existing terminal building is inadequate for the new system operation. Therefore a new terminal building must be constructed. The new building will contain office space, as well as a ticketing office, waiting room and bathroom facilities. In addition the building will contain warehousing for ships supplies and parts, and a mechanics shop and car-port space for a pick-up with a snow plow.

Snow removal will be accomplished by terminal personnel using a pickup truck with a snow plow.

Sewage disposal will be accommodated by the existing package treatment plant with ocean outfall. The existing water system will be utilized. Telephone service will be by way of cellular telephone.

The estimated cost of improvements at the Hollis site is \$700,000.

#### Coffman Cove

Two sites on Prince of Wales Island were evaluated for the northern run: Exchange Cove and Coffman Cove.

Exchange Cove lies approximately 12 miles northwest of Coffman Cove along the shoreline, but 39 miles by road. Exchange Cove is an isolated site with no existing communities nearby. Water, sewer and electric utilities are not available at Exchange Cove and would have to be developed. Exchange Cove is located at a stricture in Clarence Strait between Zarembo Island and Prince of Wales Island. Located in the restriction are several smaller islands including Brushy Island, Shrubby Island, Exchange Island and a number of even smaller islands and rocks. Tidal exchange through the restriction results in swift currents in the vicinity. In addition, numerous hazards and rocks exist near the entrance to Exchange Cove.

In contrast, the Coffman Cove site is located within the community of Coffman Cove where water, sewer, telephone and electricity are available. Workers living in Coffman

## Prince of Wales Island Ferry Project

### Reconnaissance Design of Passenger/Vehicle Ferry Terminals

Cove are available to operate the terminal. Coffman Cove is well protected from wave action, and access through Stikine Straight to Wrangell and Blind Slough is clear of hazards. Based on the above, Coffman Cove has been selected as the northern Prince of Wales terminal location.

The terminal site is located inside Coffman Cove, on property belonging to the University of Alaska. The property is available for purchase from the University.

The site has right of way access over an existing platted subdivision road. Concern has been voiced over routing traffic through a residential area, so an alternate access was examined through Forest Service property, currently under special use permit to Louisiana Pacific Corporation. Louisiana Pacific officials have indicated a desire to cooperate to provide access.

Electricity is available in Coffman Cove through municipal generators. Water, sewer and telephone utilities are available as well. All utilities will have to be brought to the site from existing service locations.

The proposed site is protected from wave action. Access to deep water is available and sufficient vessel turning room is available.

The vessel berth is located in a small indentation in the shoreline 400 feet north of the existing log transfer facility. The sea floor drops off quickly and water depth in excess of minus 25 feet MLLW is available close to shore. The existing shoreline is characterized by a relatively steep, rock slope to water's edge. The proposed vessel berth is a "L" shaped float anchored in place by steel pipe struts connected to concrete abutments on shore. The proposed berth float is constructed of large diameter steel pipes with connecting steel pipe struts. The float has a timber deck. Vertical, cylindrical, rubber bumpers are provided for the vessel to lay against. Tie up bollards are placed at strategic locations on the float. A transfer bridge is supported on the short leg of the "L" and loading/unloading is through the stern door.

The uplands development in Coffman Cove includes 780 feet of staging area, enough to accommodate 39 automobiles. The site includes parking for 42 automobiles and 7 spaces for commercial vans. Access is to an existing right-of-way.

A terminal building will contain office space, as well as a ticketing office, waiting room and bathroom facilities. In addition the building will contain warehousing for ship supplies and parts, a mechanics shop and car port space for a pick-up with a snow plow.

## Prince of Wales Island Ferry Project

### Reconnaissance Design of Passenger/Vehicle Ferry Terminals

Snow removal will be accomplished by terminal personnel using a pickup truck with a snow plow.

The estimated cost of the Coffman Cove terminal is \$2.8 million.

#### **Mitkof Island (Blind Slough)**

Blind Slough was chosen, because it is the only protected site with access to the Mitkof Island road system on the south end of the island.

The proposed site is located at an old log transfer and rafting site on the northeast side of Blind Slough. The site is within the Tongass National Forest and would require a special use permit from the Forest Service. The Mitkof Highway is located along Blind Slough, adjacent to the proposed terminal site. The site is isolated, and there are no existing utility services to the site.

The site is relatively protected from wave action. The maximum exposure is a three mile fetch to the southeast. The maximum water depth in middle of the slough is minus 25 feet MLLW. The bottom is gradually sloping. A working depth of minus 20 feet MLLW is located 1100 feet off shore. Maneuvering room inside Blind Slough at the proposed terminal location is somewhat restricted with the navigation channel approximately one quarter mile wide.

The proposed vessel berth will be a side loading facility located approximately 1100 feet off shore. The water depth at the face of the berth is minus 20 feet MLLW. The vessel berth includes four breasting dolphins, a mooring dolphin and a transfer bridge supported on a float. The ferry vessel will berth starboard side to. Access to the berth is via a filled causeway whose slopes are protected from wave action by riprap.

Vehicle staging is provided in a single lane 800 feet long on the causeway. Commercial van parking is provided on the causeway as well. A turn-around is located near the berth for commercial vans and vehicles delivering pedestrians to the ferry.

A parking area with 35 parking places and a terminal building are located ashore. The terminal building will include a ticket office, a waiting room and a rest room. Pedestrians will be delivered to the ferry in a terminal van provided for that purpose. An open carport for the van and a pickup truck with snow plow will be included.

# Prince of Wales Island Ferry Project

## Reconnaissance Design of Passenger/Vehicle Ferry Terminals

Access to Mitkof Highway will be via an 1100 feet long, 30 feet wide, gravel access road. The grade of the access road to Mitkof Highway will be gentle, around 3%.

All utilities will need to be developed at the terminal site. Electricity will be provided by a small generator. Sewage disposal will be accommodated by a package treatment plant with ocean outfall. Water will be provided from a well and storage tank with chlorination treatment. Telephone service will be via cellular telephone.

The capital cost of the Mitkof terminal is estimated at \$4.0 million.

### Wrangell

Two possibilities exist for the Wrangell terminal. Both involve the use of existing facilities.

One option is to use the existing Wrangell Ferry Terminal. The existing terminal is a side loading facility, with a terminal building and adequate staging and parking. The transfer bridge would be operated by state employees. This facility, including berth, staging area and terminal building will meet the needs of the Prince of Wales ferry service, if priority use of the facility can be arranged.

The other possibility is to use the existing Wrangell freight barge landing. The POW ferry could use this facility as is for stern loading/unloading. Staging could occur on the west lane of the existing Outer Drive. Parking would be on city streets. As a minimum, a ticket office and waiting area would be necessary with this option.

All necessary utilities are available in Wrangell.

The cost to develop the minimum facility at the freight barge landing is estimated at \$170,000.

## Something About Metlakatla

- Location:** 16 Nautical Miles from Ketchikan.
- Population:** 1514 Alaska Natives.
- Land Base:** 87,000 Acres.
- Transportation:** Served by Alaska Marine Highway System. Scheduled Air Taxi Service From Ketchikan. Weekly Barge Service from Seattle.
- Status:** The Metlakatla Indian Community is the only federally recognized Indian Reservation in Alaska. Metlakatla does not participate in any Alaska Native Settlement Claims Act (ANSCA) Programs. Metlakatla is a participant in the various programs of the State of Alaska.
- Economic Base:** The Metlakatla Indian Community enterprise and economic development base includes:
- Annette Island Packing Company & Cold Storage
  - Community Fishing Fleet
  - Tangas Creek Hatchery
  - Annette Hemlock Mill (under lease to LP)
  - Metlakatla Indian Timber Enterprise Mill
  - Port of Metlakatla Activity
  - Tourism Development
  - Individual Small Business Enterprises
- Development Planning:** The Community actively participates in the OEDP process of the Economic Development Administration.
- Available Excess Development Capacity:** The Community has available for local and Regional development the Annette Island Airfield Complex (7,500 Feet of Pavement • Cross-winds Runway) and associated facilities such as hangar, office facilities, housing and utilities with very favorable tax considerations.

### Council Annette Islands Reserve Metlakatla Indian Community

#### Executive Committee

Mayor ..... Jim E. Scudero  
 Secretary ..... Beverly J. Gudine  
 Treasurer ..... Barbara J. Fawcett

#### Council Members

Jeff Benson	Richard S. Ashby
Earl S. Cook, Jr.	Jack L. Booth, Jr.
Darlene B. Darter, Jr.	Terrance H. Booth, Jr.
Herb C. Gudine	Tim Gleanon
Thomas E. Lang, Jr.	Thomas F. Gudine, Jr.
Judith A. Lovell	Leo Gudine, Jr.

# Metlakatla Alaska



#### Community Priority

## WALDEN POINT

ROAD AND POWER INTER-TIE LINKS WITH KETCHIKAN

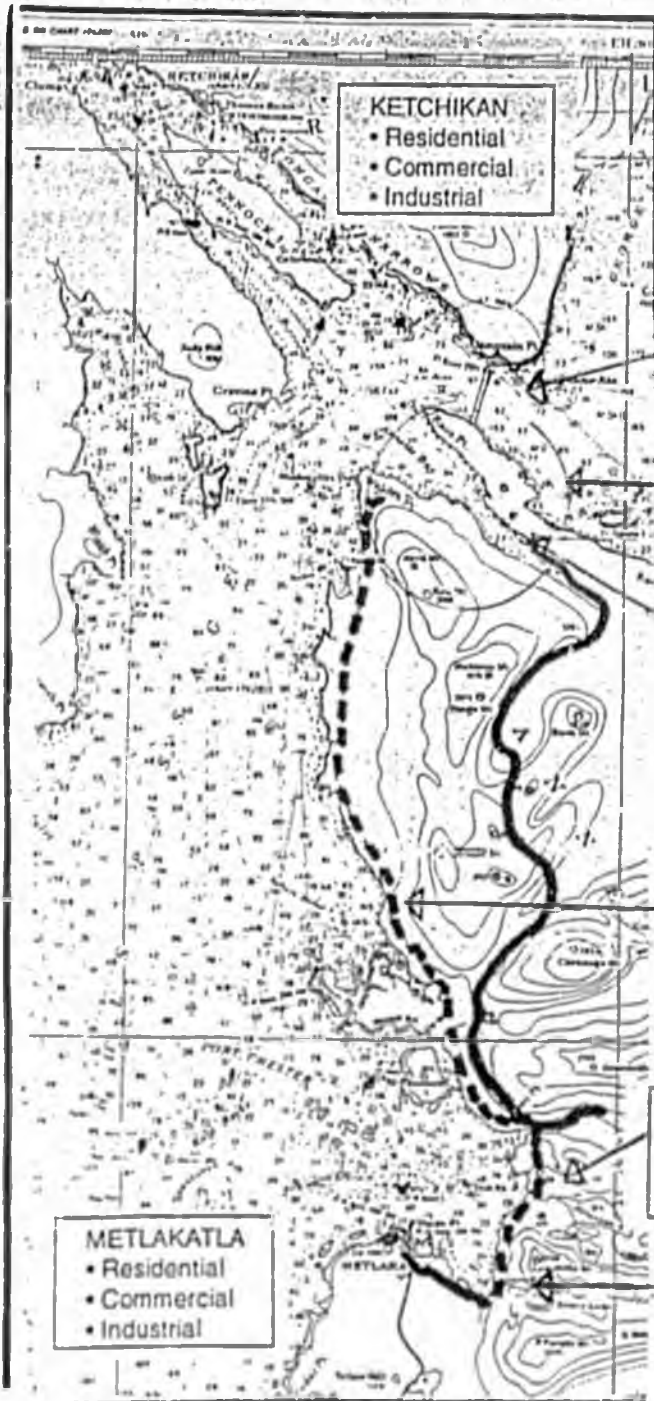
- METLAKATLA INDIAN COMMUNITY -

# Development Opportunities

METLAKATLA INDIAN COMMUNITY

# WALDEN POINT

- \* ROAD LINK BETWEEN KETCHIKAN & METLAKATLA
- \* SOUTHEAST ALASKA POWER TRANSMISSION INTERTIE



## ROAD LINK:

- The Council Annette Islands Reserve recognized the Walden Point Road concept over 30 years ago.
- Walden Point road will allow easy, year-round travel between Annette Island and Ketchikan for both car and commercial container traffic.
- Enhanced Economic Development activity will include, tourism development, new small business opportunities, and development of an industrial zone.
- The proposed project will reduce pressure on the AMHS to providing service with a small transfer ferry at Annette Bay.

## POWER INTERTIE:

- In 1987 the Alaska Power Authority recognized the power needs of Metlakatla in the SE Alaska Power Intertie Study.
- A 69KV link through Ketchikan has been recommended along with several options.
- At present the low cost of power in Metlakatla has resulted in the highest electricity per customer usage in Alaska.
- The Walden Point Road provides the best available power line route between Metlakatla and Ketchikan.
- 0.7 Nautical Miles of Submarine Cable will be required between Mountain Point and Annette Island.

An Alaskan Community Looking to the Future

— Metlakatla Indian Community —

For additional information regarding the Metlakatla Indian Community programs and opportunities, please contact:

James Scudero, Director  
Metlakatla Indian Community  
PO Box 8  
Metlakatla, Alaska 99826  
(907) 836-4777  
(907) 836-1138 FAX

John Pearson  
Government Relations & Economic Development Advisor  
Metlakatla Indian Community  
8216 Cedar Drive  
Juneau, Alaska 99801  
(907) 789-1402  
(907) 789-1403 FAX

### POTENTIAL PROJECT PARTNERS

- METLAKATLA INDIAN COMMUNITY
- METLAKATLA POWER & LIGHT CO.
- ALASKA DIVISION OF ENERGY
- CITY & BOROUGH OF KETCHIKAN
- STATE OF ALASKA DOT/PF
- ALASKA MARINE HIGHWAYS
- BUREAU OF INDIAN AFFAIRS
- ECONOMIC DEVELOPMENT ADMINISTRATION
- U.S. ARMY CORPS OF ENGINEERS
- RURAL UTILITY SERVICE (REA)
- U.S. DEPARTMENT OF ENERGY
- ANNETTE REGIONAL INTERTIE

## WALDEN POINT ROAD FACTS:

*The proposed road is 14.5 miles long running from Metlakatla to Walden Point.*

*In 1956 the US Department of Interior surveyed, approved and recommended the Walden Point Highway project to Washington D.C. for funding.*

*The Walden Point Project allows for significant economic development activity to take place on Annette Islands Reserve.*

*The distance between Annette Island and the Ketchikan/Saxman road system is 0.7 Nautical Miles.*

*A small shuttle ferry operated by the Alaska Marine Highway System will replace the large vessel now providing service between Ketchikan and Metlakatla (32 miles round-trip).*

## POWER INTERTIE LINKAGE FACTS:

*Walden Point Road will serve as the right-of-way for a 69 kV linkage for Metlakatla with Ketchikan and the Southeast Alaska Regional Power Intertie Project.*

*A short underwater cable will link Annette Island with the Regional Intertie at Mountain Point.*

*Metlakatla was included in the 1987 Power Intertie Study of the Alaska Power Authority as a future program partner.*

For additional information regarding the Metlakatla Indian Community programs and opportunities, please contact:

James Sanders, Mayor  
Metlakatla Indian Community  
P.O. Box 8  
Metlakatla, Alaska 99926  
(907) 836-4999  
(907) 836-3334 FAX

John Pearson  
Governor and Relations  
Metlakatla Indian Community  
8215 Cedar, Sitka  
Juneau, Alaska 99801  
(907) 789-1402  
(907) 789-1403 FAX

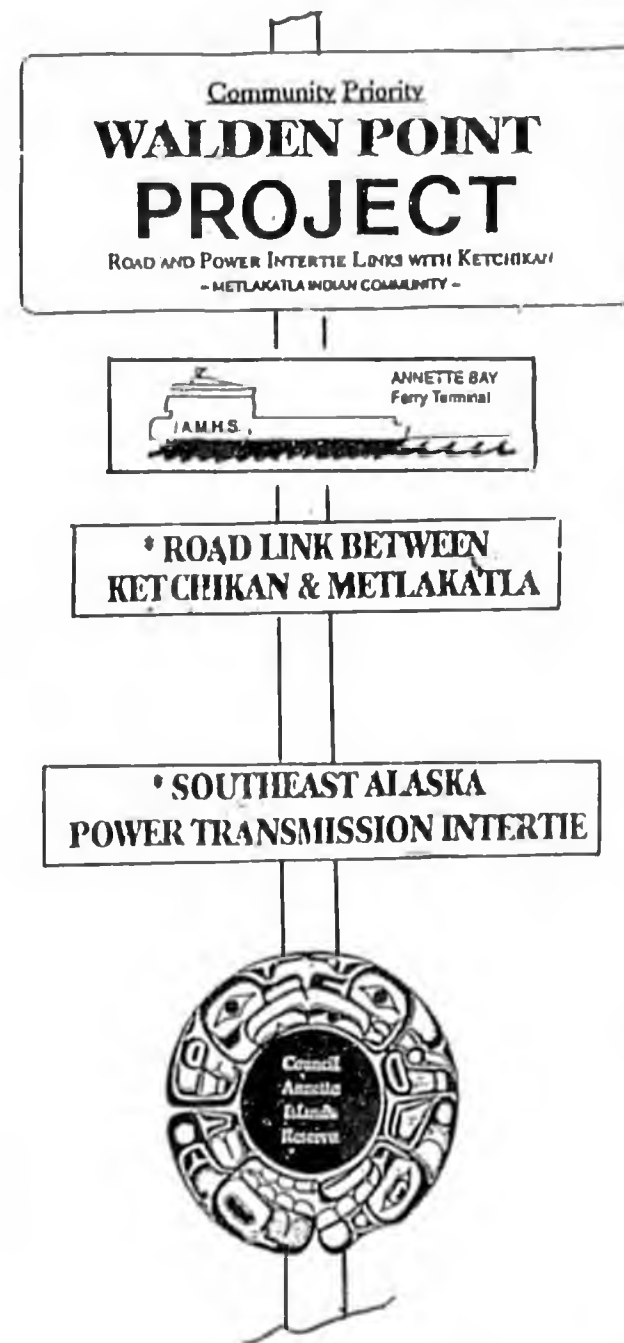
## Something About Metlakatla

<b>Location:</b>	16 Nautical Miles from Ketchikan.
<b>Population:</b>	1514 Alaska Natives.
<b>Land Base:</b>	87,000 Acres.
<b>Transportation:</b>	Served by Alaska Marine Highway System. Scheduled Air Taxi Service From Ketchikan. Weekly Barge Service from Seattle.
<b>Status:</b>	The Metlakatla Indian Community is the only federally recognized Indian Reservation in Alaska. Metlakatla does not participate in any Alaska Native Settlement Claims Act (ANSCA) Programs. Metlakatla is a participant in the various programs of the State of Alaska.
<b>Economic Base:</b>	The Metlakatla Indian Community enterprise and economic development base includes: <ul style="list-style-type: none"><li>• Annette Island Packing Company &amp; Cold Storage</li><li>• Community Fishing Fleet</li><li>• Tamgas Creek Hatchery</li><li>• Annette Hemlock Mill (under lease to LP)</li><li>• Metlakatla Indian Timber Enterprise Mill</li><li>• Port of Metlakatla Activity</li><li>• Tourism Development</li><li>• Individual Small Business Enterprises</li></ul>
<b>Development Planning:</b>	The Community actively participates in the OEDP process of the Economic Development Administration.
<b>Available Excess Development Capacity:</b>	The Community has available for local and Regional development the Annette Island Airfield Complex (7,500 Feet of Pavement • Cross-winds Runway) and associated facilities such as hanger, office facilities, housing and utilities with very favorable tax considerations.

### POTENTIAL PROJECT PARTNERS

- METLAKATLA INDIAN COMMUNITY
- METLAKATLA POWER & LIGHT CO.
- ALASKA DIVISION OF ENERGY
- CITY & BOROUGH OF KETCHIKAN
- STATE OF ALASKA DOT/PF
- ALASKA MARINE HIGHWAYS
- BUREAU OF INDIAN AFFAIRS
- ECONOMIC DEVELOPMENT ADMINISTRATION
- U.S. ARMY CORPS OF ENGINEERS
- RURAL UTILITY SERVICE (REA)
- U.S. DEPARTMENT OF ENERGY
- ANNETTE REGIONAL INTERTIE

# Metlakatla



# WALDEN POINT



## \* ROAD LINK BETWEEN KETCHIKAN & METLAKATLA

## \* SOUTHEAST ALASKA POWER TRANSMISSION INTERTIE

The Walden Point Project represents an aggressive effort on the part of the Metlakatla Indian Community to maximize resources in development of one of the most exciting economic development efforts within the region during the past three decades. Three specific components of the Walden Point Project include:

- A. Southeast Alaska Regional Power Transmission Intertie - Construction of 69 kV line between Metlakatla and Walden / Race Point. A 0.7 Nautical mile submarine cable will link Race Point with Mountain Point.
- B. Walden Point Road - A road of 14.5 miles in length will be constructed from Metlakatla to Walden Point allowing for easy year-round road transportation between Metlakatla and the Ketchikan Road System. The road will serve as the right-of-way for the power Intertie line.
- C. Alaska Marine Highway System Service - This project gives AMHS an opportunity to demonstrate a major cost reduction in serving Metlakatla by installing a small transfer ferry between Walden Point and Saxman / Ketchikan. The vessel currently used to service Annette Island reflects a \$20,424.00 per day operating cost.

**NEW OPPORTUNITIES**

- Small Business
- RV Park
- Industrial Zone
- Tourism Activity

**POWER Intertie Follows Road**

**ANNETTE BAY Ferry Terminal**  
A.M.H.S.

**KETCHIKAN**

- Residential
- Commercial
- Industrial

**METLAKATLA**

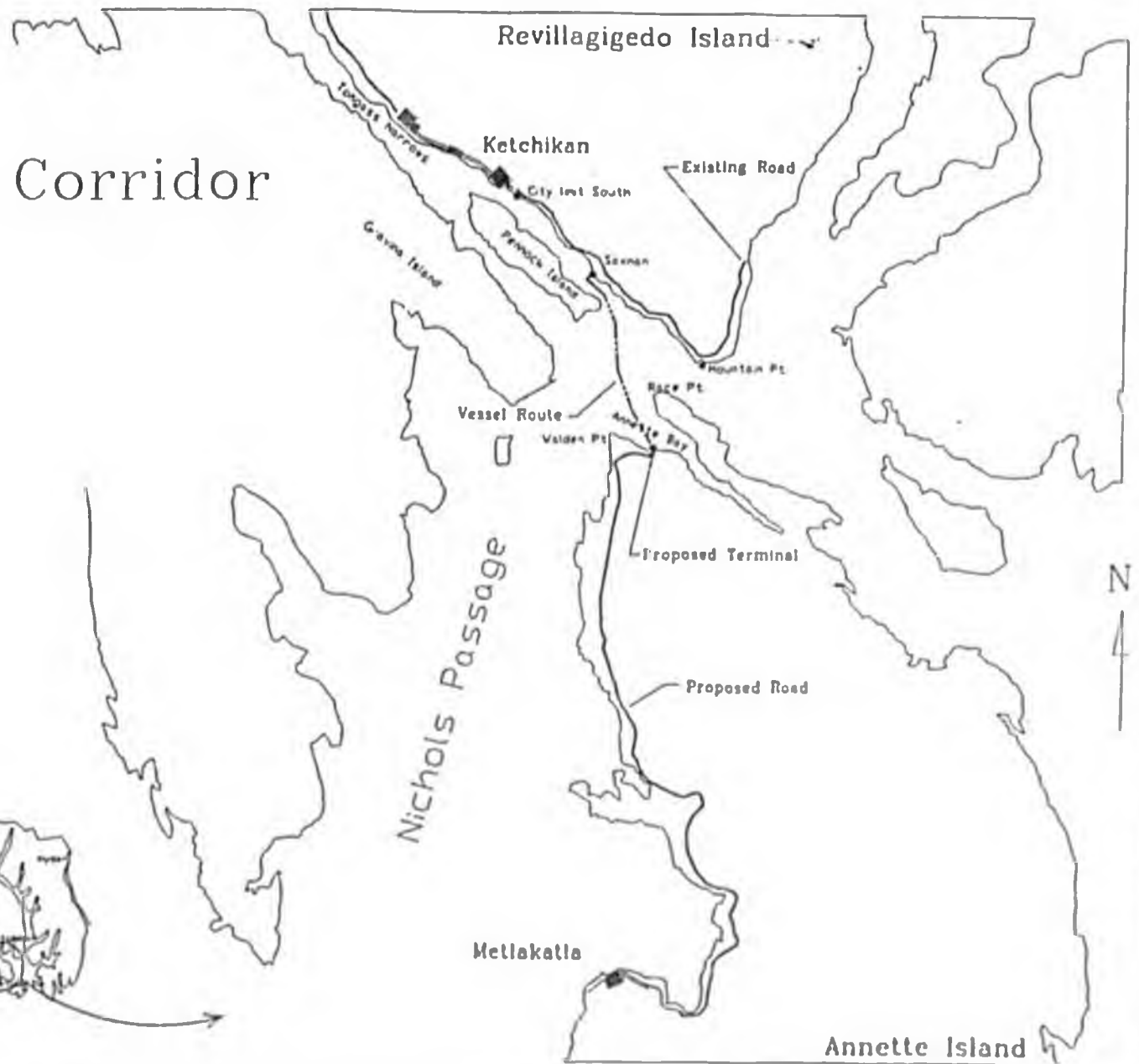
- Residential
- Commercial
- Industrial



**Metlakatla Indian Community  
Council Annette Islands Reserve**



# Walden Point Transportation Corridor Vicinity Map



## Walden Point Road Project Summary Profile

### Capital Costs

Road Construction Costs (13.7 miles, 30 feet wide, paved roadway)	\$26.3 million
Ferry Construction Costs (110', 90-ton, double-end vehicle ferry)	\$3.0 million
Terminal Construction Costs	\$5.4 million
<b>Total Capital Costs</b>	<b>\$34.7 million</b>

### Maintenance and Operating Costs

Annual Road Maintenance Costs	\$110,000
Annual Ferry Operations Costs (based on hourly departures over a 10-hour operational day)	\$606,375
<b>Total Annual Operations Costs</b>	<b>\$716,335</b>

### Transportation Corridor Characteristics

Approximate Drive Time (Mellakatta to Annette Bay @40 mph)	20 minutes
Approximate Ferry Crossing Time	18 minutes
Ferry Service	10 hours per day, on the hour
Ferry Fares (One-way, Year 1)	\$4.00 per person, \$10 per vehicle

### Traffic Projections

Year 1 - Vehicles (Annual Average Daily Traffic)	93
Year 1 - Passengers	189
Year 20 - Vehicles (Annual Average Daily Traffic)	131
Year 20 - Passengers	265

<b>Project Net Present Value</b>	<b>\$11.4 million</b>
<b>Project Benefit Cost Ratio</b>	<b>1.4</b>

***Benefit/Cost Study  
for the Proposed  
Mellakatta/Ketchikan  
Transportation Corridor***

*Prepared for:*  
**Alaska  
Department of Transportation  
& Public Facilities  
(ADOT&PF)  
6600 Glacier Highway  
Juneau, Alaska 99801**

March 1993