



**6520 Kulis Drive
Anchorage, AK 99502**

December 21, 2023

Dear Mayor Morphet, Assembly Members, and Planning Commission Members,

I would like to clarify comments that I made over the past year or so regarding the Lutak Dock project that the City is currently working on.

Most of you are probably aware of the process we went through to lease the tidelands and install our ramp and dolphins at Lutak Dock in 2020. We did that because all the design options that the city had been exploring were too expensive to be supported through wharfage charges. We offered up a minimalist approach which is what we take in our private business when we build a facility. That worked to address the critical need that existing at that time.

What our project did not address is the huge financial liability with the current dock which at some point will fail. Adding our dolphins and barge ramp dealt with having a viable cargo facility, but it kicked the can down the road on the liability issue for the City. I know enough about construction and remediation costs to confidently say that if all you did was to remove all the sheet pile and establish a sloped bank, you would spend over ½ of the cost that you will spend on this current proposed project. In the end you will not have a dock for a fuel barge and will have lost a majority of your uplands which may or may not leave enough room for our container staging and the fuel operations.

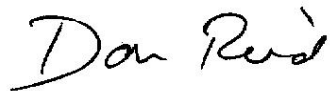
I have made comments to people over the past few years that probably sounded like I didn't support the dock project. What led me to make those comments was my experience in the past project where there was literally no funding for a significant project. My experience has been that any time a municipality goes out to build something like this it turns into something they can't afford. I was very doubtful that you would get the funding that you have received, and my thought was that if you did that it would come with a significant matching funds component that would not be able to be overcome.

When I learned that the City had worked with Turnagain Marine to do a design build and they showed me what they were proposing, which is a very creative approach to encapsulating the existing sheet pile and fill and addressing all of those liability issues, I thought that was great but I still questioned how you could do it financially with the typical issue that communities have with grants of the requirement for matching funds. What I am hearing now is that you have all the funding available through grants and other government funding sources so my opinion now is that it would be negligent to not take advantage of resolving this liability at this time. It also addresses the need for a berth for a fuel barge which if that dock fails I'm not sure what they will do. Our dock and ramp do not accommodate a fuel barge.

Another aspect of this is that when we installed the piling and ramp that we installed in 2020 it required a very rigorous and expensive permitting process. It took over a year and a half to get that done and even though the State had recently performed all the same studies for their permit at the ferry dock they would not allow any of that work to be used in the new permit. My expectation is that if you make any significant changes to this project it will cause the entire permit process to start over at significant expense.

I just wanted to go on record as saying that I do support this project as long as you have the available funding for it and in the end you don't have to increase wharfage costs to pay for it.

Best Regards,

A handwritten signature in black ink that reads "Don Reid". The signature is written in a cursive, slightly slanted style.

Don Reid
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