

Ward Cove Group



Power Systems and Supplies of Alaska

Remote Made Easy

Ward Cove Industries

Full Cycle

Spokely Designs



REMOTE MADE EASY



Ward Cove Industries LLC † Remote Made Easy LLC † Full Cycle LLC † Spokely Designs LLC † Power Systems and Supplies of Alaska LLC
PO Box 772 Ward Cove Alaska 99928
(907) 247-7772 (907) 220-9055 (Fax)

September 24, 2014

Hand Delivered

Mrs. Kacie Paxton, Borough Clerk
Ketchikan Gateway Borough
1900 First Ave, Suite 115
Ketchikan, AK 99901

Re: **REVILLA ROAD SUBDIVISION RFP**

Dear Mrs. Paxton:

Please find enclosed our response to the Ketchikan Gateway Borough (KGB) Request for Proposals for the Revilla Road Subdivision.

We understand that the KGB is interested in receiving proposals from developers of Borough property, including the Borough's Revilla Road property. The proposals may include multi-phased, multi-zoned plans which may include creation of industrial and commercial areas, as well as a variety of housing densities/zones and house valuations focused on workforce housing (defined as homes for sale in the \$150,000 to \$250,000 range).

Our proposal is likely to be the most responsive since we offer the most flexibility. The Revilla Road area is situated between the Connell Lake Dam, a water source, and a sewer processing system located at the Ward Cove industrial site. Since both of these assets are privately owned by our company, and we own the land that bisects the subject property, we are in the best position to efficiently develop the lots. Further, since we also own some of the adjoining lots, we have a further incentive to propose the highest and best use for the neighborhood.

Our proposal is most likely to meet the borough's goals because it involves an incremental approach to investing but involves minimal financial commitment by the borough. In fact, we are proposing to pay for the opportunity to develop this property using a lease/purchase of the land. This makes the proposal attractive financially and should create a project that does not compete unfairly with other local developers.

Our primary contact for this project is Mr. Dave Spokely, President/Member, Ward Cove Group, PO Box 772, Ward Cove, AK 99928. Mr. Spokely may be reached at 907-617-3450 or by email at dave@wciak.com

Thank you for the opportunity to propose to you.

Sincerely,

David C. Spokely
President/Member
Ward Cove Group

PROPOSAL DOCUMENTATION FORMS

REVILLA ROAD SUBDIVISION

Award of Project. The Borough shall have the right to reject this proposal and such proposal shall remain open and may not be withdrawn for a period of sixty (60) days after the date prescribed for its closing.

Notice of Acceptance. Notice of acceptance and award of the project or requests for additional information may be addressed to the undersigned Respondent at the business address set forth in this proposal.

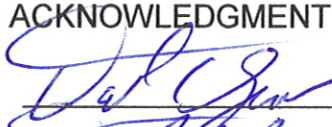
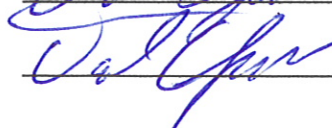
Minimum Standards. The required work and/or specifications attached herein shall be considered as the minimum standards acceptable to the Borough. Any deviations, modifications, or alternatives proposed shall be specified and clarified by the respondent on the provided form as an EXCEPTION SUMMARY. Insufficient information pertaining to exceptions shall be at the respondent's risk and may result in rejection of the proposal.

Respondent certification.

By signature on this proposal documentation, the undersigned respondent certifies that:

- A. The respondent will comply will all insurance requirements in this RFP;
- B. The respondent will comply with all applicable local, state, and federal laws, including but not limited to, wage and hour laws and non-discrimination laws;
- C. The respondent will comply with all terms and conditions set out in this RFP;
- D. The respondent's proposal was independently arrived at, without collusion, under penalty of perjury; and
- E. The proposal will remain open and valid for at least 60 days from the closing date of the RFP.

Receipt of Addenda. Receipt of the following Addenda to the RFP Documents is hereby acknowledged.

ADDENDUM NO.	DATE OF RECEIPT OF ADDENDUM	SIGNED ACKNOWLEDGMENT
1	<u>9-12-14</u>	<u></u>
2.	<u>9-12-14</u>	<u></u>
3.	<u> </u>	<u> </u>

KETCHIKAN GATEWAY BOROUGH REQUEST FOR PROPOSALS

REVILLA ROAD SUBDIVISION

ADDENDUM NO. 1

ADDENDUM DATE: August 29, 2014

THIS IS NOT AN OFFER

This addendum forms part of and modifies the Request for Proposals (RFP) as described below.

Failure to acknowledge the addendum in the space provided in the proposal may result in a rejection of your proposal.

The Schedule is hereby amended as follows (new text is underlined in bold type; deleted text is capitalized and placed in brackets):

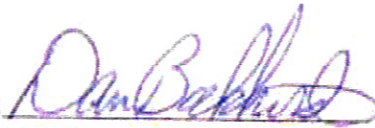
PROJECT SCHEDULE

[THERE WILL BE A PRE-PROPOSAL CONFERENCE, AS SCHEDULED BELOW, WHICH WILL BE HELD IN THE BOROUGH ASSEMBLY CHAMBERS, 1900 FIRST AVENUE, KETCHIKAN, ALASKA FOR DISCUSSION OF THE SPECIFICATIONS. A SITE VISIT MAY FOLLOW IF APPLICABLE.]

- Request for Proposals Issued: July 18, 2014
- Deadline for questions, objections, or protests relating to defects, errors, omissions regarding the project or this RFP 12:00 Noon /September 10 [1], 2014
- Proposals Due: 2:00pm/September 23 [17], 2014
- [PROPOSAL REVIEW MEETING: SEPTEMBER 18, 2014]
- Interviews (If held): September 26 [19], 2014
- Notice of Intent to Award: September 26 [19], 2014
- Deadline for Appeal of Proposed Award: 12:00 Noon/October 3 [SEPTEMBER 24], 2014
- Approval of Contract Award by Assembly: October 20 [6], 2014

Clarification:

The section dealing with general provisions regarding "Licenses and Registration" states that the successful bidder must have a general contractors license. **Clarification:** the RFP Respondent is not required to have a contractor's license for purposes of the proposal. However, for the development that occurs under the selected proposal, any person who undertakes or offers to perform, or claims to have the capacity to perform, or submits a bid for a project to construct, alter, repair, move, or demolish a building, highway, road, or any type of fixed structure, including excavation and site development and erection of scaffolding must have a current contractor's license issued by the State of Alaska.

By: 
Dan Bockhorst, Borough Manager

KETCHIKAN GATEWAY BOROUGH REQUEST FOR PROPOSALS

REVILLA ROAD SUBDIVISION

ADDENDUM NO. 2

ADDENDUM DATE: September 8, 2014

THIS IS NOT AN OFFER

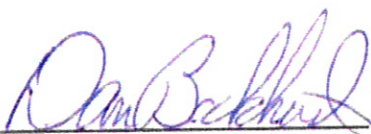
This addendum forms part of and modifies the Request for Proposals (RFP) as described below.

Failure to acknowledge the addendum in the space provided in the proposal may result in a rejection of your proposal.

The Schedule is hereby amended as follows (new text is underlined in bold type; deleted text is capitalized and placed in brackets):

PROJECT SCHEDULE

- Request for Proposals Issued: July 18, 2014
- Deadline for questions, objections, or protests relating to defects, errors, omissions regarding the project or this RFP 12:00 Noon /September 10, 2014
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- Deadline for Appeal of Proposed Award: 12:00 Noon/October 3, 2014
- Approval of Contract Award by Assembly: October 20, 2014

By: 
Dan Bockhorst, Borough Manager

(Note: Failure to acknowledge receipt of each addendum will be considered an irregularity and will result in rejection of the proposal.)

RESPONDENT:

By: David C. Spokely

Title: Owner

Alaska Business License No. _____

Company/Firm Name Power Systems & Supplies of Alaska

Telephone (907) 247-7772

Fax No. _____

Mobile No. (907) 617-3450

Business Address 6841 N. Tongass, Ketchikan AK 99901

Email dave@pssak.com

Pursuant to and in compliance with the Request for Proposals, the undersigned respondent, being fully familiarized with all the terms of the specifications hereby proposes and agrees to deliver, within the time and in the manner stipulated in the proposal for the following:

REVILLA ROAD SUBDIVISION

David C. Spokely
Signature of Individual Authorized to Bind the Respondent

David C. Spokely
Printed Name and Title of Individual Authorized to Bind the Respondent

9/12/14
Date

SUBCONTRACTOR LIST

SUBCONTRACTORS: The respondent may not subcontract greater than fifty percent of this project without prior written approval of the Borough. List all subcontractors who will be providing greater than 5 percent of the project work and an approximate percentage of their individual participation by discipline. "If the use of subcontractors is not anticipated, "N/A" or "NONE" is to be written on the form. Use additional copies of this form as needed.

SUBCONTRACTORS:

Company/Firm Name NONE / N/A

Estimated percentage of subcontractor's participation by discipline _____

Telephone _____

Fax No. _____

Business Address _____

Company/Firm Name _____

Estimated percentage of subcontractor's participation by discipline _____

Telephone _____

Fax No. _____

Business Address _____

Company/Firm Name _____

Estimated percentage of subcontractor's participation by discipline _____

Telephone _____

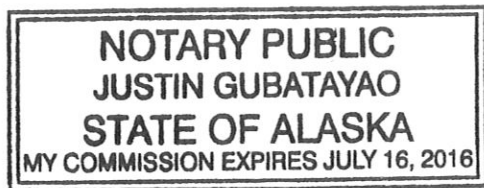
Fax No. _____

Business Address _____

LIMITED LIABILITY COMPANY (LLC) ACKNOWLEDGMENT
(If applicable)

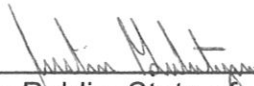
STATE OF ALASKA)
) ss.
1ST JUDICIAL DISTRICT)
COUNTY OF GATEWAY)

On this 12TH day of SEPTEMBER, 2014, before me appeared DAVID C. SPOKELY, to me personally known, who, being by me duly sworn, did say that he/she is the Member of POWER SYSTEMS & SUPPLIES OF ALASKA a ALASKA (State) Limited Liability Company and that said instrument was signed on behalf of said ALASKA (State) Limited Liability Company and said officer acknowledged said instrument to be the free act and deed of said Limited Liability Company.



(SEAL)

NOTARY PUBLIC


Notary Public, State of ALASKA
My Commission Expires JULY 16, 2016

Narrative

Financing/Logistics

The subject parcel is divided into three tracts, A, B, and C. We have developed an overall conceptual plan for all three tracts, attached as Exhibit A, that depicts what a completed development might look like, including the workforce housing, traditional homes, executive homes, commercial properties, utilities, and amenities. This is important since the project will likely be developed in phases over several years, with the workforce housing component as an early step that needs to be designed with the final result in mind.

We have focused our RFP related development on the portion of Tract C, north of Revilla Road. The workforce housing is in the form of townhouses for purchase that will be the anchor for additional development of this tract. The future development can include additional housing based on market demand, demographics and future growth.

Townhouses aka "Zero Lot Line" homes were chosen because while being essentially a house rather than an apartment or condominium, the savings in construction costs related to minimal lot size, common walls, standardized designs, and utilities should enable them to meet the target price range desired for workforce housing while creating an asset that can be purchased as an equity investment.

The townhouse concept also allows for a Home Owners Association (HOA) to be formed for exterior maintenance and repair. HOAs are commonly used in housing developments to combine homeowner resources to obtain a high quality maintenance and repair of the community, thus maintaining valuations. This is accomplished by leveraging pooled financial resources while relieving individual homeowners from the time and expense burden or deferred maintenance issues that can deter from value.

We propose to lease the entire parcel, including Tracts A, B, and C, excepting the area designated for the Dog Park. The lease would be for 5 years at 2% per year of the Purchase Price with an option to purchase in whole or in part during the lease term for the Purchase Price. Portions of the property may be purchased on a prorata basis as required for development and agreed to by both parties. The prorata portion of the purchase price will be a square foot ratio. The Purchase Price is set at One Million Five Hundred Thousand Dollars (\$1,500,000) which is approximately 20% higher than the most recent assessed value for the land (2009).

In exchange for the lease, we will develop plans, engineering and specifications for the development, including provision of roads, utilities and amenities. We will solicit buyers and bank or venture financing for the housing units and subdivision development. At the expiration of two years time, if we are unable to obtain customers and financing sufficient to proceed or make this a viable project, we shall have the right to terminate the lease.

No actual improvements or changes to the land will be made without the express written permission of the KGB until the affected portion of the property is purchased. If other than an entire Tract is purchased on a prorata basis, a subdivision may be required and will be for the buyer's account. Any leasehold improvements to the land such as utilities and roads made before the purchase are at the lessee's risk and shall remain the property of the KGB upon termination of the lease; however such improvements will have no effect on or work to adjust the Purchase Price in any way.

We have predicated this proposal on passage of an area-wide ordinance to limit property taxes on raw land under development. It is our understanding that the KGB is working on an ordinance that will grant tax relief to property development such that improvements to real property will not have to pay tax on those improvements until the improvements generate revenue or are sold. The anticipated lease would also be tax exempt for any property tax related to the leasehold interest, if applicable.

Development



Our interest in development of the Ward Cove valley is to see a clear strategy and a cohesive area wide development plan. We know we are not the only development team to have a viable plan. We know we are not the only team to have a comprehensive plan but we do believe we can present a complete package for a planned community.

Ward Cove Development Group (WCDG) is working with Power Systems and Supplies of Alaska LLC to utilize the resources of the Connell Lake water shed, the 3.2 mile pipeline corridor (herein called the “utility corridor”), and the combined properties and assets of the Port of Ward Cove, previously known as the KPC pulp mill site.

WCDG will develop a full utility system in the Ward Cove area:

1. The utility corridor currently provides a raw water source that will be developed into a community fire hydrant system. Our planned developments will not only have access to street side hydrants but will have the ability to provide buildings with sprinkler systems, thus allowing for larger, multi-story commercial buildings.
2. We will develop a complete potable drinking water system suitable for transport throughout the length of the utility corridor. Drinking water can then be made available throughout the Ward Cove area with future opportunities to provide water to the north end of the road system and beyond.
3. We will provide a comprehensive sewer system for the full length of the utility corridor. The first stage of the sewer pipe has already been installed beneath the new highway construction at Ward Cove. We will connect the utility corridor sewer lines to our existing sludge press and state permitted wastewater treatment plant (WWTP # AK0053384) in the Port of Ward Cove.
4. This incremental yet strategic development strategy will also allow for the most cost effective use of investment money to expand the electrical and communication system throughout the Ward Cove area.
5. These systems can then be accessed by other developers for future projects. This will enhance development throughout the area and create a sense of community.

WCDG intends to develop the Ward Cove area in phases. In Exhibits A & B, we have highlighted the proposed development of:

- Phase 1
 - Utility Corridor:
 - Water (fire and potable) service
 - Sewer service
 - Optional power and communications corridor
 - Community nature walking and bicycling trail
 - Cross country running track
- Phase 2
 - Tract C, North of Revilla Rd. West side:
 - Urgent care center
 - Private doctors & medical services center
 - Food services and senior community services center
 - Memory center and long term care unit
 - Senior condominiums for sale
 - Senior housing for rent

- Phase 3
 - Tract C, North of Revilla Rd. East side:
 - **Work Force Housing**
 - ❖ **Managed multi-story apartment complex for short and long term rent**
 - ❖ **Managed townhouses for sale**
 - ❖ **Managed townhouses for rent**
 - ❖ **Moderately priced condominiums for sale**
 - Executive condominiums for sale
 - Executive apartments for rent
 - Retail center
 - Professional plaza and office complex
- Phase 4
 - Private Properties, Corner of Revilla Rd. and Tongass Highway:
 - Banks
 - Post Office
 - Bus Terminal
 - Office space for rent
 - Grocery Stores
 - Retail Shopping
 - Professional services
 - Service stations
 - Large hardware stores
 - Restaurants and fast foods outlets
- Phase 5
 - Tract C, South of Revilla Rd:
 - Independent retail area
 - Indoor retail shopping center
 - Mixed low and medium-density housing
- Phase 6
 - Track A, Northeast of V notch:
 - Low, medium, and high value, low-density housing
- Phase 7
 - Track A, West of V notch:
 - Medium to high value, low-density housing
- Phase 8
 - Track B, North and South Southeast:
 - Medium-density condominiums and apartments
 - Low to medium-density homes
 - Schools
 - Home schooling support facility
 - Elementary school
 - Churches

- Phase 9
 - Tract B, North West Corner
 - Community Recreational Facility
 - Ball Fields (Baseball, Football, Soccer)
 - Indoor ice rink
 - Indoor field house
 - Civic center
 - Auditorium
 - Animal training center
 - Track & field center

Development Team

The development team consists of the Ward Cove Group of companies including Power Systems and Supplies of Alaska LLC who purchased the Ward Cove property from the Ketchikan Gateway Borough in 2012 and Ward Cove Industries LLC which is the development company managing the repurposing of the former mill property. The principals of Ward Cove Group, David and Andrew Spokely, have over 50 years of combined construction and development background. The Revilla Road Subdivision is a logical extension of the redevelopment process going on in Ward Cove generally and in particular, community housing and amenities support that effort.

We will use subcontractors during the actual development phase including architects, engineers, general and specialty contractors but it is too early in the process to determine who and to what participation.

Financing

Preliminary investigations tell us that substantial conventional bank financing as well as certain venture capital funds are available for the development. The banks and investors we have spoken with are very interested in the project. We are proposing to pay the borough, at a minimum, \$60,000 over two years to fully develop the plan, secure appropriate project financing and begin the development. These funds will compensate the Borough should the project fail to materialize as planned.

Resume's attached.

Resume for Andrew Spokely
September 11, 2014

Andrew P. Spokely was raised in Ketchikan Alaska and Except for the period while going to school at the University of Alaska in Fairbanks, Andrew has always lived, worked and played on the waters of Southeast Alaska. He has recently married and owns his own home at mile North Tongass. He is a member of the Ketchikan Chamber of Commerce, works with the Clover Pass youth group and kayaks and fishes extensively in the Ketchikan area.

Andrew has an AA degree in Applied Business and is currently completing his BA in Business Management at the University of Alaska in Ketchikan. He has a commercial Drivers License and a 100 Ton Masters License. He is a Certified Diver, EMT, and has attended the State wide Tourism Marketing Conventions in Juneau. He is HAZWOPPER certified and has a strong background in Marketing.

His first job was as a deck hand on a commercial fishing boat. After receiving his CDL at the age of 19, he worked as a dump truck driver and heavy equipment operator for Lidwigsen & Davis. In 1994 he went to work for South Coast Inc., he started as a truck driver and equipment operator. He also worked as a deckhand and mate of ocean going tugs. He worked over all of Southeast Alaska and as far north as the Priboloff Islands. In 1997 he worked as a laborer on the South Coast Paving crew. He quickly added the responsibilities as an asphalt raker, equipment operator and soon become the lay down crew foreman. He later was promoted to asphalt superintendent. His responsibilities were to manage a crew of 14 to 20 people, complete the bids, order materials, do the cost analysis and be accountable for profit and loss to South Coast Management.

In the summer of 2002 he went to work for Lighthouse Excursions as a captain of a 56 foot, twin engine charter boat. In addition he worked part time for Baranoff Skiff Excursions as a fishing guide and Maintenance worker. I April of 2004, he took a full time position as Operations Manager for Anderes Oil, Inc. of Ketchikan. He is responsible for Marketing, Product Inventories and Sales.

He currently is a 50% owner of PSSA, Remote Made Easy, Full Cycle, Ward Cove Industries, and Alaska Coatings. He currently is a 50% owner of what was the KPC Pulp Mill facility in Ward Cove.

Thank you

Andrew P Spokely
VP
Power Systems & Supplies of Alaska
907-617-3392
andrew@pssak.com

David C. Spokely
P.O. Box 1559 Ward Cove, Alaska 99928

(907)617-3450
dave@pssak.com

Personal: He is 61 years old. Happily married for twenty eight years to his first and only wife, Kathy. Has one son, Andrew, but raised several nephews and a niece. He has lived in Alaska since 1979, when he first came here as a seasonal pilot for TEMSCO Helicopters. He spends most of his recreational time on the waters of Southeast Alaska, in a motor boat, canoe or kayak. He and Kathy now live in a cabin on the water more than 5 miles from the nearest road. He and his family personally built their last 2 homes, and constructed a new home on a lot adjacent to the cabin they currently live in.

Education: David has a BS Degree in Aerospace Science, an AS degree in Aviation Applied Science and an AA degree in Arts & Science. He has additional college training in Business Management, Computers, Marketing, Accounting, Architecture, Engineering and Automotive Mechanics. He has designed and built custom homes. Designed and developed in the State of Alaska, the first certified portable water treatment plant for 25-50 man field camps. .

Licenses and Certifications: He is a Certified Diver, has a Commercial Instruments Pilots License for Airplanes and Helicopters, a Commercial Drivers License, and a 100 Ton Masters License. He is certified as a Radiation Safety Officer, Water Treatment Plant Manager, Traffic Control Manager, Fire Extinguisher Inspector and HAZWOPPER Superintendent

Career History: He was on active duty in the US Army from 1972 to 1977. Starting out enlisted as an artillery gunner and ending as an officer and a helicopter pilot. He spent an additional 3 years flying in the Army Reserves while finishing his college degree. He flew helicopters commercially in Southeast for most of his 25 years in Alaska. After his Father-in-Law passed away in 1988, he and Kathy managed "The Trading Post Inc." for 4 years. This was a retail jewelry and curio store in Ketchikan. The Trading Post had 25 employees during the summer and retail sales of over 1 million dollars a year. He also did the accounting for the business. During this same period he worked part time as a heavy equipment operator and commercial dump truck driver. In 1993 he went to work for South Coast Inc. This was a Ketchikan based heavy construction company that operated in all areas of Alaska and expanded into the Southwestern United States. Starting out as only the Chief Pilot, he soon took on the additional roles of Personnel Manager, Director of Safety, Radiation Safety Officer and EEO Officer. Additional duties included, writing the safety manual, personnel manual and company policy manual. He was primarily responsible for compliance with government regulatory agencies to include, EPA, DEC, OSHA, MSHA, FAA, EEOC and Dep. of Labor.

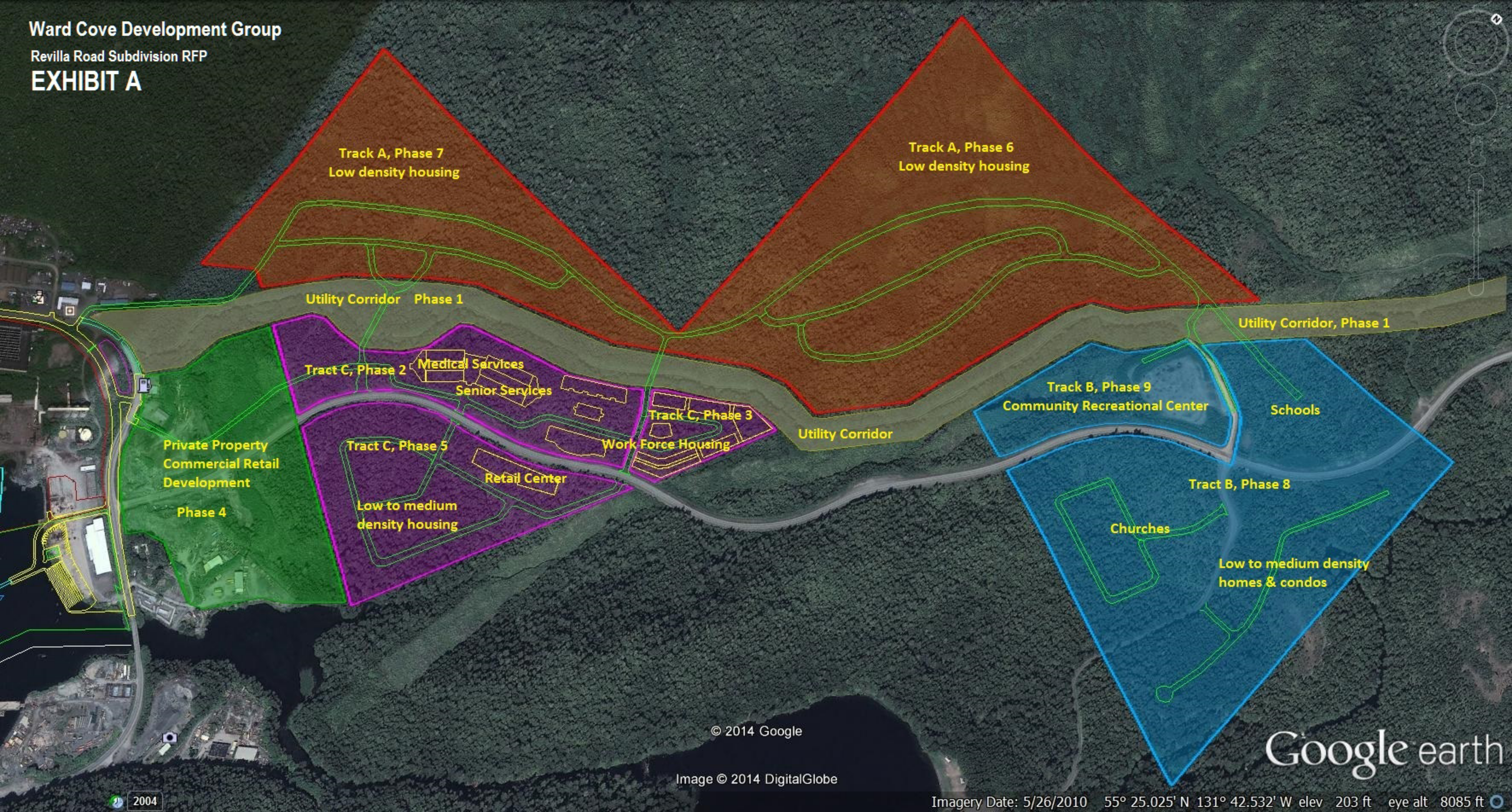
He currently is a 50% owner of PSSA, Remote Made Easy, Full Cycle, Ward Cove Industries, and Alaska Coatings. He currently is a 50% owner of what was the KPC Pulp Mill facility in Ward Cove.

Thank you

Ward Cove Development Group

Revilla Road Subdivision RFP

EXHIBIT A



© 2014 Google

Image © 2014 DigitalGlobe

Google earth

Imagery Date: 5/26/2010 55° 25.025' N 131° 42.532' W elev 203 ft eye alt 8085 ft

2004

Ward Cove Development Group
Exhibit B Revilla RFP
September 2014

Utility Corridor, Phase 1

Memory Unit
Urgent Care Unit
Long Term Care
Food Services
Senior Condos
Senior Apartments
Senior Community Center

Tract C, Phase 2

Executive Condos
Retail

Tract C, Phase 3

Town House Unit 1
Town House Unit 2
Town House Unit 3
Community Center
Condo Unit 1
Multi-floor Work force Apartments

Professional Plaza

Tract C, Phase 5

Retail Center Mall

Image © 2014 DigitalGlobe

Google earth

Imagery Date: 5/26/2010 55° 24.898' N 131° 42.748' W elev 171 ft eye alt 2497 ft

2004