



Robert Sivertsen, Mayor  
334 Front Street  
Ketchikan, AK 99901

(907) 228-5603 phone  
(907) 225-5075 fax

September 10, 2019

Ms. Estrella F. Campellone  
US Army Corps of Engineers  
Regulatory Division (1145)  
CEPOA-RD  
Post Office Box 6898  
JBER, Alaska 99506-0898

Dear Ms. Campellone:

**Re: Public Notice of Application for Permit – Power Systems & Supplies  
of Alaska, Reference Number POA-2019-00313**

With regard to the above referenced subject, the City of Ketchikan is a Home Rule municipality located on Revillagigedo Island situated in southern southeast Alaska. Having a population of 8,157, which represents 58.9% of total Borough inhabitants<sup>1</sup>, the City of Ketchikan is the center of residential, retail and business activity within the greater Ketchikan community. As the principal provider of many of the services and infrastructure that support tourism, including the Port of Ketchikan, the City of Ketchikan believes it is uniquely qualified to assess the impacts of the development at Ward Cove, which is the subject of the proposed permit.

Ketchikan has been a premier cruise destination since the industry's inception in Southeast Alaska and tourism is now the principal driver of the local economy. After nearly \$100 million of primarily public investment dating back to 2006, the Port of Ketchikan currently has the capacity of docking four Panamax size cruise ship vessels at its four cruise ship berths. The 2019 cruise season will bring about 1.2 million cruise passengers to Ketchikan, all disembarking at the Port of Ketchikan. The Port is located in the downtown center (see Exhibit A), which largely consists of retail establishments and tour operations that specifically cater to the cruise ship passengers.

On June 11, 2019, it was publicly announced that Power Systems & Supplies of Alaska in partnership with Godspeed, Inc. (collectively operating as Ward Cove Dock Group) will be developing a two berth cruise vessel facility in Ward Cove funded through a preferential berthing agreement with Norwegian Cruise Line Holdings. The facility is scheduled to open in 2020 and, according to principals of Power Systems & Supplies of Alaska, components of the vessel berths are already under construction. While generally supportive of private sector initiatives, the City believes there will be negative impacts to the greater Ketchikan community as a result of the project that the Ward Cove Dock Group is proposing. The Corps of Engineers must consider these impacts in its review of the permit application.

According to the public notice issued by the Army Corps of Engineers this project is being undertaken to:

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<sup>1</sup>2018 Alaska Department of Commerce, Community and Economic Development

“improve safe transit through Tongass Narrows, provide safe harbor for large cruise ships and relieve existing and future vessel, pedestrian, and vehicle congestion in the Port of Ketchikan and downtown Ketchikan.”

The City takes exceptions to the objectives as stated. The City is more than capable of speaking for itself with regard to existing and future congestion issues at the Port and downtown. The Ward Cove Dock Group's characterization of the project's purpose might have been more credible if it had included full disclosure and discussion *“of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest”* (emphasis added). To that end, the City of Ketchikan offers the following:

**1. Loss of Cruise Ship Vessels and Passengers to Ward Cove Will Diminish the Port of Ketchikan's Ability to Reconfigure Its Cruise Ship Berths to Accommodate the Larger Neo-Panamax Class Cruise Ship Vessels That Are Beginning to Enter the Alaska Market**

In response to industry projections indicating steady and continuous growth within the Alaska market, the Port of Ketchikan has been working to design and fund a reconfigured Port with the capacity to accommodate as many as four neo-Panamax class vessels simultaneously. Current designs for reconfigured berths and necessary cathodic protection range between \$58 million and \$114.3 million depending on the design, exclusive of the uplands improvements that will be required to better disperse and accommodate increased numbers of passengers. The cost of such uplands improvements is currently estimated at up to \$35 million.

Upon the Ward Cove facility becoming operational in 2020, it is anticipated that all Norwegian Cruise Lines vessels currently utilizing the Port of Ketchikan will berth at the Ward Cove cruise dock. It is projected that four Norwegian vessels, the *Joy*, the *Bliss*, the *Jewel* and the *Sun* will be diverted from the Port of Ketchikan to Ward Cove. Additionally, Regent Seven Seas Cruises and Oceania Cruises are affiliate brands of Norwegian Cruise Line Holdings and it is anticipated that their ships the *Seven Seas Mariner* and *Regatta* will be diverted to Ward Cove as well. Based on 2020 draft schedule information and assuming an operational date of July 1st, the City anticipates that the diversion of these six vessels will result in the Port losing 172,339 passengers and incurring revenue losses of \$1,206,370 and \$260,374 in passenger wharfage fees and vessel dockage fees respectively (see Exhibit B). On an annualized basis, the City estimates losing 287,411 passengers and incurring revenue losses of \$2,011,879 and \$432,940 respectively (see Exhibit B). The diversion of the Norwegian vessels and passengers to Ward Cove represents an immediate loss of 23.9% of the Port of Ketchikan's current cruise ship passenger traffic, which is estimated at 1.2 million passengers.

Representatives of the Ward Cove Dock Group have already stated their intent to seek business with other cruise lines that currently utilize the Port of

Ketchikan (see Exhibit C). If two ships per day per week were to dock at the Ward Cove facility, the City estimates losing up to an additional 441,000 passengers per year and incurring additional annual revenue losses of \$3,087,000 and \$854,256 in passenger wharfage fees and vessel dockage fees respectively<sup>2</sup> (see Exhibit D).

The City currently has outstanding Port debt of \$25.2 million, which requires average annual principal and interest payments of \$2,235,044 through 2035. The City currently has a thirty-year agreement with Ketchikan Dock Company for the use of Berth IV, which requires an annual lease payment in excess of \$2.7 million. On September 5, 2019 the City awarded a \$5,357,000 contract to J.E. McAmis, Inc. for removal of a rock pinnacle adjacent to Berth II. The rock pinnacle poses a navigational hazard and its removal is a prerequisite to reconfiguring the Port's berths to accommodate the larger vessels.

When taken together with its existing fixed costs, initial revenue losses of \$2.4 million to Ward Cove will likely jeopardize the Port's ability to issue new debt in the near-term, which will be required to reconfigure the Port's berth facilities. The erosion of Port revenues will only escalate depending on how aggressively Ward Cove Dock Group markets its two berths to other lines. The potential loss of traffic could actually prevent the Port from undertaking the \$58 million to \$114.3 million in Port improvements to accommodate neo-Panamax and larger class vessels that are transiting southeast Alaska. The loss of such cruise traffic will make it that much more difficult to fund desperately needed upland improvements to facilitate pedestrian and vehicle traffic in the downtown center and enhance cruise ship passenger safety. Ironically, the development of new cruise ship facilities at Ward Cove could actually result in the community not having sufficient berth and uplands capacity to meet industry demand, an effect that may ultimately result in vessels bypassing Ketchikan. The potential impact to the local economy could be devastating.

## **2. Transportation of Cruise Ship Passengers from Ward Cove to Downtown Ketchikan Will Increase Vehicle and Passenger Congestion in the Downtown Center**

On any given day during the 2019 cruise ship season, the City has averaged 7,990 passengers per day. Additionally, significant numbers of crew members disembark at the Port to take free shuttles to shop at the local Walmart. During the peak months of June, July and August, the City averages 8,682 passengers per day plus crew. July 16<sup>th</sup> was the busiest day of the 2019 cruise ship season with 14,109 passengers scheduled to visit Ketchikan.<sup>3</sup>

The community's tourism based economy has also resulted in a labor force that has become more seasonal. In 2018, the average employed labor force

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<sup>2</sup>This analysis assumes that the Ward Cove facilities will serve two ships a day, seven days a week (14 ships per week including the six Norwegian affiliated vessels) during the entire season. For the purpose of this analysis the non-Norwegian vessels are estimated at 950' in length with a capacity of 2,205 passengers.

<sup>3</sup>2019 Ketchikan Visitors Cruise Ship Calendar

in the greater Ketchikan community was 7,044 with employment peaking at 7,980 in July.<sup>4</sup> As noted above, the City has a year round population of 8,157. When cruise ships are docked at the Port, the daily influx of passengers, crew and seasonal workers into the downtown center results in significant vehicle and pedestrian congestion.

According to a 2018 study commissioned by the Ketchikan Visitors Bureau, the McDowell Group estimated that 53% of cruise ship passengers visiting Ketchikan participate in activities that center in and around downtown:<sup>5</sup>

City/Sightseeing Tours	23%
Shows/Entertainment	12%
Historical/Cultural Attractions	7%
Museums	6%
Total	53%

In announcing its proposed development for Ward Cove on June 11<sup>th</sup>, the applicant stated that downtown Ketchikan will remain as a “destination” and the company intends to “offer shuttle service for cruise ship passengers who want to go to downtown” (see Exhibits E and F). While the company has expressed interest in using a combination of “water taxi” and buses to transport passengers from Ward Cove to downtown, the City believes that initially the primary means of transport will be by bus. While it is not possible to know exactly how many passengers from Ward Cove may be transported to the downtown center, 53% of one neo-Panamax vessel yields over 2,000 people per day plus crew.

Ward Cove is approximately 7.5 miles from the downtown center of Ketchikan. Based on an average capacity of fifty passengers, the City anticipates that eighteen buses will be required to transport passengers from Ward Cove to downtown Ketchikan. This estimate is based on the City’s review of the Halibut Point Marine Shuttle that transports cruise ship passengers from a privately owned cruise ship dock in Sitka, Alaska that is located five miles from the downtown. This dock serves larger neo-Panamax vessels such as the Norwegian *Bliss*. Passengers disembark downtown at the Centennial Hall parking lot.

The City anticipates 100 to 120 round trips per day will be required based on fifteen to eighteen buses operating continuously. Each trip from Ward Cove is expected to take thirty minutes, with buses departing Ward Cove every fifteen minutes with the last bus leaving forty-five minutes before the departing vessel’s “all aboard”. When arriving in the downtown center, it is likely that the Ward Cove Dock Group’s buses will be met by secondary vehicles to transport passengers to departing tours and other venues.

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<sup>4</sup>2019 City of Ketchikan Comprehensive Annual Financial Report

<sup>5</sup>McDowell Group 2018 Ketchikan Summer Visitor Profile and Economic Impact Analysis, Prepared for the Ketchikan Visitors Bureau

The addition of the Ward Cove Dock Group's buses will significantly increase vehicle and pedestrian congestion in downtown Ketchikan, which is already overly congested. Currently, the City of Ketchikan doesn't have an available established area for bus passenger offloading and loading sufficient for passengers of the magnitude that the Ward Cove Dock Group is likely to transport.

In assessing the impacts of additional bus trips to and from the downtown center, the City has concluded that off street staging is the only means by which passengers can be loaded on and off the Ward Cove Dock Group's vehicles. Attempting to disembark up to fifty passengers per vehicle onto already congested City streets is simply not feasible or safe. It has also been determined that the staging of Ward Cove Dock Group buses on the Port's cruise ship berths will not be feasible due to conflicts with vessel staging and security.

On Monday, August 10, 2019, the City met with representatives of the Ward Cove Dock Group to discuss the issue of transporting passengers to downtown Ketchikan. During that discussion the City defined the boundaries of the downtown center (see Exhibit A) and advised representatives of the Ward Cove Dock Group that on-street staging of its vehicles within that area would not be permitted.

During that discussion, the City suggested four possible off-street staging areas and discussed the pros and cons of each site. Given the distance between the most popular visitor destinations within the downtown (see Exhibit G), the City also suggested that two staging areas might be necessary as visitors may be unwilling to walk significant distances to board waiting buses. Representatives of the Ward Cove Dock Group seemed to acknowledge that this could be a potential issue. The City concluded the meeting with a request that it be kept informed of the Ward Cove Dock Group's efforts to secure off street staging.

On August 30, 2019, the City received the attached "Ward Cove Dock Group Transportation Plan for 2020" (see Exhibit H). The City believes that this so called plan was quickly pieced together in response to the concerns that were raised at the August 10, 2019 meeting. While characterized as a "transportation plan" for 2020, the document lacks specificity, grossly underestimates the number of cruise ship passengers that will want or need to travel to downtown and unreasonably relies on the Ketchikan Gateway Borough's public transit system to address the issue of transporting passengers from Ward Cove to the downtown center. Simply stated, the plan lacks any credibility and provides no basis upon which the Corps of Engineers can conclude with any certainty that there will be a mechanism in place by 2020 to transport passengers from Ward Cove to Ketchikan's downtown center without significantly increasing vehicle and pedestrian congestion. The plan's lack of substance is best illustrated by the fact that no one from the Ward Cove Dock Group has even made an attempt to contact the City's professional staff to discuss the plan's feasibility and/or impacts.

Since the Ward Cove site will not be fully built out by 2020 (see Exhibits I and J) and retail and tour accommodations at the location will initially be minimal, the City believes that the majority of disembarking passengers will need to be transported to downtown Ketchikan either to connect with local tour operators or to take advantage of retail and other amenities. The additional vehicles that will be required to transport these passengers will stress an already overly congested area. As the City is not obligated to provide off street staging areas, it is incumbent that the Ward Cove Dock Group recognize that it has an obligation to do so.

The need for off-street staging areas is not just a short-term issue. The City believes that should the Ward Cove Dock Group be successful in marketing its facility to other lines, greater numbers of disembarking passengers (53.3% according to the McDowell Group) will likely wish to visit downtown Ketchikan. Those visitors will have to be transported to Ketchikan in a safe manner and off-street staging is a prerequisite to satisfying that demand.

In order to mitigate these concerns, the City requests that the Corps of Engineers withhold approval of the proposed permit until such time as the Ward Cove Dock Group provides documentation of its ability to provide two off-street staging areas within the defined area of Ketchikan's downtown center that have been accepted and approved by the City of Ketchikan, the Ketchikan Gateway Borough and the Alaska Department of Transportation and Public Facilities.

### **3. Adequacy of Public Safety and Emergency Medical Response to Ward Cove**

With over 1.2 million passengers visiting Ketchikan in 2019, local law enforcement and emergency medical staff are required daily at the Port of Ketchikan and within downtown Ketchikan. Fire Department and Police Department responses have increased significantly as a result of emergency medical call-outs to visiting vessels and the interactions between passengers and/or crew and residents of the community. The City of Ketchikan relies on paid professional staff, which is available twenty-four hours a day, seven days a week, to respond to these calls.

As the Ward Cove facility is located outside the City limits, comparable services will need to be provided by the North Tongass Volunteer Fire Department, Alaska State Troopers and possibly the Ketchikan Gateway Borough. The City questions whether these entities are appropriately equipped to handle increased law enforcement and emergency medical responses of this magnitude.

In 2018, for example, the Ketchikan Fire Department tended to a total of 177 cruise vessel patients, which required an average of 1.2 call-outs per day while ships were in Port. The North Tongass Volunteer Fire Department has only three paid staff members, which are only on duty Monday through Friday during regular daytime hours. Evenings and weekends are covered by volunteers or paid staff if they are available to respond. Delays in responding to medical or fire emergencies may become more of an issue when one takes

into account that the three paid staff members operate out of the far north station, which is 8.5 miles to the north of Ward Cove.

Additionally, the department has only 2 ambulances, which could present a significant challenge during overlapping calls. This concern is further exacerbated when one considers that the proposed Ward Cove facility is 3.3 miles further from the PeaceHealth Ketchikan Medical Center (hospital) than is the Port of Ketchikan (see Exhibit K).

As more businesses that cater to cruise ship passengers have developed within the downtown, City Police Department responses to a variety of misdemeanor and felony offenses related to the visitor industry have increased as well. Similar law enforcement resources will surely be required to meet the public safety needs of the passengers that the Ward Cove Dock Group is proposing to process through its facilities. As the State of Alaska continues to confront large budget deficits and reductions in services, it is not clear that the State Troopers will have the resources locally to respond to the demands that will be generated by the new cruise facilities at Ward Cove.

When reviewing the applicant's permit application for a cruise vessel facility at Ward Cove and associated operations, the Corps of Engineers must recognize that the Ketchikan Police and Fire Departments will not be able to assist with day-to-day law enforcement and emergency medical needs outside the jurisdiction of the City of Ketchikan. While the City will honor its obligations under existing mutual aid agreements, it will not assume the responsibility of regularly standing in for these agencies when they're either not available or unable to respond. Prior to the proposed permit being issued, the Ward Cove Dock Group must demonstrate that sufficient public safety and emergency medical response resources are in place to meet the needs of the 172,000 to 287,000 cruise ship passengers that will initially disembark at Ward Cove.

**4. The Construction of Cruise Ship Facilities at Ward Cove Will Adversely Affect the Finances of the City of Ketchikan and Its Ability to Fund Essential Community Services**

Approximately eighty-three and one-half percent (83.5%) of all sales tax receipts collected in the Ketchikan Gateway Borough are generated within City limits. Financed in part through the assessment of sales taxes, the City of Ketchikan provides important regional services and infrastructure, which include, but are not limited to, the following:

- Regional hospital health care services;
- Regional emergency planning services;
- Regional emergency medical services;
- Regional emergency dispatch services;
- Public health services;
- Maintenance of major transportation collector streets within the City including traffic control;
- Community cultural services including the Tongass Historical Museum, the Totem Heritage Center, the Ketchikan Public Library;

- Regional tourism services including the Port of Ketchikan and the Ketchikan Visitors Bureau; and
- Financial support of not-for-profit agencies that provide humanitarian service programs throughout the community.

In order to finance the cost of these and other services, the City of Ketchikan currently levies a four percent (4%) sales tax on all sales occurring within City limits. One percent (1%) is dedicated to the Hospital Sales Tax Fund; one percent (1%) is dedicated to the General Fund for public safety services; one-half percent (0.5%) is dedicated to the General Fund for general government services; and one and one-half percent (1.5%) is dedicated to the Public Works Sales Tax Fund.

It is important that the Corps of Engineers understand that unlike the City and Borough of Juneau, Alaska, the City of Ketchikan and the Ketchikan Gateway Borough are not consolidated. The Ketchikan Gateway Borough levies a separate two and one-half percent (2.5%) sales tax on all sales occurring within Borough limits (both inside and outside City limits). The City receives no sales tax revenue from sales occurring outside City limits including those that will be generated at the Ward Cove facilities.

For the year ended December 31, 2018, the City earned sales tax revenues of approximately \$12.5 million. Of this amount, \$4,687,500 was deposited in the General Fund to support police and fire operations. Another \$3,125,000 was deposited into the Hospital Sales Tax Fund, in order to promote the development of regional health care facilities and services. Currently, \$2.53 million is designated for annual debt service for a \$41.3 million general obligation bond issue that was sold in 2014, in order to finance a community hospital renovation and additions project. Ketchikan PeaceHealth Medical Center, which is owned by the City and operated by PeaceHealth, serves residents of Ketchikan, Metlakatla, Prince of Wales Island and cruise ship passengers and crew.

Lastly, \$4,687,500 was deposited into the Public Works Sales Tax Fund. These funds are primarily used to support public works projects such as street construction/paving projects and improvements to public facilities owned and operated by the City including the Ketchikan Public Library, the Tongass Historical Museum, the Totem Heritage Center and the Ted Ferry Civic Center. These are important community assets, which are used and enjoyed by all residents of the Borough and cruise ship visitors alike.

As noted above, sales tax revenues are integral to paying for these services. For the year ended June 30, 2019, the City collected \$12.67 million in sales tax receipts. Of this amount, the City estimates that \$4.48 million, or 35.3%, was collected from businesses that are directly or indirectly related to the tourism industry.

Representatives of the Ward Cove Dock Group have already stated that there will be subsequent phases to its initial project in which tour and retail operations will be built out (see Exhibits I and J). If the company is

successful in marketing its excess berth capacity to other lines, the Port of Ketchikan could potentially lose up to sixty percent of its passenger traffic.

While at this time it is difficult to quantify what the financial impacts will actually be from the proposed development at Ward Cove, it can be stated with some certainty that the City of Ketchikan will be adversely affected. The potential loss of sales tax revenues to the City is a real and documented concern. In November of 1998, the Wal-Mart Corporation announced its intention to construct a 64,000 square foot facility at Mile 4 North Tongass Highway, which was approximately one mile north of what were then the City limits and located within the Shoreline Service Area. After extensive analysis it was projected that the City could experience a reduction of between \$700,000 and \$1.4 million in annual sales tax revenues. Additionally, it was expected that some commercial property values would decline.

The potential loss of revenue that would have resulted from retail shifting outside the City limits could have resulted in higher property and sales taxes, reductions in services and elimination of employee positions. After careful consideration, the City initiated the process of annexing the Shoreline Service Area, which was completed in 2001. An analysis of subsequent sales generated within the service area confirmed that the City's earlier projections regarding the potential loss of sales tax revenues were under estimated.

The City currently has no desire to expand its municipal boundaries to include Ward Cove. If, however, the proposed development of cruise ship berths and retail/tour facilities is successfully completed, the City may have no choice but to consider such a course of action. The potential erosion of sales and property tax revenues will negatively affect the City's ability to pay for essential services and infrastructure, which Ketchikan residents and businesses require. The City of Ketchikan questions whether the disruption of the means by which it funds such important community services is in fact in the public's interest.

## **5. Application of State and Local Building Codes**

The Ward Cove Dock Group's proposed project includes the construction of new cruise ship berths. Representatives have indicated that the company also intends to utilize former Ketchikan Pulp Company buildings, which date back to the 1950s (see Exhibit L). Depending on the extent to which the Ward Cove facilities are developed and marketed, up to 725,000 passengers per year may be processed through the site. In evaluating the life safety considerations that must be taken into account when a development of this magnitude is reviewed, the City of Ketchikan respectfully offers the following with regard to the Ward Cove site.

As a municipality with deferred authority over building code review and inspection, proposed buildings and building renovations constructed to serve cruise ship passengers in the City of Ketchikan go through a process that provides assurance that design and construction meets minimum code standards. This process includes design review for all trades including

structural, energy, and disabled accessibility; issuance of a building permit; and progress inspections prior to completed work being enclosed. When construction is complete and complies with the applicable codes, the City issues a Certificate of Occupancy.

Outside of the City of Ketchikan, proposed buildings and building renovations receive a design review for fire and life safety at the state level by the State Fire Marshall. No other work items, such as plumbing, electrical, structural, building envelope, and disabled accessibility require a design review. The State of Alaska has limited personnel to inspect construction for plumbing and electrical work. Those inspections are carried out on a very sporadic basis as limited State resources allow. No state inspectors are based in Ketchikan.

If a spot inspection happens to take place during construction and deficiencies are identified, there may not be subsequent follow up inspections that document the deficiencies have been corrected.

## **6. Ward Cove Environmental Considerations**

In 2000, the U.S. District Court for the District of Alaska entered a consent decree involving the EPA, Gateway Forest Products, Inc., Ketchikan Pulp Company and Louisiana Pacific Corporation addressing remediation of the uplands and marine areas of the former pulp mill's operations. The properties have changed hands since then and it is the City's understanding that there are various agreements in place involving the parties in ownership at any given time regarding remediation of the former pulp mill property. The City urges that the Corps and EPA take a hard look at the environmental impacts of granting the permit.

When compared to Panamax class vessels, the City has observed distinct differences in the amount of wash from neo-Panamax class vessels, including the Norwegian *Bliss* and *Joy*, which have utilized Berth III the past two seasons. While the wash from bow and stern thrusters has markedly increased, it is the wash from the main propulsion azipods that is significantly larger and is the biggest concern. The azipod wash is of such increased force that it has broken numerous wooden fender piles at Berth III, something that has never occurred before. The City encourages the Corps of Engineers to coordinate with the EPA and any other regulatory or permitting agencies that have jurisdiction to review the effects that significant wash from vessel thrusters and azipods will potentially have on what could be the environmentally sensitive areas of Ward Cove.

## **7. Loss of Governance**

The City has operated the Port of Ketchikan since the 1970s. Following the closure of Ketchikan Pulp Company facilities at Ward Cove in 1997, the Port has become the main economic driver of the community. In recent years the

City Council has attempted to balance the economic benefits that the cruise industry has on Ketchikan and the quality of life issues that are of critical importance to Ketchikan residents. Despite its economic importance, many in the community are beginning to question whether there should be limits on the number of passengers and vessels that are allowed to come to Ketchikan at a given time. Up to now, the Port of Ketchikan has provided the only large cruise ship facilities within the community and residents have had input into how it is operated through the elected officials that comprise the Ketchikan City Council. Once facilities have been constructed and are operating in Ward Cove, oversight of how the industry impacts Ketchikan no longer will be under the sole jurisdiction of local government. Given the economic and social impacts that the industry has on the community, the City has to question whether the proposed development at Ward Cove is really in the best interest of Ketchikan residents.

Based on the information documented herein, the City of Ketchikan believes it has raised sufficient cause to question whether the requested permit and the probable impacts of the proposed facilities at Ward Cove, including their cumulative impacts on the community, are in the best interests of Ketchikan as stated by the applicant. To that end and pursuant to the Public Notice of Application for Permit, the City Council formally requests that the US Army Corps of Engineers conduct a public hearing in Ketchikan to provide the opportunity to the City and residents of the community to speak further to the application and its probable and cumulative impacts.

Should you have any questions on this matter, please do not hesitate to contact me.

Sincerely,

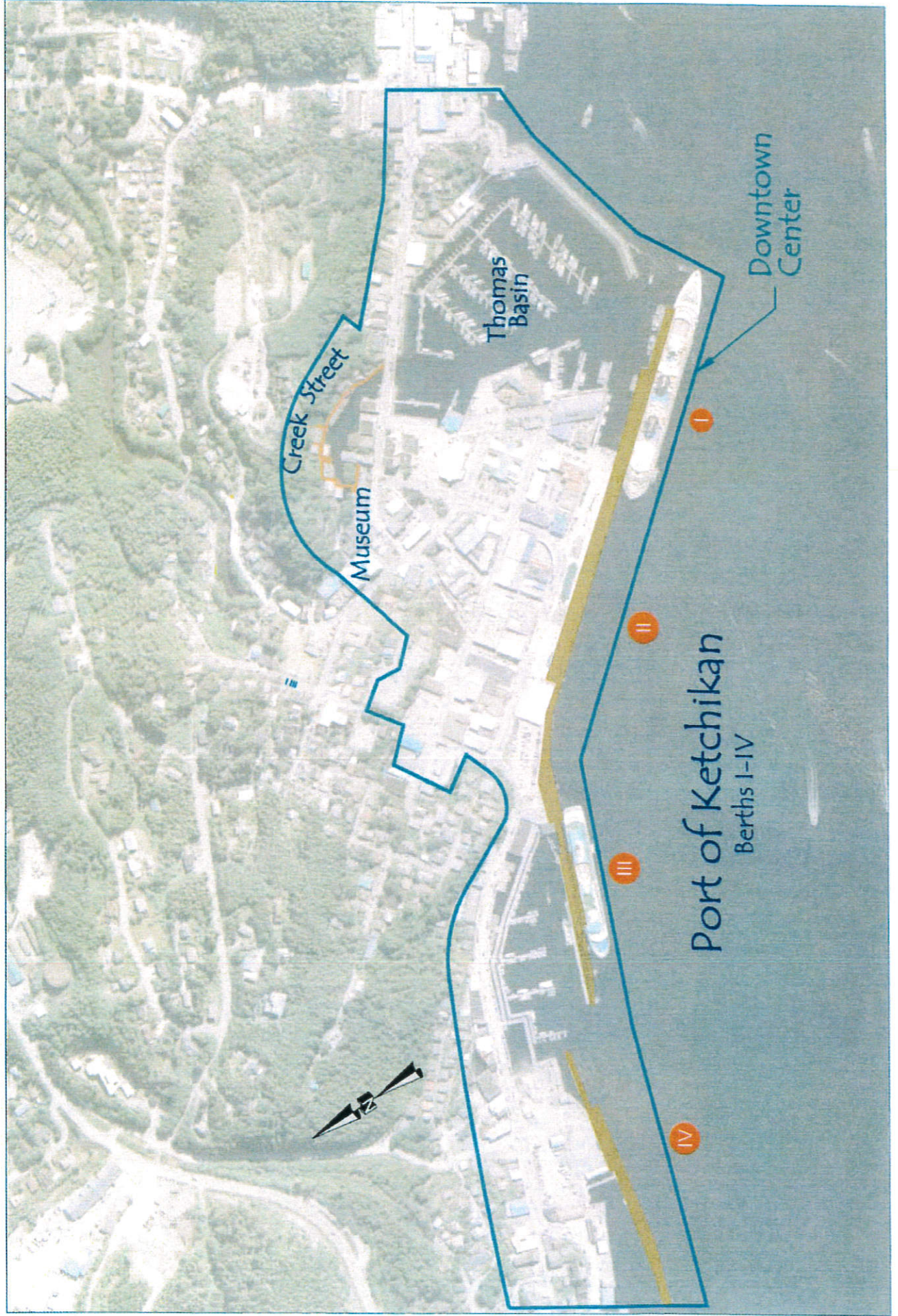


Bob Sivertsen  
Mayor

cc: City Councilmembers  
Mayor Landis and Borough Assembly Members  
Ruben Duran, Borough Manager  
Chris Hladick, Environmental Protection Agency Region 10  
Senator Bert Stedman  
Senator Lisa Murkowski  
Senator Dan Sullivan  
Representative Don Young  
Representative Dan Ortiz  
David Spokely, Power Systems & Supplies of Alaska  
Stephen Bradford, Power Systems & Supplies of Alaska  
John Binkley, Godspeed, Inc.  
Howard Sherman, Norwegian Cruise Line Holdings, Ltd.  
Sandra Weir, Norwegian Cruise Line Holdings, Ltd.  
Karl R. Amylon, City Manager  
Mitch Seaver, City Attorney  
Kim Stanker, City Clerk  
Steve Corporon, Port & Harbors Director  
Bob Newell, Finance Director  
Mark Hilson, Public Works Director  
Lacey Simpson, Assistant City Manager  
Richard Harney, Planning Director  
Diane Walker, Executive Assistant

# Exhibit A

Scale: 1"=500'



# Exhibit B

City of Ketchikan, Alaska  
Proposed Cruiseships Shifting to Ward Cove  
Projected July 1 to September 30, 2020 & May 1 to September 30, 2021  
Prepared: August 26, 2019

Projected July 1 to September 30, 2020												
Vessel	2020 Calls	Lower Berth Counts	Projected 2020 Upper Berth Count %	Adjusted Berth Counts	Total Passengers	Passenger Wharfage Fees	Cruiseship Length in Feet	Docking Rate @ Foot	Docking Fees	Add'l Docking @ Foot	Add'l Docking Fees	Projected Revenue Loss per Shift to Ward Cove Berths
NCL & Affiliated Companies												
Norwegian Bliss	13	4,174	5%	4,383	56,975	\$ 398,826	1,094	2.54	\$ 36,124	1.90	\$ 27,022	\$ 461,971
Norwegian Jewel	11	2,376	5%	2,495	27,443	192,100	965	2.54	26,962	1.90	20,169	239,230
Norwegian Joy	14	3,887	5%	4,081	57,139	399,972	1,094	2.54	38,903	1.90	29,100	467,975
Norwegian Sun	8	2,002	5%	2,102	16,817	117,718	848	2.54	17,231	1.90	12,890	147,839
Oceania Regatta	9	700	5%	735	6,615	46,305	593	1.94	10,354	1.90	10,140	66,799
Regent Seven Seas Mariner	10	700	5%	735	7,350	51,450	709	2.54	18,009	1.90	13,471	82,930
Total NCL & Affiliated Companies	65				172,339	\$ 1,206,370			\$ 147,582		\$ 112,792	\$ 1,466,744
Projected May 1 to September 30 (Full Season)												
NCL & Affiliated Companies												
Norwegian Bliss	22	4,174	5%	4,383	96,419	\$ 674,936	1,094	2.54	\$ 61,133	1.90	\$ 45,729	\$ 781,798
Norwegian Jewel	18	2,376	5%	2,495	44,906	314,345	965	2.54	44,120	1.90	33,003	391,468
Norwegian Joy	23	3,887	5%	4,081	93,871	657,097	1,094	2.54	63,911	1.90	47,808	768,817
Norwegian Sun	14	2,002	5%	2,102	29,429	206,006	848	2.54	30,155	1.90	22,557	258,717
Oceania Regatta	15	700	5%	735	11,025	77,175	593	1.94	17,256	1.90	16,901	111,332
Regent Seven Seas Mariner	16	700	5%	735	11,760	82,320	709	2.54	28,814	1.90	21,554	132,687
Total NCL & Affiliated Companies	108				287,411	\$ 2,011,879			\$ 245,389		\$ 187,551	\$ 2,444,819

## Assumptions:

(1) Assumes that the City will lose listed NCL and its affiliated companies' traffic by specified effective date.

# Exhibit C

June 11, 2019 Ketchikan Daily News

Cruise dock at Ward Cove

**By SAM ALLEN**  
**Daily News Staff Writer**

Amidst Ketchikan City Council discussions to expand the downtown berths, the Ward Cove Dock Group on Monday evening announced a plan to build a t-shaped dock with Norwegian Cruise Line at the former pulp mill site in Ward Cove.

The two-berth dock would be built to accommodate the largest sizes of cruise ships — including NCL's Breakaway Plus Class ships, the Norwegian Joy and Bliss, according to Ward Cove Dock Group information. Construction would begin in late fall, depending on the permitting process. NCL wants to bring its first cruise ship passengers to the dock by summer 2020.

The Ward Cove Dock Group was formed on June 5, according to state information. Power Systems & Supplies of Alaska, owned by Andrew and Dave Spokely, has a 50% ownership stake in the Ward Cove Dock Group.

The other half of the new company is owned by Godspeed Inc. which is owned by Skip, James and John Binkley. Ryan Binkley serves as president. John Binkley — who is the president of Cruise Line International Association Alaska — is vice president of Godspeed, according to state information.

Trevor Shaw, administrative manager and director of government affairs for Power Systems & Supplies of Alaska, said Monday evening that phase one of the project would be \$50 million. This includes a welcoming center and passenger terminal. Shaw said he did not have cost estimates for the rest of the project.

**Shaw said that Ward Cove Dock Group would own the dock, and NCL would contribute to some of construction costs in exchange for "preferential berthing rights to be able to use the dock in a long-term scenario."**

**He said currently NCL is the only cruise line they've had conversations with, "but certainly it will expand from there," after phases of the project are completed.**

The Spokelys purchased the site from the Ketchikan Gateway Borough in 2011, according to the announcement.

Power Systems and Supplies of Alaska would retain ownership of all of the land and the tidelands, Shaw said.

"The land use is done through a lease to Ward Cove Dock Group from Power Systems and

# Exhibit C

Supplies," he said.

In Monday's prepared statment, Dave Spokely said "A cruise ship dock at Ward Cove represents the best opportunity to grow the tourism economy of Ketchikan, while not overcrowding the downtown area. If we want the entire community of Ketchikan to grow, we need to spread out our visitors."

Shaw said that there is no intention to tear down the existing mill. According to the announcement, the new company hopes to have local vendors on the site and local tours leaving from Ward Cove.

"By creating 'The Mill at Ward Cove,' we will be highlighting and preserving an important part of Ketchikan's history," Dave Spokely said. "This is an important first step in fulfilling the intent to repurpose and revitalize the former industrial site for the benefit of our community."

Shaw said some of the permits for this process have already been filed. He said conversations about this project started around the turn of the new year.

Godspeed President ryan Binkly said the company is excited to partner with the Spokley family.

"They have a great vision for the potential at Ward Cove and a deep belief in growing Ketchikan's economy," Binkley said in the prepared statement.

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The purpose of that meeting was to hear from its port configuration representatives, Bermello Ajamil & Partners, about the next step in the expansion process. This would have included the steps to solicit proposals from the cruise ship industry for port expansion and upland improvements.

While Assistant City Manager Lacey Simpson could not say why the meeting was canceled, she did say that it was due to "factors beyond the city's control at this point."

City of Ketchikan Mayor Bob Sivertsen said he couldn't comment on the meeting cancelation until a meeting with city and KPU Manager Karly Amylon on Tuesday. But Sivertsen did say, "I think there are some issues that have come up that (Amylon) felt was premature to go there."

Sivertsen said another meeting would be rescheduled.

"We still have work to do, there's no doubt about that," he said.

Shaw said Ward Group Dock Grup representatives would meet with Sivertsen and Amylon on Tuesday to further discuss the project. Shaw said initial conversations and feedback from the city have been positive.

# Exhibit C

"They do seem supportive in initial conversations," Shaw said. "Especially with all the various parties coming from the standpoint of we all live in this community together, this is our home, this is where we work live and play and how do we make things better for everyone while being able to capitalize on the growth of tourism and investment that is in our local economy."

He brought up the issue of congestion at the berths downtown.

"This seems like a relief to the problems as they currently exist," he said.

The next step is planning construction for the uplands. Shaw said Power Systems and Supplies of Alaska will meet with some potential contractors regarding the first phase of construction later this week.

"No matter where passengers get off," said Shaw, "whether it's downtown or in Ward Cove, downtown is still a destination as a whole."

# Exhibit D

City of Ketchikan, Alaska  
 Proposed Cruiseships Shifting to Ward Cove  
 Projected Full Season - May 1 to September 30, 2020  
 Prepared: August 28, 2019

Projected May 1 to September 30, 2020												
Vessel	2020 Calls	Lower Berth Counts	Projected 2020 Upper Berth Count %	Adjusted Berth Counts	Total Passengers	Passenger Wharfage Fees	Cruiseship Length in Feet	Docking Rate @ Foot	Docking Fees	Add'l Docking @ Foot	Add'l Docking Fees	Projected Revenue Loss per Shift to Ward Cove Berths
NCL & Affiliated Companies												
Norwegian Bliss	22	4,174	5%	4,383	96,419	\$ 674,936	1,094	2.54	\$ 61,133	1.90	\$ 45,729	\$ 781,798
Norwegian Jewel	18	2,376	5%	2,495	44,906	314,345	965	2.54	44,120	1.90	33,003	391,468
Norwegian Joy	23	3,887	5%	4,081	93,871	657,097	1,094	2.54	63,911	1.90	47,808	768,817
Norwegian Sun	14	2,002	5%	2,102	29,429	206,006	848	2.54	206,006	1.90	22,557	258,717
Oceania Regatta	15	700	5%	735	11,025	77,175	593	1.94	17,256	1.90	16,901	111,332
Regent Seven Seas Mariner	16	700	5%	735	11,760	82,320	709	2.54	28,814	1.90	21,554	132,687
Total NCL & Affiliated Companies	108				287,411	2,011,879			245,389		187,551	2,444,819
Other Cruise Line Companies												
Average Post Panamax Cruise Ship	200	2,100	5%	2,205	441,000	3,087,000	962	2.54	488,696	1.90	365,560	3,941,256
Total Other Cruise Line Companies	200				441,000	3,087,000			488,696		365,560	3,941,256
TOTAL NCL & Affiliated Companies Plus Other	308				728,411	\$ 5,098,879			\$ 734,085		\$ 553,111	\$ 6,386,075

## Assumptions:

- (1) Assumes that the City will lose all of NCL's and its affiliated companies' traffic by effective dates May 1, 2020.
- (2) Assumes that the Ward Cove facilities will serve two ships a day, seven days a week (14 ships per week) during the entire season. This analysis includes a total of 14 ships including six ships from NCL and its affiliated companies.
- (3) Assumes that the average postpanax cruise ship is 950 feet long.

# Exhibit E

June 11, 2019 Ketchikan Daily News

## Cruise dock at Ward Cove

**By SAM ALLEN**  
**Daily News Staff Writer**

Amidst Ketchikan City Council discussions to expand the downtown berths, the Ward Cove Dock Group on Monday evening announced a plan to build a t-shaped dock with Norwegian Cruise Line at the former pulp mill site in Ward Cove.

The two-berth dock would be built to accommodate the largest sizes of cruise ships — including NCL's Breakaway Plus Class ships, the Norwegian Joy and Bliss, according to Ward Cove Dock Group information. Construction would begin in late fall, depending on the permitting process. NCL wants to bring its first cruise ship passengers to the dock by summer 2020.

The Ward Cove Dock Group was formed on June 5, according to state information. Power Systems & Supplies of Alaska, owned by Andrew and Dave Spokely, has a 50% ownership stake in the Ward Cove Dock Group.

The other half of the new company is owned by Godspeed Inc. which is owned by Skip, James and John Binkley. Ryan Binkley serves as president. John Binkley — who is the president of Cruise Line International Association Alaska — is vice president of Godspeed, according to state information.

Trevor Shaw, administrative manager and director of government affairs for Power Systems & Supplies of Alaska, said Monday evening that phase one of the project would be \$50 million. This includes a welcoming center and passenger terminal. Shaw said he did not have cost estimates for the rest of the project.

Shaw said that Ward Cove Dock Group would own the dock, and NCL would contribute to some of construction costs in exchange for "preferential berthing rights to be able to use the dock in a long-term scenario."

He said currently NCL is the only cruise line they've had conversations with, "but certainly it will expand from there," after phases of the project are completed.

The Spokelys purchased the site from the Ketchikan Gateway Borough in 2011, according to the announcement.

Power Systems and Supplies of Alaska would retain ownership of all of the land and the tidelands, Shaw said.

"The land use is done through a lease to Ward Cove Dock Group from Power Systems and

# Exhibit E

Supplies," he said.

In Monday's prepared statement, Dave Spokely said "A cruise ship dock at Ward Cove represents the best opportunity to grow the tourism economy of Ketchikan, while not overcrowding the downtown area. If we want the entire community of Ketchikan to grow, we need to spread out our visitors."

Shaw said that there is no intention to tear down the existing mill. According to the announcement, the new company hopes to have local vendors on the site and local tours leaving from Ward Cove.

"By creating 'The Mill at Ward Cove,' we will be highlighting and preserving an important part of Ketchikan's history," Dave Spokely said. "This is an important first step in fulfilling the intent to repurpose and revitalize the former industrial site for the benefit of our community."

Shaw said some of the permits for this process have already been filed. He said conversations about this project started around the turn of the new year.

Godspeed President Ryan Binkley said the company is excited to partner with the Spokely family.

"They have a great vision for the potential at Ward Cove and a deep belief in growing Ketchikan's economy," Binkley said in the prepared statement.

At about 1:50 p.m. Monday, the city announced that it had canceled a special Ketchikan City Council meeting that was scheduled for Tuesday evening.

The purpose of that meeting was to hear from its port configuration representatives, Bermello Ajamil & Partners, about the next step in the expansion process. This would have included the steps to solicit proposals from the cruise ship industry for port expansion and upland improvements.

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Sivertsen said another meeting would be rescheduled.

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# Exhibit E

"They do seem supportive in initial conversations," Shaw said. "Especially with all the various parities coming from the standpoint of we all live in this community together, this is our home, this is where we work live and play and how do we make things better for everyone while being able to capitalize on the growth of tourism and investment that is in our local economy."

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**"No matter where passengers get off," said Shaw, "whether it's downtown or in Ward Cove, downtown is still a destination as a whole."**

# Exhibit F

## Frequently Asked Questions (FAQ) – The Mill at Ward Cove

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### What is the Ward Cove Dock Project?

The Ward Cove Dock Project is a partnership between Ward Cove Dock Group, LLC and Norwegian Cruise Line Holdings Ltd. to build a two-berth, floating cruise ship dock in Ward Cove at the site of the former Ketchikan Pulp Mill.

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### Who is Ward Cove Dock Group?

Ward Cove Dock Group, LLC is a partnership of the Spokely Family of Ketchikan through their company Power Systems & Supplies of Alaska LLC (PSSA), and the Binkley Family of Fairbanks through their company Godspeed, Inc.

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### Who owns the property where the dock is being built?

The property is privately owned by Power Systems & Supplies of Alaska LLC and leased to Ward Cove Dock Group, LLC, who operates the property.

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### What is the timeline for the project?

The Ward Cove Dock is on track to be completed and operational by June 2020.

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### How much will the project cost?

The Ward Cove Dock Project represents a \$50 million private investment in the local Ketchikan economy for tourism infrastructure.

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### What is ‘The Mill at Ward Cove’?

The Mill at Ward Cove™ is the name of the overall development of tourism infrastructure in the Port of Ward Cove™ at the site of the former Ketchikan Pulp Mill, including both the Ward Cove Dock and the corresponding Uplands project.

---

### What are the Uplands?

The Uplands project is primarily the restoration and refurbishment of some the former Ketchikan Pulp Mill’s most iconic buildings and structures, which will serve as the Welcome Center and Transit Facility for passengers visiting The Mill at Ward

# Exhibit F

Cove.

The historical restoration and preservation of these buildings is of the utmost importance to not only the partners of this project, but the community of Ketchikan as a whole. At the Welcome Center there will be a museum and displays to showcase the impressive history of the Ketchikan Pulp Mill and what it meant as the former economic powerhouse of the Ketchikan area and Southern Southeast Alaska.

---

## **What will the Welcome Center look like?**

The Welcome Center will consist of the historical museum, as well as the Transit Facility, tour sales, retail, food and beverage concessions, as well as other activities for those visiting The Mill at Ward Cove.

---

## **How can the public participate?**

Right now, we are asking the public to help us with the historical aspects of the project. This could include sending us pictures from the Pulp Mill days, testimonials about their time working at the Pulp Mill, ideas on where we can find historical artifacts for the museum, or general suggestions about how we can best preserve and incorporate the history of the Pulp Mill into this project.

Pictures, testimonials, ideas, and suggestions can be emailed to: [wcdg@wciak.com](mailto:wcdg@wciak.com).

---

## **What does the project mean for the local economy?**

The initial \$50 million investment in this project is primarily for design and construction of the Dock and the Uplands. From there, this project will foster additional investment, private development, and job creation in the Ward Cove area and in the community of Ketchikan as a whole.

---

## **How will this project impact existing tourism infrastructure and related businesses?**

The goal of this project is to bolster the local economy by ensuring responsible and sustainable growth in the tourism industry, which is the backbone of Ketchikan's economy. As tourism continues to flourish, our community faces capacity and congestion issues that we hope to alleviate with this project, in a manner that creates widespread opportunities for the community now, and for Ketchikan's future generations to come.

We look forward to partnering with the City of Ketchikan, the Ketchikan Gateway Borough, Downtown Ketchikan businesses, other operators, local non-profits and residents throughout the community to make this project a long-term asset and solution for the community and economy of Ketchikan as a whole.

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## **Will passengers disembarking in Ward Cove go to other**

## Exhibit F

### **locations on the island?**

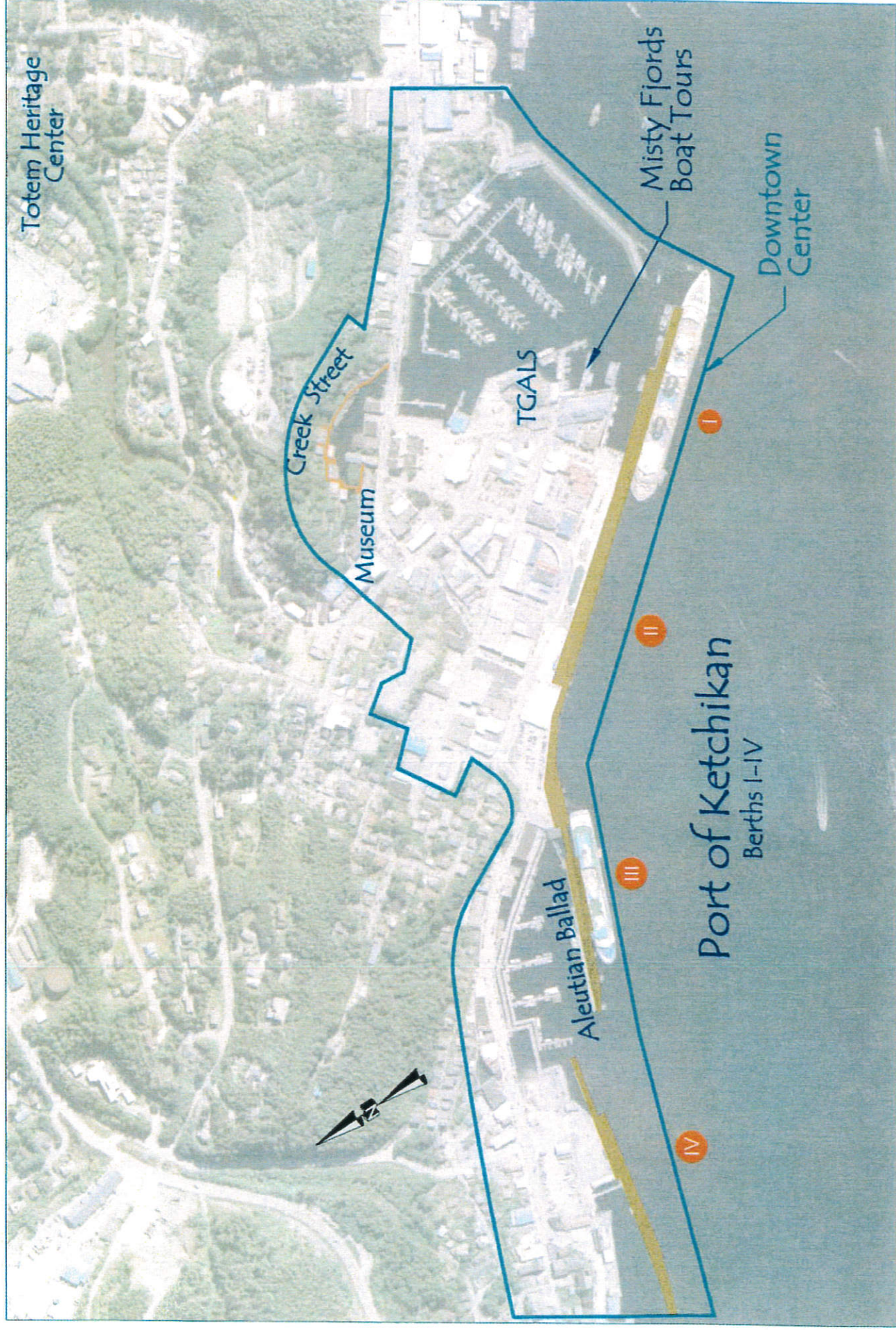
**Absolutely! We will be encouraging them to do so. The rest of Ketchikan, especially the Downtown Corridor, will remain popular for all tourists no matter where they disembark from their cruise ship. We will be partnering with stakeholders throughout the community to ensure that passengers from The Mill at Ward Cove can be transported around the island in a safe and efficient manner.**

**Modes of transportation may include buses, independent tour operators, public transit, ride sharing, and hopefully by air and water taxi too.**

# Primary Visitor Attractions in Downtown

## Exhibit G

Scale: 1"=500'



# Exhibit H

**Kim Stanker**

---

**From:** Law Office of Stephen Bradford <s.bradford.law@gmail.com>  
**Sent:** Friday, August 30, 2019 2:40 PM  
**To:** Mayor; Kim Stanker  
**Cc:** Dave Spokely; Andrew Spokely; John Binkley; Ryan Binkley; Shauna Lee  
**Subject:** Ward Cove Dock Group Preliminary Transportation Plan  
**Attachments:** Ward Cove Dock Group Transportation Plan 083019.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

## External Email Notice

This message originated from outside your organization

Mayor and Clerk:

On behalf of the Ward Cove Dock Group I am providing a copy of its preliminary Transportation Plan for 2020, primarily written by Shauna Lee, Port Logistics Director.

Please circulate a copy to the members of the City Council and appropriate City Staff.

--

Stephen Bradford  
Alaska Bar #1102003  
540 Water St, Ste 301  
Ketchikan, AK 99901  
907-247-5111 Office  
907-247-5112 Fax  
907-617-5111 Cell  
[s.bradford.law@gmail.com](mailto:s.bradford.law@gmail.com)

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# Exhibit H

## **WARD COVE DOCK GROUP TRANSPORTATION PLAN FOR 2020**

Prepared by Shauna Lee, Port Logistics Director

**i** Ward Cove Dock Group is committed to providing the best possible experience to cruise line passengers arriving at The Mill at Ward Cove. In 2020, Norwegian Cruise Line guests will be arriving via four ships; the Norwegian Bliss, Norwegian Joy, Norwegian Sun and Norwegian Jewel.

### **OVERVIEW**

**i** Ward Cove Dock Group, in support of local merchants and tour operators, has researched a variety of ways to bring guests from The Mill at Ward Cove to the downtown Ketchikan area. Those potential solutions are presented here.

### **The Opportunity**

**i** Disbursement of guests arriving to the Ward Cove area will reduce congestion in the downtown area and provide a multitude of opportunities for local businesses and potential entrepreneurs. Our goal is to provide a safe and strategic transport system to serve all visitors.

### **The Challenge**

**i** The City of Ketchikan has imposed limitations which prohibit Ward Cove guests from loading and unloading guests from coaches either on city streets within the downtown core or the current berths.

- Challenge #1: Identifying locations in or around the downtown area which are safe and convenient for arriving guests.
- Challenge #2: Ensuring arrival locations have access to downtown retail shopping, visitor services, tour opportunities, educational offerings and points of historical significance while honoring the limitations imposed by the city.
- Challenge #3: Being mindful of traffic congestion between downtown and Ward Cove.

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

### The Solution

**i** *Our research shows that a three-fold approach will provide the best possible outcome. These will be outlined in greater detail but are summarized here:*

- Recommendation #1: Encourage expansion of current tour offerings.
- Recommendation #2: In cooperation with the Ketchikan Gateway Borough, provide access to public transit services on site.
- Recommendation #3: Create a structured shuttle service that will provide guests the opportunity to travel to and from designated locations.

### RECOMMENDATION #1: ENCOURAGE EXPANSION OF CURRENT TOUR OFFERINGS

**i** *The Ward Cove Dock Group welcomes businesses that wish to provide services to guests arriving at The Mill. Whether they offer general transport to other points of interest or a fully immersive tour experience, the opportunities to provide new business services to visitors is great.*

### RECOMMENDATION #2: PROVIDE ACCESS TO PUBLIC TRANSIT SERVICES ON SITE AS WELL AS INDEPENDENT TOUR OPERATORS


**i** *With additional funding from the influx of CPV funds, borough transit buses will have the opportunity to expand services to the many employees at The Mill at Ward Cove as well as incoming cruise passengers.*

- We are committed to creating a welcoming environment for borough public transit by means of safe road access, convenient pick up and drop off locations and public signage.
- The Mill at Ward Cove will provide the public transport department updated and comprehensive schedules of cruise ships and military vessels mooring in Ward Cove so that they may best utilize their transit resources.

# Exhibit H

## Ward Cove Dock Group: Transportation Plan


### RECOMMENDATION #3: SHUTTLE SERVICE BETWEEN THE MILL AT WARD COVE AND DOWNTOWN KETCHIKAN

 *The Ward Cove Dock Group recognizes the need for shuttle service to the downtown area to maximize the guest experience and to bring business into the downtown core.*

- Several drop off/pick up locations have been identified and their viability is being researched. Disbursement of visitors evenly throughout the downtown area is the goal, utilizing more than one location in rotation.
- See example schedules attached (pages 7 and 8)

#### Our Plan

Our goal is to design a warm and welcoming environment to visitors and a comprehensive shuttle schedule.

 *We believe that creating this three-fold approach, encouraging the creation of new business opportunities and stringent time management of transport services, will provide exemplary services while simultaneously relieving congestion in the downtown core.*

- Please see attachments:
  - 2020 Norwegian Cruise Line draft schedule, June to October 2020 (pages 4 and 5)
  - Shore Excursion statistics and transport need estimates (page 6)
  - Potential coach timing for Norwegian Bliss and Norwegian Jewel (pages 7 and 8)
  - Potential coach timing for Norwegian Jewel (page 10)
  - Potential loading and unloading zones in the downtown Ketchikan area (page 9)

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

### 2020 Norwegian Cruise Line schedule (draft version)

June 1, 2020 to October 10, 2020

Date	Ship	ETA	ETD	Passenger Count based on double occupancy
06/01/2020	NORWEGIAN JOY	07:00	15:00	3900
06/05/2020	NORWEGIAN BLISS	07:00	13:15	4002
06/06/2020	NORWEGIAN JEWEL	13:00	20:00	2376
06/08/2020	NORWEGIAN JOY	07:00	15:00	3900
06/10/2020	NORWEGIAN JEWEL	06:00	16:00	2376
06/10/2020	NORWEGIAN SUN	07:00	13:00	2400
06/12/2020	NORWEGIAN BLISS	07:00	13:15	4002
06/15/2020	NORWEGIAN JOY	07:00	15:00	3900
06/19/2020	NORWEGIAN BLISS	07:00	13:15	4002
06/20/2020	NORWEGIAN JEWEL	13:00	20:00	2376
06/21/2020	NORWEGIAN SUN	07:00	13:00	2400
06/22/2020	NORWEGIAN JOY	07:00	15:00	3900
06/24/2020	NORWEGIAN JEWEL	06:00	16:00	2376
06/26/2020	NORWEGIAN BLISS	07:00	13:15	4002
06/29/2020	NORWEGIAN JOY	07:00	15:00	3900
06/30/2020	NORWEGIAN SUN	07:00	13:00	2400
07/03/2020	NORWEGIAN BLISS	07:00	13:15	4002
07/04/2020	NORWEGIAN JEWEL	13:00	20:00	2376
07/06/2020	NORWEGIAN JOY	07:00	15:00	3900
07/08/2020	NORWEGIAN JEWEL	06:00	16:00	2376
07/10/2020	NORWEGIAN BLISS	07:00	13:15	4002
07/11/2020	NORWEGIAN SUN	07:00	13:00	2400
07/13/2020	NORWEGIAN JOY	07:00	15:00	3900
07/17/2020	NORWEGIAN BLISS	07:00	13:15	4002
07/18/2020	NORWEGIAN JEWEL	13:00	20:00	2376
07/18/2020	NORWEGIAN JEWEL	13:00	20:00	2376
07/20/2020	NORWEGIAN JOY	07:00	15:00	3900
07/22/2020	NORWEGIAN JEWEL	06:00	16:00	2376
07/22/2020	NORWEGIAN SUN	07:00	13:00	2400
07/24/2020	NORWEGIAN BLISS	07:00	13:15	4002
07/26/2020	NORWEGIAN SUN	08:00	20:00	2400
07/27/2020	NORWEGIAN JOY	07:00	15:00	3900
07/31/2020	NORWEGIAN BLISS	07:00	13:15	4002
08/01/2020	NORWEGIAN JEWEL	13:00	20:00	2376
08/03/2020	NORWEGIAN JOY	07:00	15:00	3900

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

08/05/2020	NORWEGIAN JEWEL	06:00	16:00	2376
08/07/2020	NORWEGIAN BLISS	07:00	13:15	4002
08/10/2020	NORWEGIAN JOY	07:00	15:00	3900
08/11/2020	NORWEGIAN SUN	07:00	13:00	2400
08/14/2020	NORWEGIAN BLISS	07:00	13:15	4002
08/15/2020	NORWEGIAN JEWEL	13:00	20:00	2376
08/15/2020	NORWEGIAN SUN	07:00	17:00	2400
08/17/2020	NORWEGIAN JOY	07:00	15:00	3900
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08/21/2020	NORWEGIAN BLISS	07:00	13:15	4002
08/24/2020	NORWEGIAN JOY	07:00	15:00	3900
08/28/2020	NORWEGIAN BLISS	07:00	13:15	4002
08/29/2020	NORWEGIAN JEWEL	13:00	20:00	2376
08/31/2020	NORWEGIAN JOY	07:00	15:00	3900
09/02/2020	NORWEGIAN JEWEL	06:00	16:00	2376
09/02/2020	NORWEGIAN SUN	07:00	13:00	2400
09/04/2020	NORWEGIAN BLISS	07:00	13:15	4002
09/07/2020	NORWEGIAN JOY	07:00	15:00	3900
09/11/2020	NORWEGIAN BLISS	07:00	13:15	4002
09/12/2020	NORWEGIAN JEWEL	13:00	20:00	2376
09/13/2020	NORWEGIAN SUN	07:00	13:00	2400
09/14/2020	NORWEGIAN JOY	07:00	15:00	3900
09/18/2020	NORWEGIAN BLISS	07:00	13:15	4002
09/21/2020	NORWEGIAN JOY	07:00	15:00	3900
09/23/2020	NORWEGIAN SUN	07:00	13:00	2400
09/25/2020	NORWEGIAN BLISS	07:00	13:15	4002
09/28/2020	NORWEGIAN JOY	07:00	15:00	3900
09/30/2020	NORWEGIAN SUN	07:00	13:00	2400
10/02/2020	NORWEGIAN BLISS	07:00	13:15	4002
10/09/2020	NORWEGIAN BLISS	07:00	13:15	4002
10/10/2020	NORWEGIAN SUN	07:00	18:00	2400

215454

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

### Norwegian Cruise Line Shore Excursion Participation

*\*data based on estimations provided by NCL staff*

<b>NORWEGIAN BLISS</b>	
<i>Total passengers based on double occupancy (maximum potential)</i>	<b>4002</b>
Percentage of guests that participate in organized shore excursions, purchased through their ship: 40% to 50%. For purposes of this report we will use the average of 45%	<b>45%</b>
Percentage of guests that participate in shore excursions purchased outside the cruise line (independent purchase)	<b>10%</b>
Percentage of guests that typically do not disembark the ship	<b>5%</b>
Potential increase of passengers participating in organized shore excursions based on expansion of current offerings	<b>10%</b>
Potential increase of passengers participating in newly designed shore excursions	<b>15%</b>
Remaining guests who may potentially choose a shuttle service or public transit into downtown Ketchikan	<b>600</b>

<b>NORWEGIAN JEWEL</b>	
<i>Total passengers based on double occupancy (maximum potential)</i>	<b>2376</b>
Percentage of guests that participate in organized shore excursions, purchased through their ship: 40% to 50%. For purposes of this report we will use the average of 45%	<b>45%</b>
Percentage of guests that participate in shore excursions purchased outside the cruise line (independent purchase)	<b>9%</b>
Percentage of guests that typically do not disembark the ship	<b>5%</b>
Potential increase of passengers participating in organized shore excursions based on expansion of current offerings	<b>10%</b>
Potential increase of passengers participating in newly designed shore excursions	<b>15%</b>
Remaining guests who may potentially choose a shuttle service or public transit into downtown Ketchikan	<b>356</b>

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

Norwegian Bliss Land Shuttle Timings								
Ward Cove Departure	Departing Passenger Count	WC Shuttle North Location	Pax Count at North Location	WC Shuttle South Location	Pax Count at South Location	Returning Passenger count (estimation)		
7:00	Norwegian Bliss Arrives						7:00	
7:15	Coach loading begins					7:15		
7:30	Coach A & B depart at 5 minute intervals	100				7:30		
7:45	Coach C & D depart at 5 minute intervals	100				7:45		
8:00	Coach E & F depart at 5 minute intervals	100	Coach A drops then returns to WC	50	Coach B drops then returns to WC	50	8:00	
8:15			Coach C drops then returns to WC	50	Coach D drops then returns to WC	50	8:15	
8:30			Coach E drops then returns to WC	50	Coach F drops then returns to WC	50	8:30	
8:45							8:45	
9:00	Coach A & B depart at 5 minute intervals	100					9:00	
9:15	Coach C & D depart at 5 minute intervals	100					9:15	
9:30	Coach E departs	50	Coach A drops then returns to WC w/pax	50	Coach B drops then returns to WC w/pax	50	20	9:30
9:45			Coach C drops then returns to WC w/pax	50	Coach D drops then returns to WC w/pax	50	30	9:45
10:00	Coach F departs <b>LAST OUTBOUND</b>	50	Coach E drops then returns to WC w/pax	50			25	10:00
10:15								10:15
10:30					Coach F drops then returns to WC w/pax	50	100	10:30
10:45			Coach A arrives for p/u		Coach B arrives for p/u		100	10:45
11:00			Coach C arrives for p/u		Coach D arrives for p/u		100	11:00
11:15								11:15
11:30								11:30
11:45			Coach E & F arrive for p/u		Coach A & B arrive for p/u		200	11:45
12:00			Coach D arrives for p/u <b>LAST NORTH INBOUND</b>		Coach D arrives for p/u <b>LAST SOUTH INBOUND</b>		100	12:00
12:15								12:15
12:30								12:30
12:45	ALL ABOARD						12:45	
13:15	SHIP DEPARTS						13:15	
Total number of coach seats outbound: 600								
Total number of coach seats inbound: 675								
Total number of passengers arriving on north side: 300								
Total number of passengers arriving on south side: 300								

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

Norwegian Jewel Land Shuttle Timings							
Ward Cove Departure	Departing Passenger Count	WC Shuttle North Location	Pax Count at North Location	WC Shuttle South Location	Pax Count at South Location	Returning Passenger count (estimation)	
13:00	Norwegian Jewel Arrives (alternating Saturdays)						13:00
13:15	Coach loading begins					13:15	
13:30	Coach A & B depart at 5 minute intervals	100				13:30	
13:45	Coach C & D depart at 5 minute intervals	100				13:45	
14:00		Coach A drops then returns to WC	50	Coach B drops then returns to WC	50	14:00	
14:15		Coach C drops then returns to WC	50	Coach D drops then returns to WC	50	14:15	
14:30						14:30	
14:45						14:45	
15:00	Coach A & B depart at 5 minute intervals	100				15:00	
15:15	Coach C & D depart at 5 minute intervals	100				15:15	
15:30		Coach A drops then returns to WC w/pax	50	Coach B drops then returns to WC w/pax	50	20	15:30
15:45		Coach C drops then returns to WC w/pax	50	Coach D drops then returns to WC w/pax	50	30	15:45
16:00						16:00	
16:15	Coach A departs LAST OUTBOUND	50				16:15	
16:30						16:30	
16:45		Coach A drops then returns to WC w/pax	50	Coach B arrives for p/u		100	16:45
17:00		Coach C arrives for p/u		Coach D arrives for p/u		100	17:00
17:15						17:15	
17:30						17:30	
18:15		Coach E & F arrive for p/u		Coach A & B arrive for p/u		200	18:15
18:30		Coach D arrives for p/u LAST NORTH INBOUND		Coach D arrives for p/u LAST SOUTH INBOUND		100	18:30
18:45						18:45	
19:00						19:00	
19:15							19:15
19:30	ALL ABOARD						19:30
20:00	SHIP DEPARTS						20:00
Total number of coach seats outbound: 450							
Total number of coach seats inbound: 550							
Total number of passengers arriving on north side: 250							
Total number of passengers arriving on south side: 200							

# Exhibit H

## Ward Cove Dock Group: Transportation Plan

Several locations have been targeted as potential drop-off and/or pick-up locations. In order to disburse inflow of guests to the downtown area, alternating locations is optimal. Additional development will likely be required at each location.

- North End
  - We have identified several private properties which could meet our needs and are researching their viability.
- South End
  - We have identified several private properties which could meet our needs and are researching their viability.
- Alternative stops to consider
  - We encourage private landowners or the City of Ketchikan to submit other locations.

# Exhibit I

June 11, 2019 KRBD Website

## Ward Cove Group announces plans for private cruise dock

Posted by Leila Kheiry | Jun 11, 2019



The former Ketchikan pulp mill site. (KRBD file photo by Liam Niemeyer)

Ketchikan could soon be home to a private cruise dock in Ward Cove, just north of city limits.

Ketchikan-based Ward Cove Group is partnering with Norwegian Cruise Lines and Fairbanks-based Godspeed, Inc., to build a two-berth cruise dock at the site of the former Ketchikan Pulp Co. They expect the \$50 million first phase of the project to be completed by 2020.

Godspeed, Inc., is owned by the Binkley family, which has operated tour businesses in Fairbanks for decades. Ward Cove Group is owned by Dave and Andrew Spokely. They bought the pulp mill property from the Ketchikan Gateway Borough in 2011.

Project spokesman Trevor Shaw is administrative manager for Ward Cove Group's Power Systems and Supplies of Alaska. He said the need for expanded cruise ship berthing in Ketchikan was an option that the Spokelys have been considering for a while.

"We've had cruise ship docks on the map that we have of Ward Cove for five, seven years now," he said.

And with concerns about summertime tourist congestion downtown, Shaw said the timing was right.

"The conversation really became, how do we capitalize on the growth of tourism in Ketchikan while also solving the issue of congestion and creating more capacity, (for) the flow and the overall experience for not only the visitors, but the people who live here year round," he said.

# Exhibit I

June 11, 2019 KRBD Website

Shaw said the plans call for two berths that can handle post-Panamax cruise ships – those are the mega ships that are starting to come to Alaska.

The City of Ketchikan has been wrestling with how to accommodate those larger ships at its downtown dock. The city's dock currently can handle one mega ship at a time. The cost of reconfiguring the publicly owned dock to take additional mega ships is estimated at up to \$150 million. That includes shoreside improvements.

Because of the cost, the city has been considering a private-public partnership. A special meeting of the Ketchikan City Council to discuss that issue had been scheduled for Tuesday, but was canceled.



The Norwegian Bliss is docked at Ketchikan's downtown Berth 3 in 2018. The Bliss and the Norwegian Joy are two ships that might be docking in Ward Cove next cruise season, rather than downtown. (KRBD file photo by Leila Kheiry)

**Shaw said the first phase of the Ward Cove project will be the dock, a passenger terminal and welcome center. Subsequent phases will involve developing the Pulp Mill site's other building.**

"And be able to show people the history of what the pulp mill meant to the region, and hopefully create it, redevelop it, as a new economic center that's focusing on the major growing industry in southern Southeast, which is tourism," he said.

Ketchikan's pulp mill was built in the 1950s, and was a major employer in the community through the timber years. The mill shut down in 1997.

Shaw said the construction schedule is ambitious, but the community needs cruise berth capacity sooner rather than later.

"The goal was to be able to make this move as quickly as possible and take advantage as soon as possible of solving the capacity issue," he said.

# Exhibit I

June 11, 2019 KRBD Website

The pulp mill site is about 7 miles from Ketchikan's historic downtown. Shaw said they plan to offer shuttle service for cruise passengers who want to go into downtown Ketchikan. He said the new dock should help ease congestion, but still provide opportunities for visitors and various tourism businesses.

"The goal is to not eat up more of the pie, but to make the pie bigger," he said.

Shaw said through the Ward Cove Group's new partnership, Norwegian will have first dibs on the dock space. Other cruise lines will be able to use it when Norwegian isn't.

# Exhibit J

## Frequently Asked Questions (FAQ) – The Mill at Ward Cove

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### What is the Ward Cove Dock Project?

The Ward Cove Dock Project is a partnership between Ward Cove Dock Group, LLC and Norwegian Cruise Line Holdings Ltd. to build a two-berth, floating cruise ship dock in Ward Cove at the site of the former Ketchikan Pulp Mill.

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### Who is Ward Cove Dock Group?

Ward Cove Dock Group, LLC is a partnership of the Spokely Family of Ketchikan through their company Power Systems & Supplies of Alaska LLC (PSSA), and the Binkley Family of Fairbanks through their company Godspeed, Inc.

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### Who owns the property where the dock is being built?

The property is privately owned by Power Systems & Supplies of Alaska LLC and leased to Ward Cove Dock Group, LLC, who operates the property.

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### What is the timeline for the project?

The Ward Cove Dock is on track to be completed and operational by June 2020.

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### How much will the project cost?

The Ward Cove Dock Project represents a \$50 million private investment in the local Ketchikan economy for tourism infrastructure.

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### What is 'The Mill at Ward Cove'?

The Mill at Ward Cove™ is the name of the overall development of tourism infrastructure in the Port of Ward Cove™ at the site of the former Ketchikan Pulp Mill, including both the Ward Cove Dock and the corresponding Uplands project.

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### What are the Uplands?

The Uplands project is primarily the restoration and refurbishment of some the former Ketchikan Pulp Mill's most iconic buildings and structures, which will serve as the Welcome Center and Transit Facility for passengers visiting The Mill at Ward

# Exhibit J

Cove.

The historical restoration and preservation of these buildings is of the utmost importance to not only the partners of this project, but the community of Ketchikan as a whole. At the Welcome Center there will be a museum and displays to showcase the impressive history of the Ketchikan Pulp Mill and what it meant as the former economic powerhouse of the Ketchikan area and Southern Southeast Alaska.

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## **What will the Welcome Center look like?**

The Welcome Center will consist of the historical museum, as well as the Transit Facility, tour sales, retail, food and beverage concessions, as well as other activities for those visiting The Mill at Ward Cove.

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## **How can the public participate?**

Right now, we are asking the public to help us with the historical aspects of the project. This could include sending us pictures from the Pulp Mill days, testimonials about their time working at the Pulp Mill, ideas on where we can find historical artifacts for the museum, or general suggestions about how we can best preserve and incorporate the history of the Pulp Mill into this project.

Pictures, testimonials, ideas, and suggestions can be emailed to: [wcdg@wciak.com](mailto:wcdg@wciak.com).

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## **What does the project mean for the local economy?**

The initial \$50 million investment in this project is primarily for design and construction of the Dock and the Uplands. From there, this project will foster additional investment, private development, and job creation in the Ward Cove area and in the community of Ketchikan as a whole.

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## **How will this project impact existing tourism infrastructure and related businesses?**

The goal of this project is to bolster the local economy by ensuring responsible and sustainable growth in the tourism industry, which is the backbone of Ketchikan's economy. As tourism continues to flourish, our community faces capacity and congestion issues that we hope to alleviate with this project, in a manner that creates widespread opportunities for the community now, and for Ketchikan's future generations to come.

We look forward to partnering with the City of Ketchikan, the Ketchikan Gateway Borough, Downtown Ketchikan businesses, other operators, local non-profits and residents throughout the community to make this project a long-term asset and solution for the community and economy of Ketchikan as a whole.

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## **Will passengers disembarking in Ward Cove go to other**

# Exhibit J

## **locations on the island?**

Absolutely! We will be encouraging them to do so. The rest of Ketchikan, especially the Downtown Corridor, will remain popular for all tourists no matter where they disembark from their cruise ship. We will be partnering with stakeholders throughout the community to ensure that passengers from The Mill at Ward Cove can be transported around the island in a safe and efficient manner.

Modes of transportation may include buses, independent tour operators, public transit, ride sharing, and hopefully by air and water taxi too.

# Exhibit K



# Exhibit L

## Frequently Asked Questions (FAQ) – The Mill at Ward Cove

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# Exhibit L

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## Exhibit L

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