
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Bil Homka, City Manager
Date: February 27, 2024
Re: Matson Shipping and City of Unalaska partnership for UMC Project Positions 5-7 upgrades

In December of 2023 Matson approached the City of Unalaska about partnering with them on an application for a Port Infrastructure Development Program (PIDP) grant. The PIDP is a discretionary grant program administered by the Maritime Administration. Funds for the PIDP are awarded on a competitive basis to projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port.

There are several reasons why partnering with Matson on this project is practical and why it benefits both organizations, including: improved safety, efficiency, and reliability of cargo movement.

Matson's crane at Unalaska Marine Center (UMC) is 40 years old and needs to be replaced in order for Matson to realize economic growth and continue to efficiently serve the needs of Unalaska and the Aleutian Pribilof Island Region. The replacement of the crane will require some engineered and constructed infrastructure enhancements to the crane tie-downs and the crane stop on the original section of dock at UMC, positions 5-7.

In that same section of dock, the Port has begun the assessment process for repairing the drainage, resurfacing, and inspecting the crane rails. Matson's project for the crane tie downs and improving the crane stop would be combined with the City project to maximize construction efficiency and minimize cost. The City would maintain ownership of UMC and all of the improvements to the dock. Under this partnership, the City requires that the engineer of record for UMC is part of the design team and that the engineer of record designs the installation to any permanent fixture within the dock system.

Matson requires greater capacity for the tie down system of the new and bigger crane. This results in required dock improvements in the subsurface of positions 5-7. These improvements include engineering and construction at UMC, a City owned facility. In the grant application, Matson's project would be combined with the City's drainage and resurfacing of positions 5-7 and the costs of the resurfacing would be included in the grant application. The City would be the applicant for the grant and would be responsible for administering the grant. A rough order of magnitude is still being developed.

Ultimately, this project complements the dredging of the entrance channel, the dredging in front of UMC, and stages Unalaska for economic growth with the capability of handling more cargo and bigger ships, with greater efficiency. It is a reasonable project and potentially a very good candidate for PIDP grant.

There is a very short time timeline to begin working on this joint project. Matson's lead time from ordering a new crane to delivery is about 2 years. We anticipate submitting a PIDP grant application this spring so that, if awarded, construction can be completed and the dock ready to receive the new crane upon delivery.

The grant application will strictly apply to the improvements needed for Matson to install a new crane and the surrounding surfaces. This grant application does not fund any part of the crane. The crane will be purchased, owned, maintained, and operated by Matson. Matson will be showing a few slides on the new crane and the crane tie-down requirements. The phases of pursuing this grant will ultimately require a resolution of support from the City Council. The introduction of this project in a work session is a critical step in gaining support for the grant application.

Matson's Current Dutch Harbor Crane

- STS crane on POS 5-7 gantry rails
- Owned and maintained by Matson
- Economic gateway for the community and region
- 40 years old
- Constantly exposed to severe weather and corrosive environment
- Increased maintenance, downtime and cost



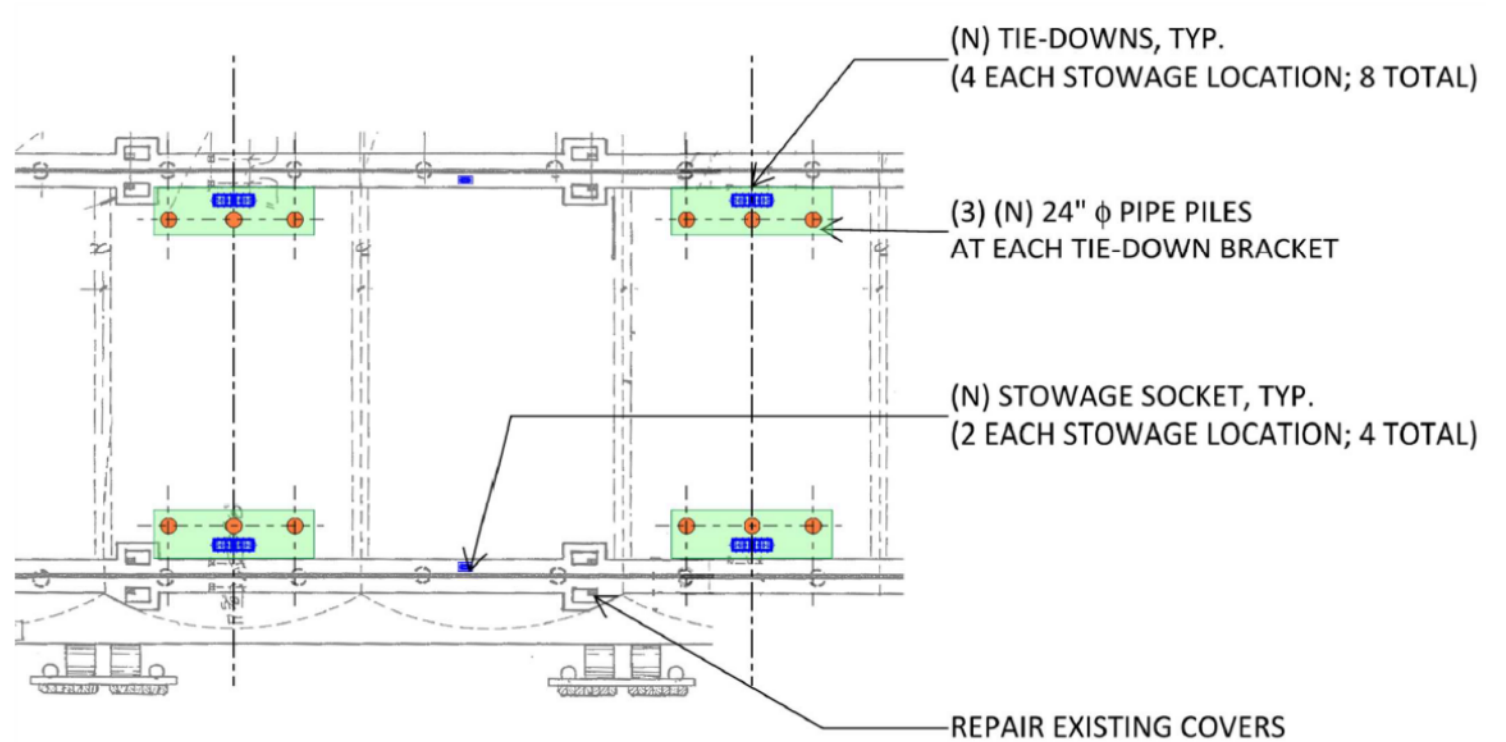
Replacement Crane

- New build crane with modern design
- Improved reliability for the community
- Greater outreach, lift height and weight capacity
- Built to current codes reflecting upgraded wind and seismic capacity
- Matson's sole expense

Feature	New Crane	Current Crane
Rail Span	50'	50'
Lift Height	120'	90'
Outreach	145'	125'
Backreach	50'	50'
Hosit Capacity	50LT	40LT

Required Dock Infrastructure for New Crane Scope

- New crane stowage hardware
 - Replace and relocate crane tie downs
 - Add piles
 - Strengthen girders
 - Stowage sockets
- Repair existing covers
- Relocate crane stops
- Upgrade electrical system for auxiliary crane power



Timeline and Estimated Cost

- 6-month construction period (not including design, bidding, permits and submittals)
- Estimate is \$10-12M for Dutch Harbor owned dock improvements (not including the crane)
- Matson will build, transport and commission the crane at its expense (no public money)
- Pursue federal funding in FY24 and state funding in FY25 for all POS5-7 Dutch Harbor dock work
 - Matson will finance third-party federal grant writing services in partnership with the Port of Dutch Harbor
 - Matson will support the City of Unalaska's lobbying efforts at the federal and state levels

