



May 2023  
Skagway Ore Terminal Redevelopment Project



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# Development Plan for DNR Aquatic Lease Authorization

Prepared for Municipality of Skagway

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**Prepared for**  
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## ABBREVIATIONS

DNR	Alaska State Department of Natural Resources
MOS	Municipality of Skagway
Ore Terminal	Skagway Ore Terminal
Port	Port of Skagway
Project	Skagway Ore Terminal Redevelopment Project

# 1 Introduction

The Municipality of Skagway (MOS) is proposing to redevelop the Skagway Ore Terminal (Ore Terminal) in Skagway, Alaska. The Skagway Ore Terminal Redevelopment Project (Project) will replace existing in-water and overwater structures to serve the multiple needs of the Port of Skagway (Port), including cruise ships, fuel supply barges, cargo barges, and ore export vessels. Project drawings are provided in Appendix A.

The purpose of this document is to provide a Development Plan as part of the MOS application for an Alaska State Department of Natural Resources (DNR) Aquatic Lease Authorization. **With the exception of one steel pile needed to support a mooring dolphin for the Project, all proposed structures and activities described in this document will be located on adjacent MOS-owned uplands or within aquatic lands previously conveyed by the State of Alaska to the MOS.**

The entire Project includes the following main components:

- Demolition of existing timber, steel, concrete docks, platforms, walkways, catwalks, and mooring dolphins
- Partial demolition of a concrete dock
- Full demolition of the ore loader and associated platform, fuel header and fuel lines, and overhead electrical lines
- Construction of a new 500- by 50-foot steel cruise ship floating dock, gangway, and guide piles
- Reinforcement of existing dolphins
- Installation of new mooring dolphins, fuel header and fuel line pipe bridge, fuel lines, and access catwalks
- Construction of a fuel header pipe bridge, and underground power lines
- Construction of new marine services platform wharf
- Addition of a new seawalk in the upland shoreline area

## 2 Project Location and Purpose

Skagway is the northernmost city in the Southeast Alaska region, and it provides the nearest access to tidewater for much of the neighboring Yukon Territory, Canada. The MOS is at the southwestern end of the 2.5-mile-long Skagway River valley. The Skagway River empties into Taiya Inlet at the head of Lynn Canal, the northernmost fjord on the Inside Passage of the south coast of Alaska. Pullen Creek empties into the inlet on the southeast side of the valley.

The existing infrastructure at the Ore Terminal has been built and modified over the last 50 years by the Port's tenant and subtenants for various operations. Many of the existing structures are at the end of their useful life or do not serve the current and future needs of the Port. The new structures

proposed as part of the Project will provide safe mooring and industrial operations with a modern facility. As a result, Skagway's waterfront operational efficiency will be improved, providing better separation between the industrial and tourist parts of the Port and improving cruise ship passenger movements and public safety.

In 2022, Skagway was expected to have 475 cruise ship calls, bringing approximately 1.2 million passengers to the city. The cruise ship and related tourism industry is responsible for 96% of the city's economy. Growth of this economic sector is limited by the current capacity constraints of the cruise ship docks. The safety of visitors and the public is paramount to the tourism industry that supports the local economy.

The Project's qualifications under the applicable Alaska statutes are described in Appendix B.

### **3 Identification of and Need for Requested Lease Area**

During Project design, the Project team endeavored to locate all Project structures within MOS-owned properties to avoid and minimize encroachment onto DNR lands. Extensive evaluations were completed to determine the pile locations needed to support moorage of large vessels at the new cruise ship floating dock given tidal currents and other engineering considerations. In addition, the design needed to accommodate an existing AP&T undersea power cable easement near the southernmost Project dolphin.

Given these constraints, the Project engineer determined that one 48-inch-diameter steel pile will need to be battered (installed at an angle) to support the dolphin while avoiding damage to the cable and allowing for future cable access and maintenance. This single pile will need to extend outside of the MOS parcel boundary onto DNR-managed property. The MOS is requesting the minimum DNR lease area needed to locate and allow for future maintenance of this single pile.

The area for which MOS is requesting an Aquatic Lease Authorization from DNR covers 712 square feet located just outside the MOS parcel boundary, as shown on the attached drawings (Appendix A).

### **4 Existing Site Conditions**

This section focuses on existing site conditions in the vicinity of the proposed pile on DNR-managed property.

#### **4.1 Terrain/Ground Cover**

The Ore Terminal is a deep-water port that transitions sharply from a limited nearshore area into deep marine waters. The Ore Terminal basin hosts large vessels (typically cruise ships but also industrial vessels and barges) with drafts of up to 35 feet. The proposed Project activities within the

proposed DNR lease area will include installation of one 48-inch-diameter steel pile in water depths of 160 to 165 feet. This will not significantly change bathymetry in the pile area.

## 4.2 Existing Infrastructure

The Ore Terminal is located on a 7-acre parcel of waterfront land that includes both the Ore Dock and the associated upland facility, all owned by MOS. During the summer season, cruise ships dock at the Ore Terminal when it is not in use for ore loading.

Existing in-water and overwater infrastructure at the terminal includes a concrete dock, mooring dolphins, a timber dock and catwalk in the vicinity of the ore loader, the ore loader and platform adjacent to the timber dock, and a fuel depot on a timber dock connected to the ore loader platform.

No structures are currently located within the requested DNR Aquatic Lease Authorization area.

## 5 Development Plan

### 5.1 Access

Construction workers and equipment will access the pile installation work areas by barge. In order to ensure construction site safety and security, public access to construction areas both on land and in the water will not be allowed. Construction will occur outside of the cruise ship season, which is when most tourist visits to Skagway occur. Other areas and facilities in Skagway Harbor will remain open for public access during construction as is currently allowed.

### 5.2 Buildings and Other Structures

#### 5.2.1 Construction Schedule

spring 2024

and spring

The Project is expected to begin in October 2023, following receipt of permits, and to be completed in ~~March 2024~~. The Project will occur during the winter (~~October to March~~) in order to avoid construction during the cruise ship season and to protect the local eulachon run.

#### 5.2.2 Pile Summary

Approximately 692 existing piles will be removed and 248 new piles installed for the entire Project, for a net reduction of approximately 444 piles in the harbor. **As stated, only one steel pile will be installed within the proposed DNR Aquatic Lease Authorization area. This pile is needed to support the southernmost dolphin, which will be used as a moorage point for large cruise ships.**

### **5.2.3 Construction Methods**

The pile will be driven to the maximum depth feasible using a vibratory pile driver and partially driven and proofed using an impact pile driver to reach required depths.

### **5.3 Power Source**

No power will be provided to the pile.

### **5.4 Waste Types, Waste Sources, and Disposal Methods**

Installation of the pile is not expected to result in waste materials requiring disposal.

### **5.5 Hazardous Substances**

Installation of the pile will be done using vibratory and impact hammers operating from a barge. The construction specifications and permits require the contractor to implement appropriate measures to prevent hazardous materials (e.g., fuels and hydraulic fluids) from entering waterbodies.

### **5.6 Water Supply**

No water will be supplied for the pile installation.

### **5.7 Parking Areas and Storage Areas**

Not applicable for pile installation.

### **5.8 Number of People Using the Site**

Not applicable for pile installation.

### **5.9 Maintenance and Operations**

The MOS will complete a dive inspection of the pilings every 5 years. Coatings will be repaired every 20 years.

### **5.10 Closure/Reclamation Plan**

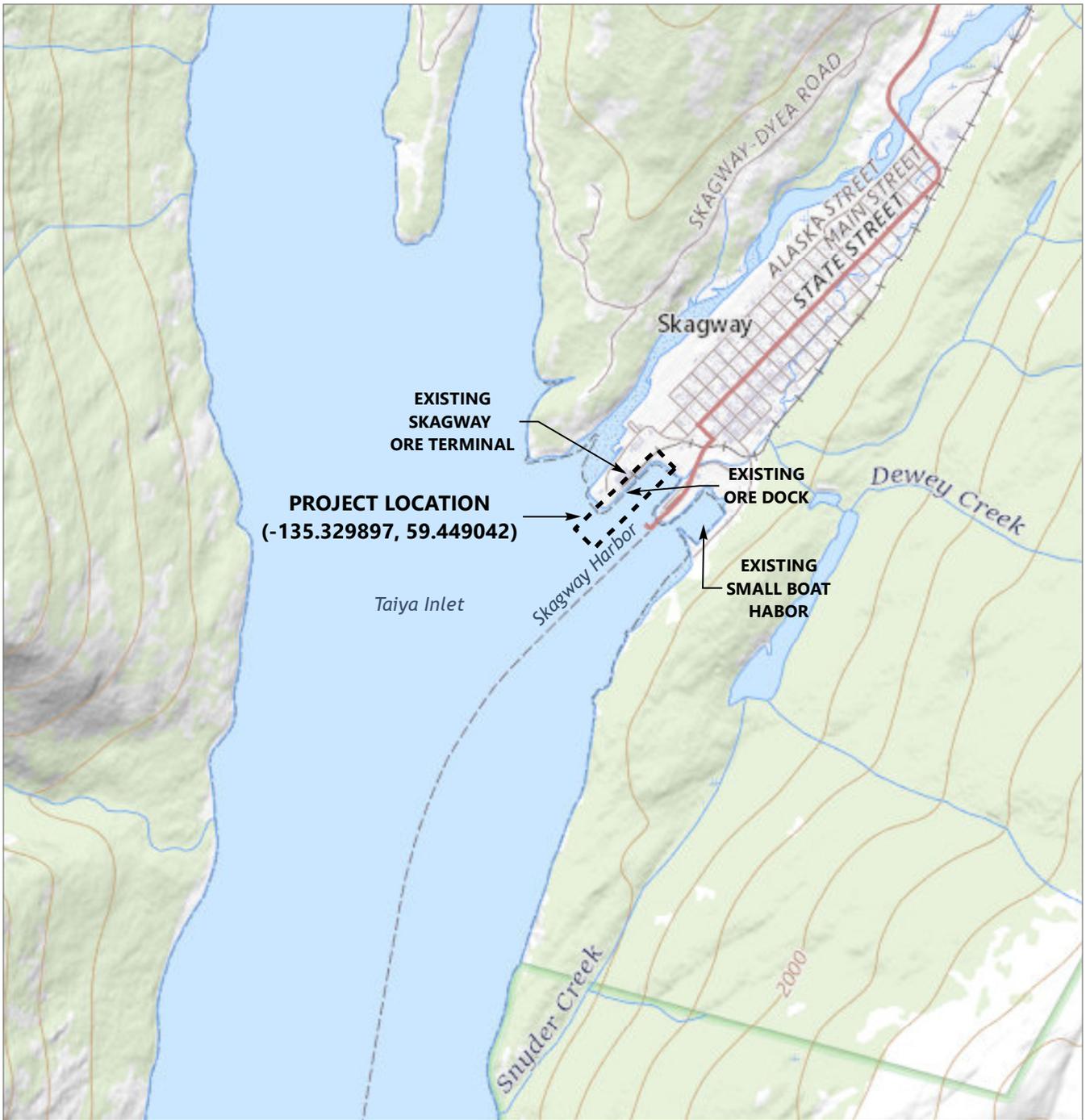
Not applicable. The proposed structures are intended to be permanent.

## **6 Best Management Practices**

All Project construction activities will be performed in accordance with permit conditions and will use the best guidance available to accomplish the necessary work while avoiding and minimizing environmental effects to the greatest extent possible.

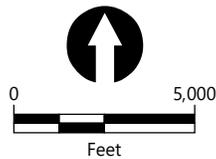
Appendix A  
Project Drawings

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**LEGEND:**

 Project Area

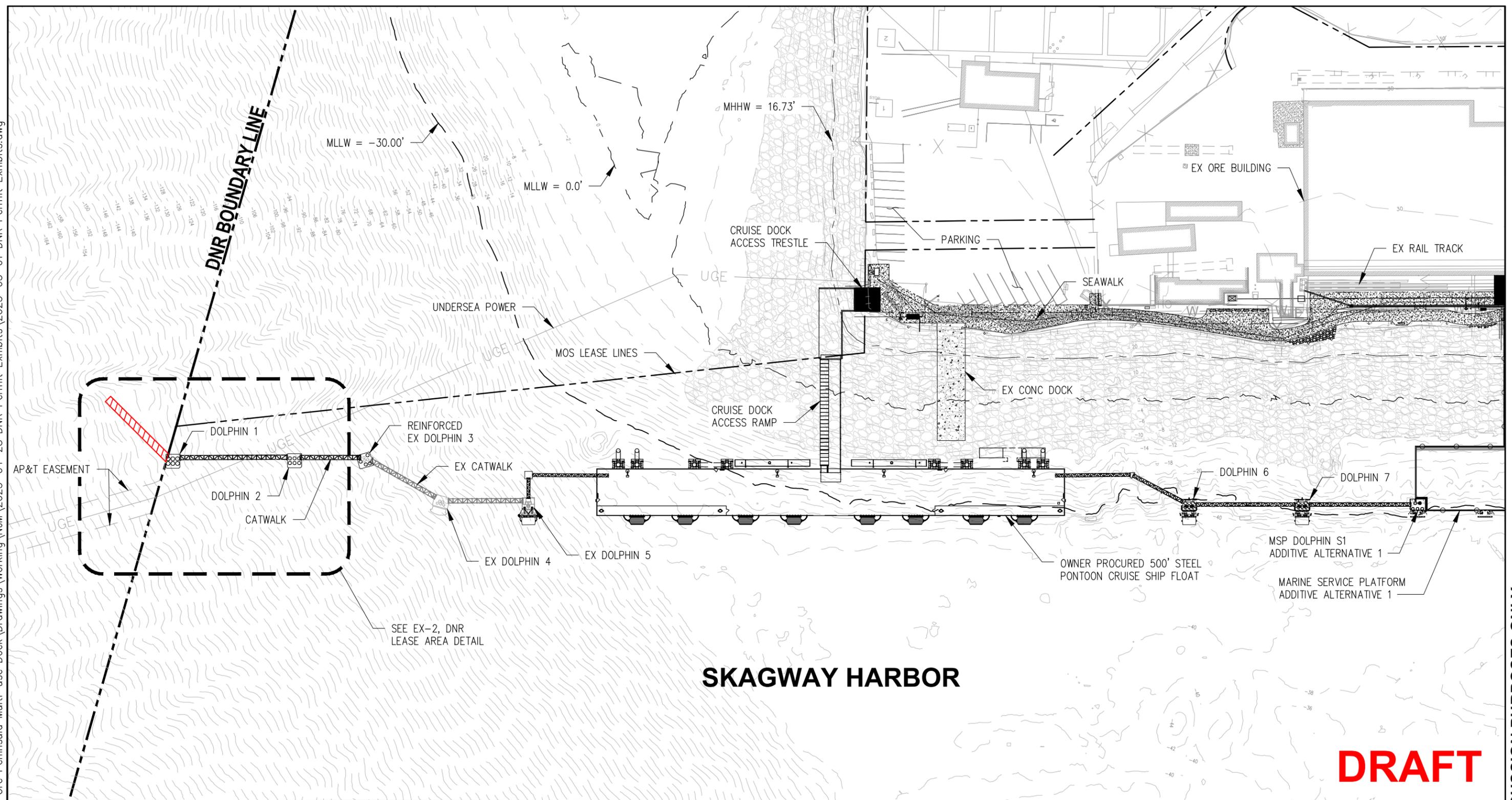


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**Figure 1**  
**Vicinity Map - USGS Basemap**  
 DNR Aquatic Lease Application  
 Skagway Ore Terminal Redevelopment Project

Plotted: May 01, 2023 - 3:05pm nmandanas Layout: SHEET 1 - 1 TO 100 SCALE  
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# SKAGWAY HARBOR

**DRAFT**

LEGEND	
	UGS UNDERSEA POWER
	PROPERTY/LEASE LINE
	EASEMENT LINE
	APPROX. DNR LEASE AREA FOR DOLPHIN 1 PILE

**NOTES**

- SURVEY AND LEGAL DESCRIPTION OF PROPOSED LEASE AREA WILL BE PROVIDED WHEN CONSTRUCTION IS COMPLETE.

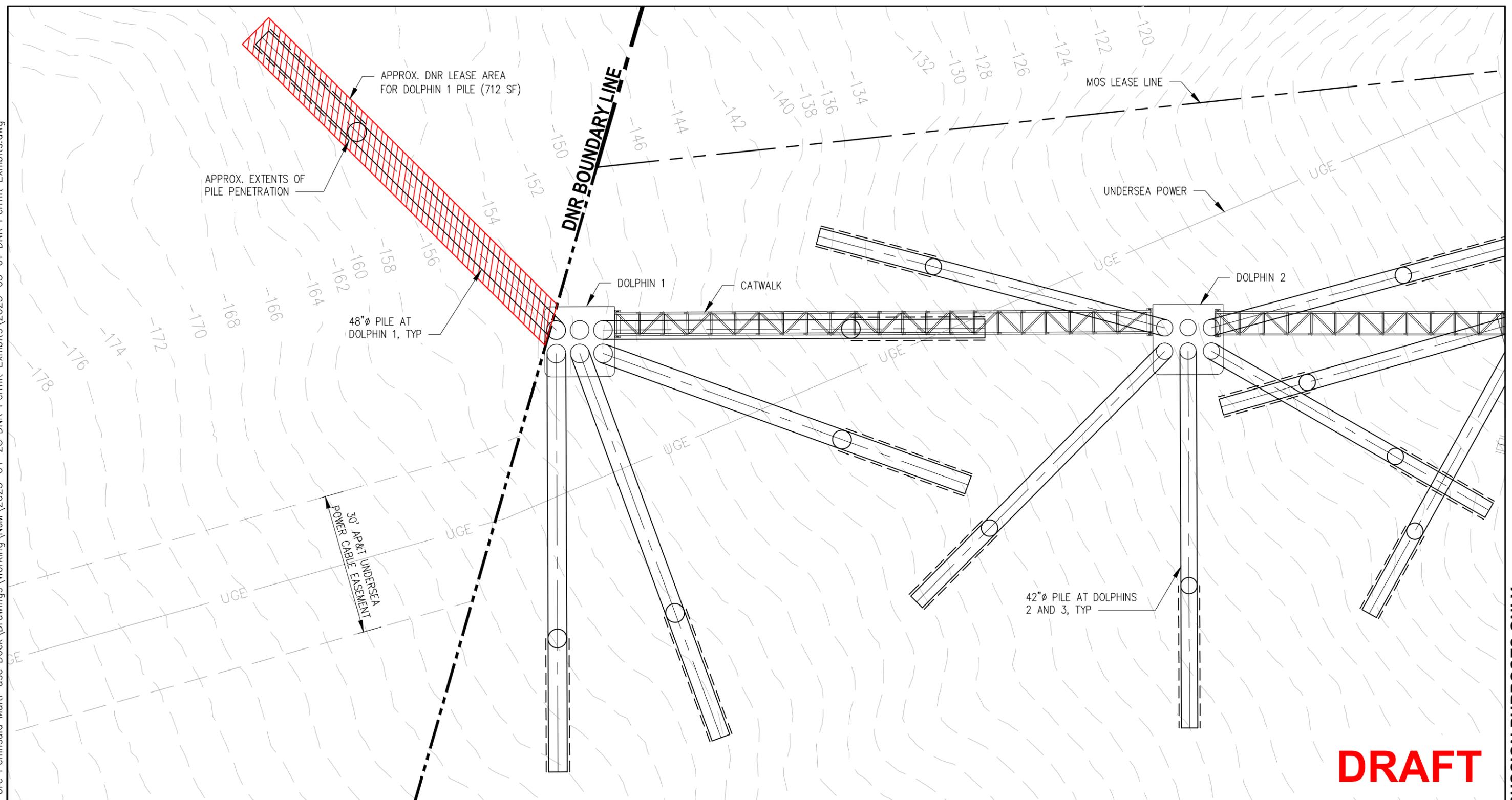


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ORE PENINSULA REDEVELOPMENT OVERALL SITE PLAN EX-1	
DATE: 2023-05-02	SCALE: 1" = 100'-0"
DRAWN BY: NJM	SHT 1 OF 2

DRAFT - FOR DISCUSSION PURPOSES ONLY

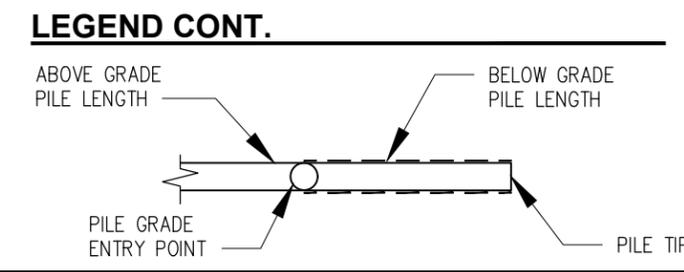
Plotted: May 01, 2023 3:00pm nmandanas Layout: SHEET 2 - 1 TO 20 SCALE M:\2021\2100135 -kagway Ore Peninsula Multi-use Dock\Drawings\Working\Num\2023-04-28 DNR Permit Exhibits\2023-05-01 DNR Permit Exhibits.dwg



**DRAFT**

**LEGEND**

	UGE		UNDERSEA POWER
	PROPERTY/LEASE LINE		EASEMENT LINE
	APPROX. DNR LEASE AREA FOR DOLPHIN 1 PILE		



**NOTES**

1. SURVEY AND LEGAL DESCRIPTION OF PROPOSED LEASE AREA WILL BE PROVIDED WHEN CONSTRUCTION IS COMPLETE.

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ORE PENINSULA REDEVELOPMENT  
 DNR LEASE AREA DETAIL  
 EX-2

DATE: 2023-05-02	SCALE: 1" = 20'-0"
DRAWN BY: NJM	SHT 2 OF 2

DRAFT - FOR DISCUSSION PURPOSES ONLY

Appendix B  
Qualifications Under Applicable Alaska  
State Statutes

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## Qualifications Under Applicable Alaska State Statutes

Based on discussions with DNR staff, it appears the Project qualifies for an Aquatic Lease Authorization under **AS 38.05.810(a)**, which states as follows (emphasis added):

Except as otherwise provided in AS 38.05.183 (h), the (1) lease, sale, or other disposal of state land or resources may be made to a state or federal agency or **political subdivision**, (2) lease, sale, or disposal of coal deposits suitable for mining may be made to a utility owned and operated by a government agency or nonprofit cooperative association organized to participate under the Federal Rural Electrification Act for the purpose of generating electric power and energy or the production of process steam, or both, (3) sale or other disposal of state land may be made to a tax-exempt, nonprofit corporation, association, club, or society organized and operated for the management of a cemetery or a solid waste or other public facility, or (4) sale or other disposal of land within a state subdivision may be made to that subdivision's nonprofit, tax-exempt homeowners' association, for less than the appraised value as determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public services or function rendered by the applicant, and of the terms of the grant under which the land was acquired by the state. The commissioner shall ensure, by regulation, deed restriction, covenant, or otherwise, that disposals of land under this subsection **serve a public purpose and are in the public interest.**

The Municipality of Skagway (MOS) is a political subdivision. The Project serves a public purpose and is in the public interest in that it will:

- Replace old facilities that are at the end of their useful life.
- Remove hundreds of creosote-treated piles from Skagway Harbor, benefiting water quality and aquatic habitat and fisheries.
- Provide better separation between the industrial and tourist activities at the Ore Terminal, improving safety for cruise ship passengers and the public.
- Support the tourist industry, which is vital to the local economy and public welfare in Skagway.

In addition, all Project components except for one pile will be located within MOS-owned properties, thus minimizing the need for use of DNR lands.