

**INVITATION FOR BIDS**  
**Purchase of Real Property located in Ward Cove**

**THIS IS NOT AN OFFER**

**RELEASE DATE:** February 11, 2011

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The Ketchikan Gateway Borough (Owner) is soliciting sealed bids from qualified individuals or firms to purchase 12 parcels of real property making up 347.86 acres of tidelands and uplands, including water rights, located generally in the Ward Cove area of the Ketchikan Gateway Borough.

To receive the Invitation for Bids (IFB) contact: 907-228-6637, Office of the Borough Manager, Ketchikan Gateway Borough, 1900 First Avenue, Suite 210, Ketchikan, Alaska 99901. Requests may be faxed to 907-228-6684 or emailed to [amyb@kgbak.us](mailto:amyb@kgbak.us). The IFB will also be posted on the Borough's website, [www.borough.ketchikan.ak.us](http://www.borough.ketchikan.ak.us). Even though the IFB documents are provided on-line, each potential bidder should register with the Borough by sending an email to: [amyb@kgbak.us](mailto:amyb@kgbak.us). **Unregistered bids may be rejected if incomplete or if addenda are not acknowledged.** The required email must include: company name, address, telephone & fax numbers. No changes or alterations in the Bidding Forms will be allowed.

Responses to this request in the specified format must be received by 2:00 p.m. local time, March 15, 2011 at: Office of the Borough Clerk, Ketchikan Gateway Borough, 1900 First Avenue, Suite 115, Ketchikan, Alaska 99901. Bids must be clearly marked on the outside "**Bid – Ward Cove Real Property Purchase**". Postmarks will not be controlling.



Dan Bockhorst  
Borough Manager

## INVITATION FOR BIDS

### Purchase of Real Property located in Ward Cove

#### I. Solicitation

The Ketchikan Gateway Borough currently owns 347.86 acres of real property consisting of 131.5 acres of unfilled tidelands and 216.36 acres of uplands located in and adjacent to Ward Cove within the Ketchikan Borough, Alaska. Of the uplands one parcel, consisting of 69.78 acres, is a 200 foot wide strip running along the length of a water pipeline route leading from Connell Lake Dam to Ward Cove; another 39.65 acres consist of a doughnut shaped parcel surrounding the former Ketchikan Pulp Company landfill. The Ketchikan Gateway Borough (Owner) is soliciting sealed bids from qualified individuals or firms to purchase this property in its entirety including appurtenant water rights.

A list of the 12 parcels is attached as Exhibit A to this IFB. A map depicting the parcels is attached as Exhibit B to this IFB.

#### II. Submittals

To be considered, respondents must deliver at least one original of each of the submittals to the address below, on or before the deadline. Submittals include:

- 1) The respondent's bid on the bid form provided, acknowledging any addenda;
- 2) Bid security in the form of a cashier's check payable to the Ketchikan Gateway Borough in the amount of \$25,000;
- 3) Respondent's signed acknowledgement of receipt and review of environmental information regarding the site and statement that they are a responsible investor (on the form provided);
- 4) Respondent's confidential financial capacity information (as described below) in a separate sealed envelope labeled "confidential financial capacity information;" and
- 5) Respondent's statement of intended development and use plans for the property (as described below).

##### 1. Bid Form

The Bid form included with this IFB shall be used by all bidders. Bidders must acknowledge all addenda in this bid form.

##### 2. Bid Bond

Bids must be accompanied by a bid bond in the form of a cashier's check in the amount of \$25,000 made out to the Ketchikan Gateway Borough to secure execution of a

purchase and sale agreement in accordance with the terms of the invitation for bids.

### 3. Acknowledgement Form

All bidders must execute the accompanying statement included with this IFB verifying that they are a responsible investor and understand the risks of the transaction they are undertaking. Further, that they have reviewed and are aware of both the conditions on the property, the conditions set out in plat notes relating to the property, and the environmental restrictions identified in the restrictive covenants, consent decree, and settlement agreement as posted on the Ketchikan Gateway Borough's website at [www.borough.ketchikan.ak.us](http://www.borough.ketchikan.ak.us)

### 4. Financial Capacity

Information regarding financial capacity will be confidential and will be opened and reviewed only by the Ketchikan Gateway Borough Finance Director and then returned to the bidder prior to the recommendation of award. The financial capacity information must explain exactly how the bidder will pay the purchase price identifying all sources for purchase funds. The financial capacity information must include tax returns for the past three years for the buyer(s), and set out a list of the buyer's assets and balance sheet. The Borough reserves the right to verify financial sources identified. Where the buyer is counting on operating revenues for debt service the financial capacity information should include a pro forma operating budget indicating the funds available for debt service. The information is intended to allow the Borough Finance Director to form a reasonable opinion whether a bidder has the financial capacity to pay the purchase price or service financing for the purchase. A bidder whose financial capacity package does not demonstrate apparent ability to pay the purchase price or service financing for the purchase price based upon the pro forma business plan may be considered nonresponsive.

### 5. Plans for Use of Property.

Selection of a successful bidder is based solely on the dollar amount bid. However, a qualified bidder must disclose their intended use of the property in order for the Assembly to make an informed decision regarding sale of the property. The Assembly reserves the right to reject a bid if the intended use is one which the Assembly determines is not in the best interest of the community. Bidders should be aware that the stated plans for use will not be considered confidential, and should expect them to be disclosed if their bid is recommended for award.

All responses to this request should be sent by U.S. Postal Service or rapid courier to: Office of the Borough Clerk, Ketchikan Gateway Borough, 1900 First Avenue, Suite 115, Ketchikan, Alaska 99901.

Pre-Bid Conference and Opportunity for Site Visit. The Borough will hold a Pre-Bid Conference at 1:30 p.m. on February 28, 2011, in the Borough Assembly Chambers,

1900 First Avenue, Ketchikan, Alaska. Attendance by prospective bidders is encouraged, but not mandatory. At 2:30 p.m., the Borough will conduct a site visit of the property for prospective bidders. Again, prospective bidders are encouraged to participate in the site visit, but are not required to do so.

Inquiry deadline. Questions, objections, or protests relating to defects, errors, omissions or the content of the RFP, must be made in writing and received by the Borough Manager no later than 4:00 p.m., March 7, 2011, so that any necessary changes may be published and distributed to all interested parties.

Please note that faxed or emailed inquiries regarding this project will only be accepted at (907) 228-6684 (Borough Manager's Office) or to [amyb@kgbak.us](mailto:amyb@kgbak.us).

Proposal Submission Deadline. Responses to this request in the specified format must be received by 2:00 p.m. local time, **March 15, 2011** at: Office of the Borough Clerk, Ketchikan Gateway Borough, 1900 First Avenue, Suite 115, Ketchikan, Alaska 99901. Bids should be clearly marked on the outside "**Bid – Ward Cove Real Property Purchase**". Faxed bids will not be accepted and postmarks will not be controlling.

The Ketchikan Gateway Borough reserves the right to accept or reject any or all bids or portions thereof or to waive irregularities or informalities in any of the bids. There is no express or implied obligation for the Borough to reimburse responding firms for any expenses incurred in preparing bids in response to this request. Moreover, the Borough reserves the right to keep all bids, except for the highest bid, confidential.

Mark Submittals as Follows: "**Bid – Ward Cove Real Property Purchase**".

Signatures: All bids shall give the price proposed, both in writing and in figures, shall give all other information requested herein, and shall be signed by the Bidder or authorized representative with the same address. If the bid is made by an individual, the name, signature and mailing address must be shown; if made by firm or partnership, the name and mailing address of the firm or partnership and the signature of at least one of the general partners must be shown; if made by a corporation, the proposal shall show the name of state under the laws of which the corporation is incorporated, and the title of the person who signs on behalf of the corporation. If the proposal is made by a corporation, a certified copy of the bylaws or resolution of the Board of Directors of the corporation shall be furnished showing the authority of the officer signing the proposal to execute contracts on behalf of the corporation.

Notice of acceptance and award or requests for additional information may be addressed to the Bidder as set forth in the Bid Pricing Form.

Pick-up/Mail Availability: Bid Documents will be available for pickup on or after February 11, 2011 in Ketchikan, Alaska. Bid Documents may be obtained from the offices of the Borough Manager, Ketchikan Gateway Borough, 1900 First Avenue, Suite 210, Ketchikan, Alaska 99901, (907) 228-6637. The IFB will also be posted on the

Borough's website, [www.borough.ketchikan.ak.us](http://www.borough.ketchikan.ak.us) . Even though the IFB documents are provided on-line, each potential bidder should register with the Borough by sending an email to: [amyb@kqbak.us](mailto:amyb@kqbak.us) in order to assure notice of any addenda. **Unregistered bids may be rejected if incomplete or if addenda are not acknowledged.** The required email must include: potential bidder name, address, telephone & fax numbers. No changes or alterations in the Bidding Forms will be allowed.

**Modifications:** Changes in or additions to the bid form, alternative bids or any other modifications of the bid form which are not specifically called for in the Contract Documents may result in the Owner's rejection of the bid as not being responsive to the Invitation for Bid. No oral or telephone modification of any bid submitted will be considered. Any Bidder may modify their bid by submitting a written modification signed by the Bidder by mail, or by a signed facsimile communication at fax number (907) 228-6697 at any time prior to the scheduled closing time for receipt of bids, provided such communication is received by the Owner prior to the closing time, and, provided further, the Owner is satisfied that a written confirmation of facsimile modification over the signature of the Bidder was mailed prior to the closing time. The facsimile communication should not reveal the bid price but should provide the addition or subtraction or other modification so that the final prices or terms will not be known by the Owner until the sealed bid is opened. If written confirmation is not received within forty-eight (48) hours from the closing time, no consideration will be given to facsimile modification.

**Erasures:** The submitted Bid must not contain any erasures, interlineations or other corrections unless each such correction is suitably authenticated by affixing in the margin immediately opposite the corrections the surname of the person or persons signing the proposal.

**Bid Price:** The bid price shall be the total amount of the purchase price offered by the bidder.

**Prevailing Words:** Wherever in this bid an amount is stated in both words and figures, in case of discrepancy between words and figures, the words shall prevail.

**Signing:** Failure of the successful bidder to sign the purchase and sale agreement and pay the minimum \$100,000.00 earnest money deposit within 5 working days of the Assembly acceptance of the bid may be just and sufficient cause for the cancellation of the award and the forfeiture of the Bid security. In such event the Borough reserves the right to retain the bid security and proceed with award to the second highest bidder.

### **III. Background and Property Summary**

The site is location of a former dissolving pulp mill operation operated by Ketchikan Pulp Company a subsidiary of Louisiana-Pacific until the late 1990s. The Borough obtained the property after a failed effort to operate a veneer plant in the location. The property is

subject to certain restrictions set out in a consent decree between the US EPA and Ketchikan Pulp Company, as well as certain institutional controls and certain restrictive covenants. These documents, and documents related to the condition of the property, can be found on the Borough's website by following the link: <http://borough.ketchikan.ak.us/planning/WardCoveProperty.htm>

The Ketchikan Gateway Borough currently leases portions of the property to several tenants on leases which are terminable on short notice, with the exception of the leased portions of the former Ketchikan Pulp Company administration building. A large portion of that structure is rented to the State of Alaska, Alaska Marine Highway system. A copy of the current lease and lease obligations which would be assumed by a buyer may be located on the borough's website through the following link: <http://www.kgbak.us/kqbftp/WardCove/Disclosures/Leases/>.

The Borough is including in the sale its current water rights from the Connell Lake and Ward Creek drainage system estimated at approximately 2.2 million gallons per day. The Borough currently operates a sludge plant on a portion of the property, and a condition of the sale would include the reservation of the Borough's right to access this sludge facility and to continue operating the sludge plant, without any rental charge, for up to 12 months after closing.

#### **IV. Selection of successful bidder**

The bidder shall propose a lump sum price for purchase of the entire property, all twelve parcels offered, including the water rights currently held by the borough. Bids must be accompanied by a bid bond in the amount of \$25,000 to secure execution of a purchase and sale agreement in accordance with the terms of the invitation for bids.

The successful bidder will be the qualified bidder offering the highest total dollar amount for purchase of the property. Bidder qualification will be determined by compliance with the terms of the IFB and financial capacity as described in this invitation for bid.

The successful bidder will be recommended to the Assembly for approval of the sale by resolution. The Ketchikan Gateway Borough Assembly will have discretion to accept or reject the bid.

#### **V. Special conditions**

The successful bidder must accept the following mandatory sale conditions: 1) the successful bidder will agree to payment to the Borough of a water royalty in the amount of 2.5% of any gross revenues obtained from sales of water from the Connell Lake Ward Creek drainage system, and to the memorialization of this royalty requirement as a recorded obligation to run with the property; 2) the successful bidder will execute the

purchase and sale agreement within five working days of Assembly acceptance of the bid, and approval of a resolution authorizing the sale of the property; 3) the purchase and sale agreement will require payment of \$100,000 earnest money by cash or cashier's check at the time of signing the purchase and sale agreement. 4) The purchase and sale agreement will require closing of the sale within six months with any extension allowed only for good cause, subject to Assembly approval.

Should the successful bidder fail to execute a purchase and sale agreement and pay the earnest money in accordance with this timeline the bidder's bid bond will be forfeit, and the Borough, at the option of the Assembly, may proceed with the sale to the next highest bidder.

Return of Bid Security. Within ten (10) days after the Notice of Intent to Award is issued, the Owner will return the bid security accompanying the bids which are not among the 2 highest bids. All other bid security will be held until the Agreement has been fully executed, after which they will be returned to the respective bidders whose bids they accompany.

## **VI. IFB Administration**

For further information regarding this Invitation for Bids or to make arrangements to review the documents referenced above, please contact:

Amy Briggs, Administrative Assistant II, Manager's Office, (907) 228-6637  
1900 First Avenue, Suite 210, Ketchikan, AK 99901

## **VII. Other**

No Right to Reimbursement. Any costs incurred in response to this invitation are at the bidder's sole risk and will not be reimbursed by the Owner. This IFB does not in any way commit the Borough to reimburse recipients of this IFB for any of the costs of preparing and submitting a bid. All costs incurred by respondents in the preparation of the bid, including travel and personal expenses, shall be the sole responsibility of the bidder. Furthermore, this IFB does not obligate the Borough to accept any bids.

Clarification, modification, rejection of IFB. The Borough reserves the right to: (1) Modify or otherwise alter any or all of the requirements herein. In the event of any modifications, all bidders who submitted bids will be given an equal opportunity to modify their bids in the specific areas that are affected. (2) Reject any bid not adhering to any and all requirements set forth in this IFB. (3) Reject any bid which is nonresponsive, incomplete, obscure, or irregular. (4) Reject any bid accompanied by insufficient or irregular bid security. The Borough may reject all bids if the Assembly determines that it is not in the best interest of the Borough to select a bid. The Borough reserves the right to terminate this IFB at any time.

No Withdrawal. Bids cannot be withdrawn for 60 calendar days after issuance of Notice of Intent to Award.

Right to Waive Informalities. The Ketchikan Gateway Borough reserves the right to waive informalities, and to make a selection as deemed in its own best interest. This includes the right to reject all bids and proceed utilizing a different process.

Addenda to the IFB: In the event it becomes necessary to revise any part of this IFB, addenda will be provided to any entity provided the basic IFB package or registered with the Borough as having down-loaded the IFB from the Borough's website. Each Bid shall include specific acknowledgment in the space provided of receipt of all addenda issued during the Bid period. Failure to so acknowledge may result in the bid being rejected as not responsive.