Shipyard May See Additional Rate Increase

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Brianna Gibbs/KMXT

There could be some rate increases for the Kodiak shipyard in the coming months. The topic was the lone agenda item during the City Council’s work session last night.

Last year the council, under the recommendation of the Port and Harbor Advisory Board, decided to increase rates at the shipyard by 20 percent. The goal was to help bring the shipyard out of the red financially, which is where it has been in previous years.

This January the advisory board met and proposed another rate increase to help springboard the elimination of the shipyard’s budget deficit. That proposal included a 30 percent rate increase on certain fees, including the lift, block and launch. The board also suggested drafting some sort of reduced lay-day fees for long term work, with the hope that it would encourage more boat owners to keep their boats in the yard longer, and generate more money.

Nick Szabo chairs the advisory board and said shipyard finances are improving, but the additional rate increase is needed.

“We thought let’s just do a 30 percent increase this year, and hopefully that will close the gap, and then we’ll just ride with that. So that’s basically what we’re recommending.”

Szabo said the hope is that the fee increase will be enough to stabilize the shipyard financially, and no additional increases will be needed in the years to come.

In addition to the 30 percent, Szabo said the board is hoping to capture more business by offering discounted rates for extended lay-day yard use.

“Most of the boats are just doing two weeks. But some boats have long term projects that may take two or three months. And if we can capture those people and give them a reduced rate, then that’s going to add additional revenue that we haven’t had in the past.”

Szabo said the advisory board would like these rate increases implemented as early as May 1, so the council has tentatively scheduled the fee changes to be voted on during its April 24 meeting.