Puglia Engineering Backs Out of Travel Lift Deal

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Jay Barrett/KMXT

The company the city of Kodiak had selected to operate the new 600-ton travel lift at Saint Herman Harbor has withdrawn its offer. City Manager Linda Freed said at last night's meeting that Puglia Engineering of Tacoma has changed its mind.

-- (Puglia 1 33 sec "That's significant in that ... operates the machine.")

She said the harbormaster's office is already researching an alternative plan for the operation:

-- (Puglia 2 27 sec "They have already visited ... had all anticipated.")

Councilman Tom Walters said he was disappointed that Puglia (POO-lee-ah) had pulled out, but still sees opportunity for the city to run the lift and boat yard:

-- (Puglia 3 18 sec "That would have been nice ... here, fishing boats.")

Councilman Terry Haines, who by day is a commercial fisherman, says he understands the economics behind Puglia's decision, but is optimistic that Kodiak will be well-positioned with the new facilities:

-- (Puglia 4 35 sec "Times have changed ... pretty close for those guys.")

The council also voted to sell the remaining 1-million-dollars in revenue bonds at a higher interest rate to finance the boat lift facility. At the time of the initial

bond sale, only four of the five million dollars authorized were sold, and the city now wants to put up the last million. However the city manager said the poor financial market is forcing the city to put the bonds up at eight-percent rather than the original six-percent. The council approved that resolution unanimously.

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