

## Puglia Engineering Backs Out of Travel Lift Deal

Friday, 12 December 2008

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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withdrawn its offer.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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