

# Judge to decide fate of longtime Mare Island tenant

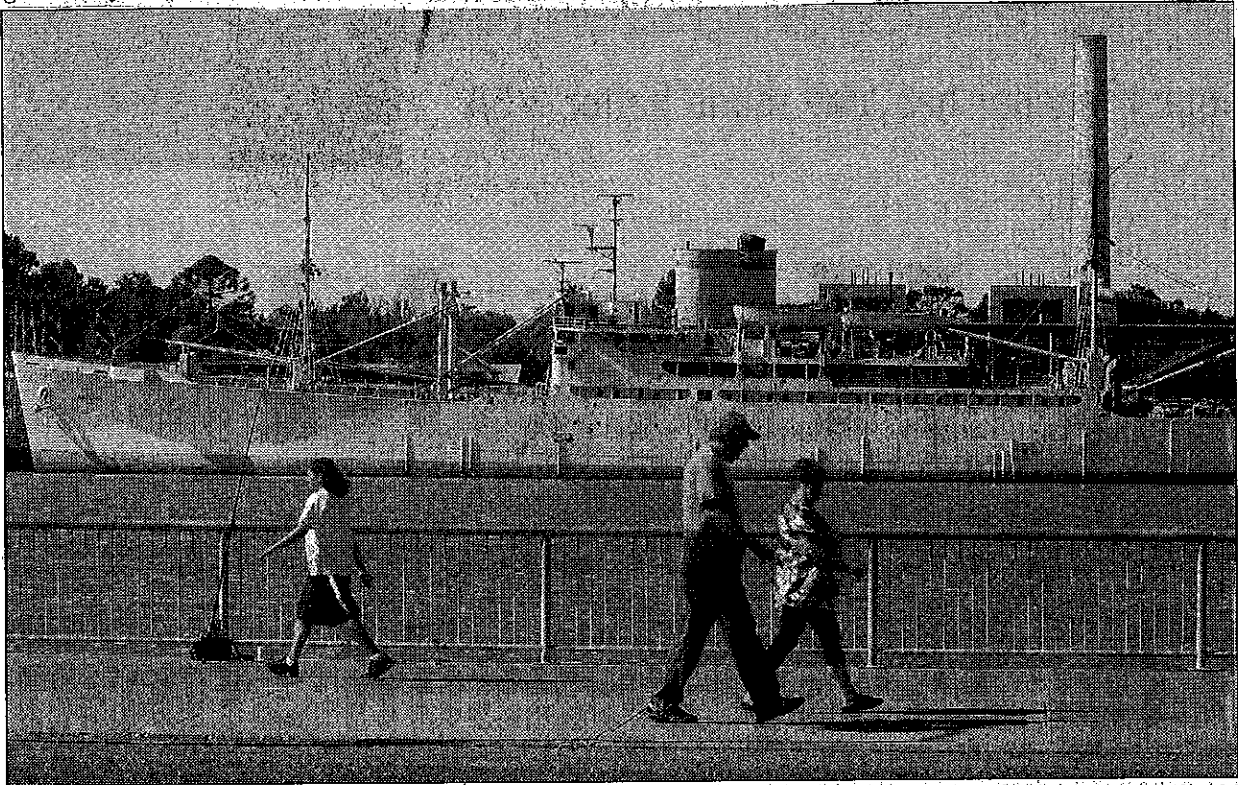
By Jessica A. York  
Times-Herald staff writer

A federal magistrate may put an end this week to an 8,300-ton Mare Island problem, a tenant that has long overstayed its welcome.

U.S. Magistrate Gregory Hollows will hear arguments Thursday in Sacramento in favor of the forced sale of the SS Pacific Star, visibly known by its former name — still painted across its hull: Artship.

The 72-year-old ship, and owner International Data Security, are part of ongoing litigation by the vessel's former owner, Brownsville, Texas-based Esco

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Chris Riley/Times-Herald

People travel down the walking path along the Vallejo waterfront across the strait from the Artship that has been docked at Mare Island since 2006.

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Marine, International Data Security and related company International Maritime Security Alliance LLC, did not contest putting the vessel up by last week's deadline.

Attempts to reach the companies were unsuccessful.

The Artship's berth owner, Lennar Mare Island, has lent its support to Esco Marine's lawsuit. Lennar Mare Island has cited concerns for pending Navy cleanup of land under the ship, and endangerment of millions in grant funding due the city to build a new ferry maintenance facility.

"The new Mare Island ferry facility is an important project for Mare Island, the city of Vallejo and the Bay Area as a

whole," Lennar Mare Island spokesman Jason Keadjian said. "It is our hope that the removal of the Artship will be completed as soon as possible so that the ferry facility project can move forward."

Vallejo Public Works Director David Kleinschmidt confirmed Tuesday that Vallejo has until year's end to award a contract to build a city ferry maintenance facility where the vessel now rests. If it fails to do so, it risks losing about \$4.3 million of the project's funding for its State Transportation and Improvement Program grant. Design and construction of the project's first two phases are estimated at about \$24 million, Kleinschmidt said.

Kleinschmidt said the city is scheduled to review construction bids on Nov. 10. The city wants to make sure there is a

"high probability" that the Artship will soon be removed before awarding a contract.

"It is a concern we continue to push real hard on," Kleinschmidt said. "We hope that the Artship issue gets resolved before it impacts our construction project."

Mare Island ship recycler Allied Defense Recycling is eyeing the vessel for potential scrapping once it goes up for sale, said the company's managing director, Jay Anast.

"We would like to get it — somebody's going to have to," Anast said last week. "If we get it we get it. Every contract is important. This is a smaller ship than the (Maritime Administration's Mothball fleet) ships. It's another opportunity for us to employ people."

Contact staff writer Jessica A. York at (707) 553-6834.

# Mare Island Artship heads to auction

By Jessica A. York  
*Times-Herald staff writer*

A 72-year-old World War II troop transport ship long berthed at Mare Island will be sold to the highest bidder next month, after "years of recalcitrant conduct," according to a federal magistrate. U.S. magistrate Kimberly J. Mueller on Friday approved put-

ting up for sale the SS Pacific Star, formerly dubbed the Artship by an Oakland nonprofit group. A sale would settle a several-years-old legal dispute between the ship's owners and its former owner, according to court findings by U.S. Magistrate Gregory G. Hollows. The ship's 7-year stay on Mare Island is expected to end within days of the scheduled court auc-

tion, scheduled in Sacramento for Nov. 7.

The ship's removal would mean that a \$4.3 million state grant earmarked for a Vallejo ferry maintenance facility would no longer be jeopardized, city officials have said. The city has until the end of the year to award a construction contract for the facility, destined

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for the site where the ship now rests.

Ship owner International Maritime Security Alliance, LLC, took over a \$12,000-a-month berth lease with Lennar Mare Island in 2007 with stated plans to use the ship for data security storage. Allegedly the company defaulted on its agreement, according to court documents.

The ship's former owner, Texas-based Esco Marine, has been held responsible by Lennar for International Maritime Security Alliance's default on rental fees and required insurance coverage, leading to Esco's December 2008 lawsuit against the data storage company.

The lawsuit culminated this month with Hollow's findings against International Maritime Security Alliance, and the scheduling of next month's auction.

Mare Island shipyard operator Allied Defense Recycling officials said in a recent interview that they were eying the ship for purchase, with plans to scrap the 70-year-old vessel.

Esco Marine had bought the vessel several years ago, also intending to recycle its metal components, according to court documents. The company reportedly found that the scrap metal market has been unprofitable recently, on top of maritime liens exceeding \$300,000 and potentially costly pollution remediation expenses required by the federal government, according to the documents.

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# Judge OKs sale of former Artship

Vallejo plans to build a ferry maintenance facility at vacated berth

By Jessica A. York

Times-Herald staff writer

The auction of the former Artship for \$1 last month was approved despite its owner's last-minute bankruptcy filing last month, according to a recent court order.

The 72-year-old SS Pacific Star, a tenant along Mare Island's shoreline since 2004, has been sold to Brownsville, Texas-based Esco Marine — its only bidder. The sale was initially stalled last month when ship

owner International Data Security, Inc. filed for bankruptcy the night before the auction. A bankruptcy court-imposed freeze on the sale was lifted in recent weeks when no opposition was submitted to the court.

U.S. District Court Judge Kimberly J. Mueller signed off on the ship's final sale papers last week.

Pending removal of the ship comes as a positive development for Vallejo's Public Works Department, which has long been eying

the Pacific Star's waterfront space at Berth 10 as the future home for a new city ferry maintenance facility.

For a time, it appeared that a \$4.3 million state transportation grant for construction work was jeopardized, with a deadline for its use looming this month. Public Works Director David Kleinschmidt said the city received a 20-month reprieve in recent weeks on the deadline, however.

The timeline for the vessel's removal remains

unclear, however, said Jason Keadjian, a spokesman for developer Lennar Mare Island, which leased space for the ship to moor over the years.

"The (U.S.) Marshal has to sign and deliver the bill of sale to Esco," Keadjian said. "Then they can begin arranging the removal of the vessel. All the parties have been waiting for this process to run its course. (Lennar Mare Island) plans to work closely with them to

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facilitate the timely removal of the ship."

The ship, formerly dubbed "Artship" by an Oakland-based nonprofit, was purchased in 2007 to serve as a future data center and renamed the SS Pacific Star. The ship has also served as a troop transport ship in World War II and as the California Maritime Academy's TS Golden Bear II.

In its time at Mare Island, the ship has changed hands several times, including a previous ownership by Esco Marine. When Esco sold the ship, it retained some obligation for leasing its berth, Keadjian said, leading to its eventual lawsuit against International Data Security.

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