



Thursday, December 28, 2006

MEMORANDUM

To: Sawmill Cove Board of Directors  
From: Hugh Bevan, Director  
Subject: Sawmill Cove Management Report

1. Baranof Frozen Foods is leasing 43,357 square feet including 37,516 SF of warehouse and 5,841 SF of outside areas for bunkhouses. BFF has reached "build-out" for gross lease area inside the building.

Over the winter BFF is remodeling their fish processing room, increasing freezer capacity, adding a second crane on the dock, etc.

BFF employed nearly 50 people this summer. They processed 4 million pounds of fish and plan to do 6 million next year.

2. On September 19, 2006 the Assembly approved a lease with Stikine Holdings LLC. Stikine has leased 34,500 SF of dock warehouse space, 6,900 SF of outside land for a van loading facility and 15,000 SF of outside space for employee housing.

Stikine has begun construction on their fish processing plant within the warehouse. Their project will bring substantial new revenues and employment to Sitka.

Stikine plans to be in operation by March 2007.

3. TAB's proposal to purchase 3.0 acres of its leasehold at the industrial park including the bottling building was approved by the Assembly March 28. TAB will continue leasing about 7.5 acres of its original leasehold. TAB also has an option to purchase an additional 3.1 acres of land at the same purchase price if the option is exercised within six months of the closing date. (December 7, 2006)
4. At the request of the Sawmill Cove Board SEDA is working on a dock plan that has several use alternatives besides cruise ships. The Sawmill Cove Board will meet in mid January to update their 3 Year Plan. Dock discussions will play a major role in that planning process.
5. On April 25, 2006 the Assembly approved the final version of the NSRAA lease for a hatchery at Sawmill Cove. There are no known impediments to the NSRAA project at this time and the project should enter construction in 2007.

6. The City has relocated the Police Dept vehicle impound yard from Kimsham Landfill to the Sawmill Cove recycling center. They have also constructed a new building to store recyclable materials out of the weather.
7. Work is underway on the bulk water pipeline project. The contractor, S & S of Sitka, expects to complete the work in late winter.
8. The City was notified that the Denali Commission will provide \$500,000 for design and permitting of a major renovation of the pulp dock. Apparently the funding will come through the Federal Transit Administration, the same agency that is holding a \$1.9 million earmark for the multi-purpose dock. Both projects will have to meet FTA environmental scrutiny. It is not known yet what that will entail.
9. TENW Engineers of Seattle presented the final cruise passenger transportation study to/from Sitka and Sawmill Cove to the Assembly on September 26, 2006.
10. The Sawmill Cove Board has approved a 2,300 square foot lease with the City of Sitka in the Administration Building for use as a Municipal Records Storage Center.
11. Bike and Hike has been sold to another Sitka company. SEDA staff has met with the new owners and we expect a proposal to be presented to the Board by the end of January.

Pending issues at Sawmill Cove are:

- Develop a cargo dock plan

- Develop a detailed plat of the uplands portion of the property

- Complete a new Three Year Development Plan

- Assist the City with development of the FY08 Sawmill Cove budget