

REPORTS



Friday, March 21, 2008

MEMORANDUM

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

1. Silver Bay Seafoods has leased 34,500 SF of dock warehouse space, 6,900 SF of outside land for a van loading facility and 18,000 SF of outside space for employee housing.

Silver Bay had about 160 employees at the peak of their 2007 operations. They processed over 21 million pounds of fish during their first season in business.

Silver Bay and the Sawmill Cove Board have come to terms on a sale of the pulp dock, dock warehouse, specific uplands and specific tidelands at the Industrial Park. On January 23, 2008 the Assembly concurred with those terms.

On February 15, 2008 the Assembly approved a Resolution that will sell the property to Silver Bay. Approval of the Resolution gives the Administrator authority to sign a Purchase and Sale Agreement.

Silver Bay will complete an engineering analysis of the pulp dock before they execute a Purchase and Sale Agreement. They must complete this work by May 15.

2. Last spring TAB purchased 3.0 acres of land and the bottling building for about \$750,000. TAB continues to lease about 7.5 acres of its original leasehold.

Over the past year TAB has fallen behind on its lease payments for the 7.5 acres, its property taxes and its utility payments. On January 22, 2008 the Assembly agreed to give TAB 20 days to bring its accounts current. On January 29, 2008 the City received a \$100,000 payment with the remainder due by February 15th.

Unfortunately TAB did not make the second payment and the City has repossessed the lease area.

3. Construction of the new NSRAA hatchery is ongoing and the hatchery should be operational next year.
4. The bulk water pipeline project is complete. True Alaska Bottling is working on a contract that would result in substantial bulk water shipments, but progress on that contract appears to have stalled.

5. Another potential bulk water buyer will present a proposal to the Sawmill Cove Board in mid March.
6. On January 17, 2008 the Sawmill Cove Board reviewed the marine services survey that was mailed to over 600 Sitka vessel owners. The Board also discussed two concept designs for a marine haul out facility.

Present at the meeting were the owners of the private haul out facility – Halibut Point Marine. They enlightened the Board on the issues surrounding ownership and operations of a haul out and boat repair yard.

A report on this topic was made to the Sitka Chamber of Commerce on March 19, 2008.

7. A major subdivision plat of the Industrial Park is working its way through the Planning Commission. On March 18, 2008 the Planning Commission approved the plat on first reading. Final review by the Planning Commission is scheduled for April 15 and Assembly approval on May 13, 2008.

The plat is specifically laid out to facilitate the development of a marine services industry at the north end of the site.