



**Sawmill Cove Industrial Park
Board of Directors Meeting
February 25, 2009 – 3:00 PM
SEDA Office
329 Harbor Drive, Suite 212**

A. CALL TO ORDER

The Chair called the meeting to order at 3:03 pm.

B. ROLL CALL

- Board Members Present:** Grant Miller Trevor Harang Lowell Frank
Charles Horan
- Board Members Absent:** Chris Fondell
- City Representatives:** Jim Dinley Michael Harmon Scott Brylinsky
Chris Brewton
- Others Present:** Garry White Linda Wilson
Craig Giammona (Sitka Sentinel) John Sherrod Nancy Davis (SEDA)
Carol Goularte (USFS) Pat Droz (USFS)

C. REVIEW OF MINUTES – January 22, 2009

- MOTION:** M/S Harang/Frank moved to approve the minutes of January 22, 2009.
- ACTION:** Motion PASSED unanimously 4/0 on a voice vote

D. CORRESPONDENCE AND OTHER INFORMATION (NONE)

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

Item H.1. was deleted due to a cancellation by Cove Partners. Cove Partners LLC are working on a new business plan and proposal and will reschedule their presentation for a later date.

Item I.4. was moved forward to accommodate representatives of the US Forest Service.

F. REPORTS

Mr. White reported that TAB has produced a brochure and website for marketing Sitka’s bulk water. TAB has until February 27, 2009 to fulfill the requirements for receiving an extension of their bulk water contract.

G. PERSONS TO BE HEARD (NONE)

I.4. US Forest Service storage lease (MOVED FORWARD)

Mr. White advised that the Lisa Spiegel, US Forest Service had expressed interest in leasing storage space at SCIP back in November of 2008. Mr. White suggested that space might be available in the Stores Building. No firm commitments were made at that time and there were no further discussions on this until yesterday, February 24, 2009, when Mr. White was contacted by Pat Droz, USFS. The USFS is still interested in leasing

storage space. The Stores Building has since been closed and alternate space has been identified on the second floor of the Administration Building. Approximately 1,500 to 1,700 square feet would be selected and leased for approximately six months at market rate. The Forest Service would use the space to store furniture and office equipment in lots that will be sold at public auction on site.

MOTION: M/S Horan/Harang moved to authorize Garry White to negotiate a short-term lease with the US Forest Service for space in the Administration Building at market rate.

ACTION: Motion PASSED unanimously 4/0

Grant Miller – Yes Trevor Harang – Yes Charles Horan – Yes Lowell Frank – Yes
Chris Fondell - Absent

H. UNFINISHED BUSINESS

1. Cove Partners (Cancelled)

2. Marine Services RFP

Mr. White reviewed the attachments to the Marine Service RFP, stating that once approved by the Assembly, the RFP would be distributed to marine operators in the Pacific Northwest and posted on the SCIP website. He advised that the cost to print and distribute the RFP should be covered in the current budget.

Mr. Horan suggested that the RFP be reviewed by appropriate City Departments to ensure it meets legal requirements.

Mr. White stated that the insurance requirements in the RFP would be made more flexible to accommodate as broad a range of proposals as possible.

Mr. Horan suggested the following changes to the RFP:

1. pg. 4 of 29 paragraph six should read “The Board believes the Park needs ~~either~~ a marine haul out, shipyard, **and**/or other marine related industry(s)...”

2. pg. 5 of 29 first sentence at top of page “The Board also recognizes it may be viable to select ~~two~~ **more than one developers**, i.e. one for a Boat Haul Out and another for related facilities.”

MOTION: M/S Horan/Harang moved to forward the RFP to the Assembly for their approval, with SCIP Board approval, subject to review by City staff and with no substantive changes.

ACTION: Motion PASSED unanimously 4/0

Grant Miller – Yes Trevor Harang – Yes Charles Horan – Yes Lowell Frank – Yes
Chris Fondell - Absent

3. ADF&G Lease Area

Mr. White stated that the original site selected for the ADF&G lease is adjacent to the Fortress of the Bear. The FOB Board of Directors are currently reviewing their first right of refusal to lease the area adjacent to their current location and would prefer the area not be leased for vehicle storage. Therefore an alternate site on Lot 19 is being considered for lease to ADF&G to be used for storage of vehicles and boats. ADF&G may want to build a temporary fence for security of the site.

MOTION: M/S Horan/Harang moved to authorize Garry White to negotiate a month-to-month lease with the Alaska Department of Fish and Game in an area suitable for their purposes while minimizing interference with future projects.

ACTION: Motion PASSED unanimously 4/0

Grant Miller – Yes Trevor Harang – Yes Charles Horan – Yes Lowell Frank – Yes
Chris Fondell - Absent

I. NEW BUSINESS

1. CBS Departmental future needs at the SCIP

Mr. Brewton, Utility Director, advised that the City will need space at SCIP during the Blue Lake dam expansion project. This will likely include construction of one or more buildings for storage of equipment and supplies and a machine work area. Ideally, the City and SCIP Board will work on a cooperative plan that will incorporate a building design suitable for use after the dam project is complete. It will be six to nine months before the design study of the dam expansion is ready and the City has a better idea of what their needs will be regarding use of the SCIP site.

Mr. Brewton stated that, to the best of his knowledge, virtually all of the materials and equipment needed for the project can be trucked to the site. The size of a new generator will have to be researched. Having a dock at SCIP would be more expedient for the movement of bulk materials.

Mr. White stated that the current legislative priorities funding request includes a dock bulkhead at SCIP and that language used to support this request is specifically tied to the Blue Lake expansion project.

Mr. Harmon suggested that a concrete plant might be set up at SCIP for support of the dam project.

Mr. Horan stated that a potential rock source is located across from Silver Bay Seafoods on the other side of SMC road.

Mr. White stated that this site was recently approved for development by the Assembly, but needs an interested developer to study the site and make a proposal.

Mr. Brewton advised that the Blue Lake dam expansion project will be done in two phases. The first phase is to construct the downstream infrastructure with projected completion in 2012. The second phase includes draining the lake, rebuilding the dam, and refilling the lake. Completion of the construction portion of the project is expected in 2015, however it may take up to two years for the lake to refill.

Mr. Horan asked if draining and refilling of the lake will affect the sale of bulk water.

Mr. White stated that the current bulk water contract does address situations where water from Blue Lake may not be available, so the City is protected in this regard.

Mr. Brewton advised that the City needs an alternative water supply during the project. He also stated that raising the level of the dam and depth of the lake is a concern as it will lower the water temperature and may affect fish viability. These issues are being studied.

Mr. Brewton stated that with the current rate of load growth (electric demand), by the time the expanded Blue Lake dam is on line, the City will already be at/or exceeding its maximum capacity.

Mr. Harmon advised that the water treatment plant may need to be relocated to accommodate the dam project. This is not certain, but if the treatment plant does need to move, there are some options at SCIP – specifically lots 18 and/or 19 – that could accommodate the treatment plant. By 2014 the treatment plant will be required to add a UV treatment system. This is a Federal mandate. It would therefore be prudent to know, as soon as possible, if the treatment plant will need to move before constructing the new UV system.

Mr. Harmon also stated that during the intermodel paving project an easement needs to be created through Lot 4 and/or Lot 5 to improve access. The easement may all be on Lot 4 and should address circulation needs for future development, including potential bus traffic.

Mr. White and Mr. Brewton agreed to tour SCIP in order to get a better idea of the size and location of space that the City might use for the Blue Lake dam project.

2. Stores Building

Mr. White reported that Silver Bay Seafoods has negotiated an extension for access to the Stores Building until April 15, 2009. This will allow time for various owners to remove their property. The Lighthouse Fellowship has approximately ten boxes of stuff to be removed from the Stores Building and is looking for a suitable location for a new storage space.

Regarding sale of the Stores Building, Mr. White stated that after reading applicable sections of the City Code and other documents, he believes that SCIP properties can be sold in a variety of ways including via a competitive bid or RFP. However, all sales will be subject to Assembly approval. A competitive bid would be the faster and easier way to sell the property, however, the City Attorney has expressed concerns over setting a precedent that might impede future sales of SCIP property.

Mr. Miller suggested that a competitive bid could be done with inclusion of a statement that this sale does not establish any precedent for future sales of SCIP property.

Mr. White reported that he has been contacted by someone interested in leasing or purchasing the Stores Building and that a proposal will likely be made within the next couple of weeks.

The consensus of the Board was to delay decision on a format for selling the Stores Building until they have a chance to consider any proposal that may be made by the party expressing interest in the property.

3. Schedule SEDA/SCIP Meeting

Ms. Davis expressed the desire of the SEDA Board of Directors to hold a joint meeting with the SCIP Board in the near future. This would include presenting an overview of SCIP plans and actions to SEDA Board members. A joint meeting will help the SEDA Board members in supporting SCIP and allow them to better answer the public's questions about SCIP. The format of such a joint meeting could be a simple thirty-minute work session prior to the next regular SCIP meeting.

The SCIP Board agreed to plan for a joint meeting within the next few months.

4. US Forest Service storage lease (Covered earlier in the meeting)

J. ADJOURNMENT

MOTION: M/S Horan/Harang

ACTION: Motion PASSED unanimously 4/0

The Meeting Adjourned at 4:20 pm.