

Thursday, July 16, 2009

MEMORANDUM

To: CBS Assembly
From: Garry White, Director
Subject: Sawmill Cove Management Report

1. Cove Partners and the former TAB Building.

CBS Building official has informed us that the building has been brought to code in regards to fire suppression.

The SCIP Board heard from Cove Partners at their 06/08/09 meeting under persons to be heard section to update the board on progress made by the group.

Cove Partners has purchased three new bottle molding lines and is planning to increase their production at the Sitka plant. The plant is once again producing bottled water and Cove has started distribution of water in WA, OR, AK, and Western Canada. Cove has plans to upgrade the building's electrical capacity and fix the roof.

The SCIP Board plans to meet with the group soon to discuss the CBS's reverters on the building and Cove's business plan for the building.

2. Construction of a dock at SCIP.

Funds were requested from the State to construct a 120' bulkhead at the SCIP to be used to assist the CBS with bringing in materials for the expansion of the Blue Lake. The legislative budget did not include any funding for the project. Funds have also been requested from the Federal Government. No word on funding from the Feds yet.

The Director has research multiple options of revenue sources, including a cruise ship mooring at the dock, and can not find sufficient revenue to offset the debt service associated with funding the construction of the proposed dock design with bonds. Research needs to be completed on other revenue sources and different dock designs.

The SCIP Board addressed the issue of constructing a dock at the park at their 05/28/09 meeting. The board wishes to meet with the assembly before moving forward with a plan.

3. Marine Services RFP.

The CBS Assembly approved the Marine Services RFP at their 03/24/09 meeting. The RFP has been mailed to target clients. The RFP is being advertised on www.sitka.net, www.sawmillcove.net, and CBS website. The RFP is being advertised in Sitka Sentinel, Juneau Empire, Pacific Fishing Magazine, and Fishermen's News.

The Director has received positive feedback from a number of independent marine service operators about the possibility of establishing a business at the park. Although, funding for infrastructure still seems to be an issue.

4. Bulk water pipeline project is complete.

TAB's contract has been approved for a 1 year extension. TAB has until 12/08/09 to export 20 million gallons of water.

Inquiries have drop off a bit with economic conditions.

5. Sitka Tribe of Alaska Tribal Tannery.

On August 27, 2008 the CBS Assembly approved a long term lease to STA for a 10,000 SF lot. STA plans to move their Tribal Tannery to this location after the construction of roughly a 3,000 SF building. The facility will provide an additional 2-4 FTE at the location. The overall operation is estimated to employ 44 full time people between tribal tours to tour the operation, tannery workers, and at home fur crafters. STA's grant application has been approved by US EDA.

STA has requested to get a formal lease in place. They are working with their engineers to establish a location for their building on a portion of Lot 17. Lot 17 has a fire water line running through the middle of it, which makes finding a building footprint difficult. The Director has recently met with STA officials and their engineering firm to discuss building location.

STA has found issues with the underground infrastructure of Lot 17 and wish to discuss with the board on moving their operation to Lot 15.

6. Stores Building.

At the 01/22/09 SCIP meeting the CBS Building Official notified the board that he was closing the building until it has sufficient fire protection equipment. A Notice and Order for the Stores Building dated 01/23/09 states that the sprinkler waiver for the building has been improperly granted. The building will not be allowed for use until the building is sprinkled. All tenants had until 04/15/09 to vacate the building.

At the 01/22/09 SCIP meeting the board discussed selling the building. At the 03/23/09 SCIP Board meeting a RFP for the sale or long term lease of the building was approved by the board. The RFP was approved by the CBS Assembly at their 04/14/09 meeting.

Two proposals were received by the May 28th, 2009 deadline. The SCIP Board met on 06/08/09 and determined that Silver Bay Seafoods proposal scored the best and recommended to the Assembly to accept SBS's proposal. The Assembly approved the SCIP Boards recommendation at their 06/23/09 meeting.

The CBS Attorney suggests that a purchase agreement needs to be approved by the SCIP Board and the Assembly before transfer of the property can happen.

7. The SCIP website (www.sawmillcove.com), managed by SEDA, has been updated and highlights the land use plan.
8. The Fortress of the Bear lease was approved at \$50 per month and extended to Dec. 2010 by the Assembly at their 05/12/08 meeting.
9. Theobroma Chocolate Company and the SCIP Board are in the process of negotiating a new lease for their operation in the Administration building.
10. The SCIP Board toured the SCIP at their 05/28/09 meeting to look at the Administration building, the former carpenter shop, and the utility dock to view the condition of the facilities. The view of the Board and Assembly members present was that certain liabilities existing with the carpenter shop and utility dock. CBS staff has address liability concerns by enclosing and preventing access to the carpenter shop and restricting access to the utility dock.
11. The SCIP Board has approved a short term lease for storage of SAR equipment in the Administration building. The Board also approved usage of the building for SAR command staff during SAR missions near the SCIP.
12. The SCIP Director met with the CBS Building Official and determined that the Blue building located near the FOB lease area is available to lease.
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