

Monday, October 26, 2009

MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)
From: Garry White, Director
Subject: Sitka Tribe of Alaska Tannery Update

Background

At the August 6th, 2008 meeting the SCIP Board "moved to recommend to the Assembly that a 10,000 square foot portion of the SW corner of Lot #15 of Sawmill Cove Industrial Park be selected for the STA Tannery, with the understanding that STA will make efforts to work with the various agencies to substitute a portion of Lot #17 for Lot #15, and that a standard lease will be developed following the terms previously agreed upon by the Board and STA."

The CBS Assembly approved the recommendation of the SCIP Board at their 08/26/09 meeting allowing for either use of Lot 15 or Lot 17 as long it was agreed upon by both parties.

Update

STA has hired Jenson Yorba Lott Inc. as the engineering firm to investigate a suitable location of their tannery. Please see attached note.

I have also attached the proposed CBS Water Treatment Plant location on Lots 17/18.

Action

STA wishes to have additional discussion on the location of their proposed tannery.

Sitka Tribe of Alaska

Tribal Government for Sitka, Alaska

July 15, 2009

Garry White
Sitka Economic Development Association
329 Harbor Drive
Sitka, AK

RE: Tannery Lease

Dear Mr. White:

Based on your request this letter is intended to serve as a brief write-up for the Sawmill Cove Board's packet for the meeting to be held on July 20. Thank you for the opportunity to submit this for consideration.

We have been working with the firm Jensen Yorba Lott, Inc. to provide A&E services for the design of a free standing Tannery building at the Sawmill Cove Industrial Park. We have been in the process of trying to configure a footprint of the proposed facility on Lot 17, to in turn be able to provide you with some measurements/meet and bounds which will identify the specific 10,000 SF portion of that lot to be detailed in the lease agreement.

Based on preliminary work performed by Tony Yorba and Pat O'Neil, as well as discussion amongst parties, including key City and Borough employees, it has been determined that there is "a virtual rats nest of underground utility pipes in the vicinity of lot 17, all capable of causing significant hardship to the project"; to use someone else's words. There seems to be very little usable documentation on these pipes which have been discovered over time, due to the fact that no as-built exists with details of their location, configuration and depth. Much of the information which has been gathered is extremely conflicting. I have been convinced that to proceed on a "leap of faith basis" could leave the Tribe at risk if disruption occurs to a separate utility user, and/or if significant delays and costs are incurred based on additional work needing to be performed.

To mitigate at least some of this risk it has been proposed that the surveyor do extensive exploratory excavation on the site to try and locate and identify utilities, as it has been indicated that the CBS is unwilling or unable to provide the service. While I feel the surveyor's cost quote and reasoning are both fair and sound in judgment, it mandates work which is unbudgeted for. Further, it has become apparent there is high likelihood that a fire water line will need to be relocated at a cost which has been indicated as high as \$30,000. Finally, I have been told that the electrical power will need to travel

approximately 270 feet underground from the closest primary power source to make it available to Lot 17. This in itself is estimated at \$27,000. These few items have aggregated to a level which appears to be cost prohibitive based on the grant funding available.

In speaking with you I am under the understanding that the assembly had approved the lease of Lot 17 *or* Lot 15. At this point in time ***I am requesting the board permit Sitka Tribe of Alaska to change locations from Lot 17 to Lot 15.*** I am hopeful that some investigation might find conditions at the new proposed site more suitable for the project at hand.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pete DeRensis', written over a horizontal line.

Pete DeRensis
Acting Planner, Sitka Tribe of Alaska

cc: Sawmill Cove Board

LOT 22

LOT 20

LOT 21

LOT 19

LOT 18

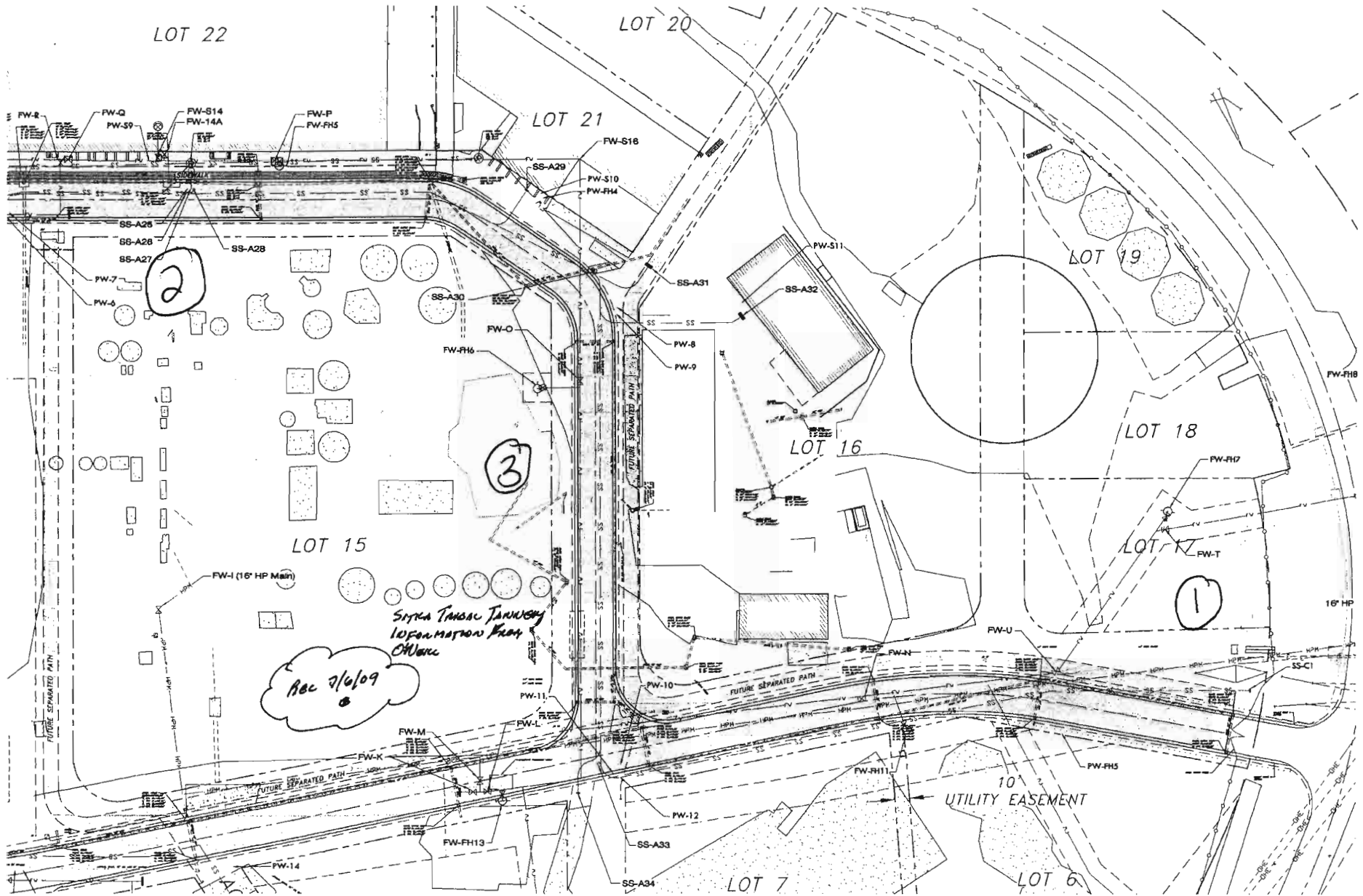
LOT 16

LOT 15

LOT 17

LOT 7

LOT 6



NOTES from Tony Yorba of Jensen Yorba Lott Inc.(STA Engineering Firm) on the locations sites for the STA Tannery at the SCIP

Site 1 (Lot 17)

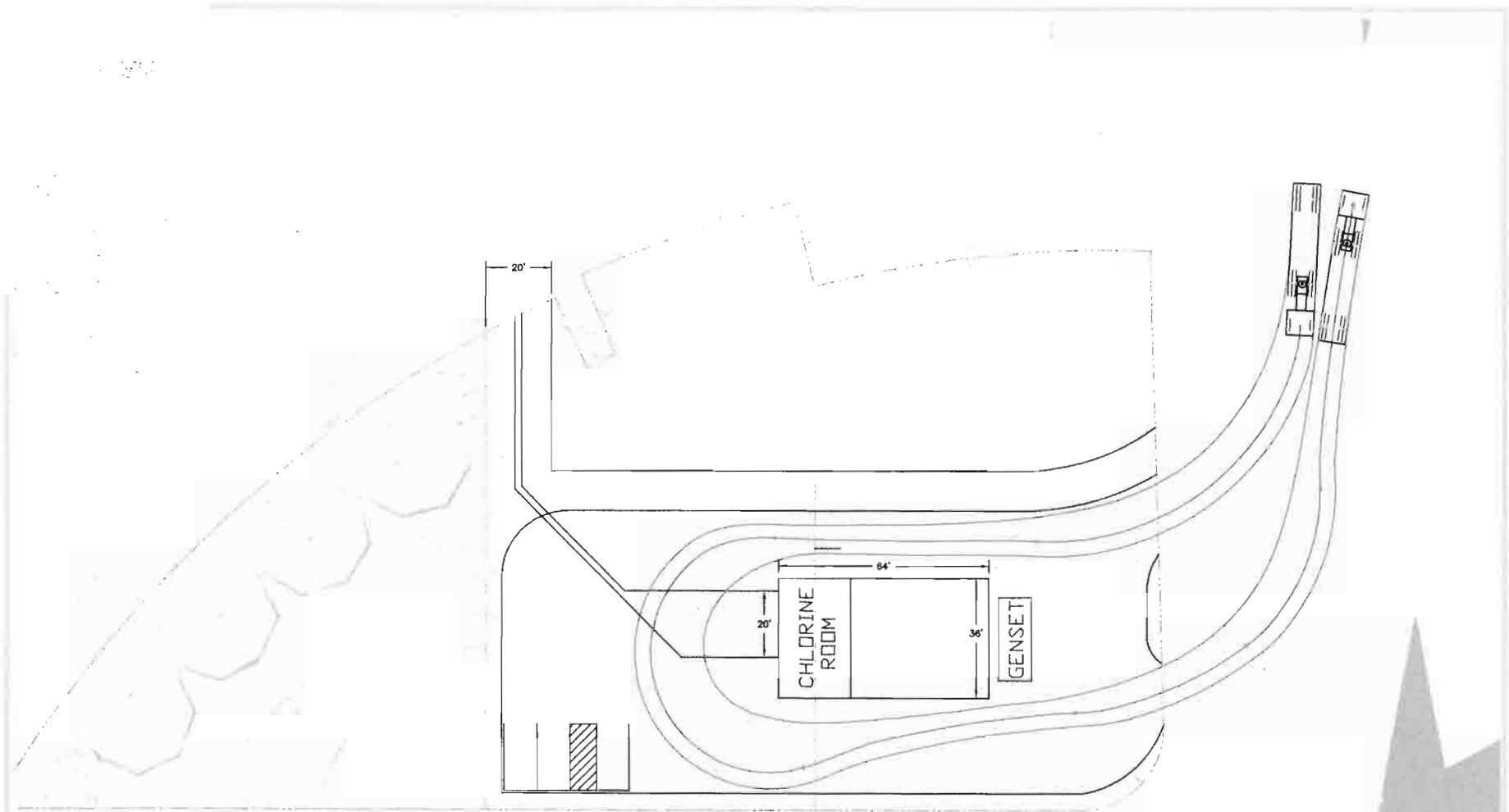
This lot is severely impacted by the utility easement that splits the lot, as well as the number, size and location of utility lines in the street

Site 2 (SW portion of Lot 15)

We initially thought this area of lot 15 was a good alternative to the original lot 17. However, investigation by O'Neil Surveying identified significant challenges posed by the existing footings (partially shown as speckled circles and rectangles). The footings are actually much more extensive than shown here. This plan only shows those portions of the slab and footings that are at grade- it doesn't show the below grade structures which are extensive. O'Neil's analysis was that the cost of developing this portion of site 15 was as expensive or nearly as expensive as lot 17.

Site 3 (North Center Lot 15)

It was suggested that development of this portion of lot 15 could be done within the funds available. However, we were told it was not included as a possible development option in the agreement between the tribe and SCIP Board. If it is available, we could look at the development cost and give an opinion on the potential for development. It would be good to get O'Neil involved in that- they have very deep experience and resources for identifying potential challenges to site development in the area.



O'NEILL
SURVEYING AND ENGINEERING

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TOPOGRAPHIC SURVEY

LOTS 17, 18, AND 19;
SAWMILL COVE INDUSTRIAL
PARK RESUBDIVISION #1

CLIENT: CBS

SHEET 1 OF 1