

Tuesday, March 23, 2010

MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)

From: Garry White, Director

Subject: Capital Projects.

The CBS has two separate pots of money that need to be spent on capital projects at the park or lost.

1. The CBS was awarded a U.S. Department of Housing and Urban Development (HUD) grant in 2004 to be used: **“To continue the rehabilitation of the former Alaska Pulp Company mill site in Sitka, Alaska”**
  - a. The grant has approximately \$142k available to be spent on the SCIP.
  - b. The grant funds have an expiration date of 09/30/2010 for the funds to be spent or they will have to be returned.
2. The CBS was awarded a U.S. Department of Commerce, Economic Development Administration grant in 2001 to be used to rehabilitate the Administration and Stores Building.
  - a. \$78,274.64 was used on the Stores Building.
  - b. The Stores Building was sold in 2009, the EDA is requiring that \$78,274.64 of the sales price be spent on the Administration Building to further economic development of that structure or the funds will have to be returned to the EDA.

At the 03/4/2010 SCIP meeting the Board suggested funds be spent considering the following criteria:

1. Increase the rent ability of the park assets
2. Increase the appeal of the park
3. Limit liability to the CBS

CBS Staff has come up with a potential list of projects to use the funds. The priorities are based off of rough, best guess estimates.

### **Administration Building:**

CBS staff has determined that the exterior of the Administration Building needs to be painted to protect the outside envelop of the building.

Estimated cost - \$95,000 (this will meet the EDA requirements)

### **Increase Rent Ability**

- |   |          |
|---|----------|
| 1. Paint Administration Building interior offices   | \$20,000 |
| 2. Replace Administration Building lighting         | \$40,000 |
| 3. Clear out first floor of Administration Building | \$12,000 |
| 4. Permitting for Bulkhead dock                     |          |

### **Increase Appeal of Park**

- |                            |          |
|----------------------------|----------|
| 1. Demolish Tire Shop      | \$5,000  |
| 2. Remove Alders           | \$3,000  |
| 3. Clean up Carpenter Shop | \$40,000 |

### **Limit liability to CBS**

- |                           |          |
|---------------------------|----------|
| 1. Demolish Chlorine Dock | \$30,000 |
| 2. Remove Moorage Buoy    | \$5,000  |

### **ACTION**

Discussion on the best use of the funds to rehabilitate the park while continuing with the mission of the SCIP.

Suggested priority list of projects to be completed.