



**Sawmill Cove Industrial Park
Board of Directors Meeting
May 25, 2010 – 3:00 PM
SEDA Board Room**

A. CALL TO ORDER: The Chair called the meeting to order at 3:03 p.m.

B. ROLL CALL

Board Members Present: Grant Miller; Lowell Frank; Charles Horan; Trevor Harang
Board Members Absent: Chris Fondell
City Representatives: Theresa Hillhouse; Dan Jones
Others Present: Garry White; Linda Wilson; Jud Kirkness,
Greg Miller (Cove Partners added at 3:13 via phone)

C. REVIEW OF MINUTES – April 6, 2010

MOTION: M/S Harang/Frank Moved to approve the minutes of April 06, 2010.

ACTION: Motion PASSED 4/0 on a voice vote.

D. CORRESPONDENCE AND OTHER INFORMATION

- A list of the projects that will be funded with the remaining \$142k in HUD funds was included in the packet. Before the exterior of the Administration Building can be painted, the City must confirm there is no asbestos in the current paint. If there is no asbestos then the project can go out for bid.
- The Governor is reviewing the State Capital Budget and has until June 8 to veto any items.
- Research continues to identify opportunities for development of a marine related industry at SCIP that does not directly compete with the Ketchikan shipyard.

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

Item H.1. was moved forward on the agenda.

H. UNFINISHED BUSINESS

1. Cove Partners LLC – Water Rates

Greg Miller, representing Cove Partners LLC, was added to the meeting at 3:13 pm via telephone.

Mr. White reviewed the documents regarding water rates included in the packet and informed the Board that the Assembly would be considering an adjustment to the City water rates at their meeting that night. A 14% rate increase, incremental over five years, will be proposed to cover the cost of federally mandated upgrade of equipment for UV water treatment.

Mr. Greg Miller stated that Cove Partners would like to pay the same water rates as other tenants at SCIP and that a contract for a specific amount of encumbered water is not needed. This would be a metered rate for raw, non-treated water.

Ms. Hillhouse advised that the water rate for TAB based on a contract that guaranteed water availability to the bottling plant would not be cut back during periods when other users at SCIP might be required to reduce usage.

Mr. Greg Miller stated that Cove Partners did not need such a contract.

MOTION: M/S Horan/Harang Moved to recommend to the Assembly that Cove Partners will pay a rate for water to be bottled at Sitka as per City and Borough of Sitka General Code 15.05.625, section 2A and any of its amendments, and that the water shall be credited to State water certificate ADL43826.

ACTION: Motion PASSED 4/0 on a roll call vote:

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

F. REPORTS

1. Sawmill Cove Management Report (included in packet)

- TAB is working to close a deal to purchase property in India to construct a tank farm for bulk water.
- STA is considering purchase of the building that the tannery currently leases.
- Audio workshop is still leasing space and recording in the Administration Building.
- The process for selling un-subdivided property owned by the City is being simplified to allow for discussion at the Assembly level. The details could be worked out and discussed before platting, and would then go to Planning and Zoning for plat approval.
- There is some competition for Sitka's fish waste. OmegaSea can only use a portion of the waste. Producers are choosing to contract with Montlake Mining, a company that can take all the fish waste. Montlake intends to develop processing plant to make pet treats and fish meal. Montlake had AIDEA funds to develop a process that stabilizes the fish waste so that it can be stored over several months without rotting. This allows processing to run on a more consistent schedule.

G. PERSONS TO BE HEARD (NONE)

I. NEW BUSINESS

1. Jud Kirkness request

Mr. Kirkness stated that he sees potential for making SCIP more aesthetically friendly while reducing the amount of green waste going to the local landfill and creating a product that can be used locally.

- The mulching project would begin with removal and chipping of alders on SCIP property.
- Additional green waste from other sites could be added later, including material from the Blue Lake expansion project.
- The mulch created should be competitive with that currently being imported from Wisconsin and could be used for City landscaping projects and sold to local gardeners.
- The project would be mobile and could be moved from one area of Park to another as needed.
- This would not be a very profitable venture but would provide improvement to the Park and create some revenue.

Discussion by Board members and City staff yielded the following points for consideration:

- As per the City General Code, such a project may require an RFP and bid process.
- Liability insurance would be required.
- Due to City budget cuts hiring Jud as a temporary City employee to get around the liability insurance is not an option.

The Board gave consensus for the Director to develop a legal structure for the project to move forward.

2. Kari Johnson request

Mr. White advised the Board the Kari Johnson would like a month-to-month lease for a small office space in the Administration Building and has offered a rate of \$1 per square foot.

The Board briefly discussed the proposal.

MOTION: M/S Harang/Horan moved to lease office space in the Administration Building at the rate of \$1.00 per square foot on a month-to-month basis using the standard short term lease template.

ACTION: Motion PASSED 4/0 on roll call vote:

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

3. Review of Development Standards

Wells Williams, Planning Director, has recommended that the SCIP Board review development standards that may apply to SCIP and bring forward any requested changes now, rather than waiting until they are needed.

Suggested items to consider include:

- o Height restrictions for buildings and other structures.
- o Set backs
- o Parking availability

The Director was asked to research development standards used by other industrial parks and bring this back on the next agenda.

J. ADJOURNMENT

The Board thanked Mr. Frank for his term of service.

MOTION: M/S Horan/Harang moved to adjourn the meeting.

ACTION: Motion PASSED 4/0 on voice vote.

The meeting adjourned at 4:32 pm.