



BOARD OF DIRECTOR'S MEETING

THURSDAY, JANUARY 27TH, 2022 - AGENDA

3:00 PM

Zoom Meeting

Regular Meeting

3:00 PM

<u>Item</u>	<u>Action</u>
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
DECEMBER 6TH, 2021	
D. Correspondence & Other Information	Acknowledge/Questions
E. Changes/Additions/Deletions to Agenda	Change/Add/Delete
F. Reports	
G. Persons To Be Heard	
H. Unfinished Business	
1.	
I. New Business	
1. CBC Construction Lease Request	Discussion/Recommendations
2. GPIP Strategic Plan	Discussion/Recommendations
J. Adjournment	

EXECUTIVE SESSION – Possible

The Mission

It is the mission of the Gary Paxton Industrial Park Board and management, by direction of the Sitka Assembly, to strategically develop the park in a fiscally responsible manner that maximizes its economic benefit to the community through creation of meaningful jobs in conformance with established community plans and policies.

Gary Paxton Industrial Park – Board of Directors Meeting
December 6th, 2021 3:00pm – Harrigan Centennial Hall
DRAFT Meeting Minutes

- A. CALL TO ORDER:** The Chair, Scott Wagner, called the meeting to order at 3:02pm
- B. ROLL CALL**
- Members Present:** Scott Wagner, Mike Johnson, Chris Ystad, Lauren Mitchell, Vaughn Morrison
- Members Absent:** None
- Staff Present:** Garry White, Makena Hardwick
- City Representatives:** John Leach (Administrator), Brian Hanson (Municipal Attorney), Kevin Mosher (Assembly)
- Others Present:** Ben Blakey
- C. Review of Minutes – June 17th, 2021**
- Motion:** M/S Mitchell/Johnson to approve the minutes of June 17th, 2021
Action: Motion Passed 4/0 on a voice vote
- D. Correspondence & Other Information-** None
- E. Changes/Additions/ Deletions to Agenda-** None
- F. Reports –**
- GPIP Report:**

Mr. White presented an update on the GPIP Dock usage. For Fiscal Year 2021 the GPIP Dock grossed \$65,332 in revenue. So far in Fiscal Year 2022, as of today, the park has grossed \$40,292 in use. The Silver Bay dock was under repair last summer so an increase was expected as they were utilizing the GPIP dock.

The Sitka Community Boatyard group is still working on the haul out. An outside legal firm created a lease. The lease was sent to the group in early fall. The Sitka Boatyard group responded to the lease with questions. Mr. White and CBS staff are working on responding to those questions.

The group needs to find additional funding to be able to complete the project. The Nov 22nd raise grant deadline brought much anticipation- unfortunately the City did not get the funding.

Bulk water is still getting interest from another group. Per the current water purchase agreement between the CBS and Arctic Blue Waters, Arctic gets first right of refusal for an additional 6.8 billion gallons annually. Arctic Blue must pay an additional \$100,000 fee and \$250,000 fee prorated over a 5 years.

A good deal of fuel sales have also occurred on the dock this past year. Lot 15 has become a junk yard for used cars. Plans have been made to increase the security at the park to ensure this does not continue.

Mr. Wagner asked who handles the GPIP leases at the City.
Mr. Leach stated that Tori is the new officer for handling those leases.

G. Persons to Be Heard- None

H. Unfinished Business - None

I. New Business-

1. Northline Seafood LLC Lease Reassignment

Mr. White introduced this item. They are restructuring their business. They currently have three leases, a long-term lease on lot 4, a short-term on lot 8A, and a short-term tidelands lease. They also have a sublease between themselves and Sitka Salmon Shares, the Lot 4 lease and sublease will need to go to the assembly for approval.

Public Comment:

Ben Blakey-

Northline Seafood LLC is looking to transfer all their leases and subleases to the new entity, no other changes will be made.

Motion: **M/S Mitchell/Morrison** move to recommend approval of the consent to assignment of the lease for lot 4 & a sublease for a portions of Lot 4 and Lot 8a to Sayak Logistics LLC

Action: **Passed (5/0)** on a voice vote

Motion: **M/S Johnson/Ystad** move to recommend approval of the consent to assignment of the lease for lot 8a and tidelands to the Sayak Logistics LLC

Action: **Passed (5/0)** on a voice vote

Mr. Hanson stated that Legal has no concerns of the assignment as long as the Board has no concerns of the credit worthiness of these individuals and LLC.

2. FY2023 GPIIP Enterprise Budget

Through the general code 2.38, which governs how the board is managed, an operational budget and a capital budget if desired are to be prepared and presented to the assembly for approval. The drafted operating budget for FY2023 is \$248,875. The revenue is projected to be \$212,161.56.

The drafted budget mainly reflects the expenses from the previous years. The drafted budget includes items such as, Management fee, insurance, utilities, and repair and maintenance costs.

An additional camera for lot 15, and a crane for the dock would be requested in the capital budget. Board members agreed that a crane would be a good addition to the dock. Another estimate should be developed for the cost of a crane before it is brought to the assembly in a capital budget request.

Motion: M/S Johnson/Morrison move to approve this topic for board discussion

Action: Passed (5/0) on a voice vote

Currently the dock revenue is split 50/50 with the harbor department. At some point, there will need to be a GPIIP employee at the dock.

Motion: M/S Ystad/Morrison move to approve the FY 2022 GPIIP Enterprise budget as presented

Action: Passed (5/0) on a voice vote

3. GPIIP Dock Summer 2022 Discussion

The dock has had tremendous use and is beginning to get congested, especially during the peak summer season. The demand is so great at this point that not all groups that wish to use the dock will have room to do so. Due to the public nature of the dock, Mr. White is suggesting an RFP for fish buying would be the fairest way to choose who can and cannot use the dock during the peak season. This will also open up an opportunity to decide what the carrying capacity of the dock is.

Mr. Leach offered support to Mr. White's plan to RFP for fish buying users. The influx of tourists next year, is a parallel situation, limited space and many users.

Mr. Johnson stated that the bow of the dock is under-utilized, it would take money to change it to become usable. An RFP to make that portion of the dock usable could be put out.

The reason why that area of the dock is unusable is that the dock was an old barge, and there wasn't cash at the time to make it usable.

Mr. Wagner stated that Mr. Johnson's idea is a good long term plan, and a short-term plan should be developed to help with this next summer season.

Questions that the board brought up were: How much of the dock should be allowed for specific uses and how much should transient? And how many spaces should be put out to bid? Where does the cruise ship industry fit into the dock?

The board discussed the cruise ship that will be using the dock for 7 days next summer and limit access to the dock during those days. There was concern about how many days may have limited dock access in the future due to cruise ship use. A scheduled rotation between cruise ships and yacht moorage and fishing vessels would help to insure access to the dock by all groups.

Mr. Wagner stated that a strategic plan could be put in place to determine what space will be used for what and how many days certain use can be allowed.

A port director could be hired to work the dock to enforce and manage the booking and use of the dock. The Harbor Department will be very busy next summer and is starting to get over tasked with GPIIP Dock scheduling. The money to hire a new person is not as available as it should be. The goal is to have the income the dock generates run the dock. When the revenues increase GPIIP will be able to afford to hire personnel for security and dock management.

Mr. Wagner asked if the city can spread out the cost of hiring personnel to the users?

This next summer will be a great learning opportunity, at the next meeting more direction should be given to Mr. White.

4. Discussion on Commission structure and opportunities for streamlining commission duties

The assembly asked all board to discuss efficiency and how operations are running. The idea was to review the boards to make sure that they are running as efficiently as possible and that there is not overlap in duties between other boards. What does the board look like when all the property is leased out or GPIIP becomes a port authority?

The theory is that the GPIIP board will go away when the park is taken over by another entity or commission.

J. Adjournment

Motion: M/S Johnson/Morrison move to adjourn the meeting at 4:17pm

Action: Passed (5/0) on a voice vote

Tuesday, January 25, 2022

MEMORANDUM

TO: GPIP Board of Directors
FROM: Garry White, Director
SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. GPIP Dock

The GPIP Dock is open for business. The dock had a lot of traffic during the spring of 2019. Most use was related to the commercial fishing fleet with vessel moving nets and other fishing gear across the dock.

Security cameras were installed in April, which allows for better management and tracking of use.

Next steps are to continue to monitor uses and adjust the Port Tariff to accommodate users of the facility. Additionally, prepayment or pay for use electric meters are being investigating to allow for better management of electric use. **(05/06/2019)**

The GPIP Dock continues to see a lot of use this summer. **(09/15/2020)**

The GPIP Director has received a request from the cruise ship industry for 7-8 port of calls for a 300 foot cruise ship at the GPIP Dock in 2021 and the potential for additional port of calls for the 2022 season. The cruise ship would be turning passengers while in port in Sitka. The GPIP Director and CBS Harbor Master are working cruise line officials to determine infrastructure needs, develop a Facility Security Plan, and work out logistics to accommodate cruise passengers. **(10/27/2020)**

The GPIP Port Tariff #4 was approved by the Assembly in February 2021. The dock is starting to see an increase in use due to the fishing season starting. **(03/22/2021)**

The CBS has been working with an outside consultant to develop a Facility Security Plan (FSP) to allow certain vessels, including small cruise ships, to use the GPIP Dock. The FSP is currently awaiting USCG approval.

The GPIP Board at its April 21st meeting approved a request for a \$24,999 budget be establish to add portable water to the dock. **(05/03/2021)**

GPIP Dock Revenues have increased each fiscal year. FY18 - \$689, FY19 - \$14,643, FY20 - \$37,462, FY21- \$65,322, FY22 (12/6/21) - \$41,292. **(1/25/2022)**

2. Marine Services Industries at the GPIP.

The CBS received a proposal from the owners of Halibut Point Marina (HPM) stating that it will be reducing service within the next two years. HPM additionally submitted a proposal to the CBS to construct marine haul out infrastructure to include; haul out piers, an EPA approved wash down pad with a water treatment facility, and a 100 ton lift. HPM is requesting a trade of other CBS property to offset the cost of construction. The GPIP Board has been unable to secure funding for the construction of haul out infrastructure to date.

The GPIP Board held a meeting on December 4th to discuss the proposed haul out infrastructure. Discussion from the public and board focused on travel lift capacity, pier width, upland improvements needed, access, and future management. The Board recommended the Assembly move forward with negotiations with HPM for a facility that has a new 100 tons lift, piers that are 26' apart, infrastructure to include a float to help vessel navigate into the lift, a larger or additional wash down pad be included, and that infrastructure is added to allow people to exit vessels before being lifted. **(12/9/2019)**

Halibut Point Marina has withdrew with its proposal to construct a vessel haul out at the GPIP in exchange for other CBS property due the CBS general code that requires CBS property to be disposed of via competitive bid. The CBS Assembly and GPIP Board held a joint work session on January 30th to discuss next steps. The CBS Assembly directed the CBS Administrator to prepare and release a RFP for private sector development of vessel haul out at the GPIP. **(02/10/2020)**

The GPIP Board met on Feb. 28th and approved a draft RFP for CBS Administration approval to be release to the public for private sector development of a vessel haul out at the GPIP. **(03/09/2020)**

The CBS received two proposals for development of a vessel haul out at the GPIP. The GPIP Board met via Zoom on April 27th and vetted the proposals as part of a selection committee, containing the 5 members of the Board, the CBS Administrator and Public Works Director. The Selection Committee scored a proposal from WC Enterprises as the best proposal. The RFP Scoring results were presented to the Assembly on May 12th. The Assembly gave direction to the CBS Administrator to work with WC Enterprises to develop a detailed agreement to move forward with the development of the haul out. The CBS Administrator, Public Works Director, and the GPIP Director have been meeting twice a week with WC Enterprises on the agreement. **(06/01/2020)**

The CBS Assembly rejected the proposal by WC Enterprises due to substantial changes to WC request for financial support. The CBS is working on conceptual plans and design for a haul out at the GPIP. **(09/15/2020)**

The CBS was unsuccessful in obtaining grant funds for the development of a CBS owned marine haul out facility. The GPIP Board met in September and provided direction that another RFP be developed for private sector development of the haul out. The CBS

Assembly met in October and gave direction that they wished to see a partial private sector development of a haul out with the CBS retaining ownership of its property. **(10/27/2020)**

The GPIIP Board met at its October 29th meeting and approved another RFP for private sector development of a haul out. The draft RFP was presented and approved by the CBS Ports and Harbors Commission at its November 23rd meeting. The RFP was approved by the Assembly at its January 26th, 2021 meeting and released to the public on February 2nd. The public can find the RFP on the CBS Bid Express website. Proposals are due on April 8th, 2021. **(2/8/2021)**

The CBS received one proposal to its most recent RFP. The GPIIP Board met on April 21st as the selection committee to evaluate and score the proposal. The Board did not finalize its evaluation, but rather sent the proposers a set of clarifying questions to gather more information on the proposal. The Board met again on May 12th and found the proposal responsive to the RFP and directed the GPIIP Executive Director to negotiate terms for a lease with the SCB group for the GPIIP Board's review. **(05/27/2021)**

The GPIIP Board recommended and the Assembly approved proposed lease terms for the development of a haul out at the GPIIP with a newly formed group called the Sitka Community Boat Yard LLC (SCB) in the summer 2021. The CBS hired an outside legal firm to develop a long term lease with proposed performance benchmarks in line with the proposed terms. The lease was presented to SCB for its review in early fall. The CBS was notified in late November that it will not receive a RAISE Grant for the construction of a haul out. The SCB presented clarifying question to the CBS regarding the proposed lease. CBS staff and the GPIIP Director are in working with SCB on finalizing a lease based off approved terms for final approval by the GPIIP Board and Assembly. **(11/30/2021)**

The SCB Group is still working towards finding funding to construct the project. The lease has not moved forward due to the current lack of funding. SEDA and the CBS are working on additional grant opportunities to provide funding for the construction of the haul out. **(01/25/2022)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to delivery water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIIP Director to continue to work with potential investors and exports to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The Director continues to receive inquiries from entities wishes to export Sitka's water. **(09/15/2020)**

The GPIIP Board recommended approval of a new water purchase agreement between the CBS and Arctic Blue Waters Alaska Inc. at its October 29th meeting. The Agreement will go to the CBS Assembly for approval on February 23rd. **(02/08/2021)**

The CBS Assembly met on March 9th and approved the water purchase agreement between the CBS and Arctic Blue Water. The GPIIP Director has received call from other potential exporters of Sitka's water. **(03/22/2021)**

Arctic Blue Water made all of its required payments to keep its water purchase contract in good standing. The GPIIP Director continues to receive call from other potential exporters and expects new proposals this fall/winter. **(11/30/2021)**

4. Bottled Water

The Director continues to receive inquires for bottled water. The Director has recently had conversations with entities from China, Costa Rica, and South Korea. **(11/12/2019)**

5. Blue Lake Dam Expansion Project

The Assembly has approved a MOA between the GPIIP and Electric Department to allow the GPIIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since the Blue Lake Dam Expansion project. **(06/03/2019)**

The GPIIP Director has met with the CBS Electric Director regarding leveling out the above lots for future leases or sales at the GPIIP. **(03/22/2021)**

6. GPIIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. **(07/03/2019)**

Delta Western has completed its fuel delivery infrastructure on the GPIIP dock. **(11/12/2019)**

Delta Western is in the process of installing a second fuel tank at the GPIIP for fuel delivery off the GPIIP Dock. **(03/22/2021)**

7. GPIIP Overall Management

CBS Administration and the GPIIP Director toured the park and have talked to tenants about cleaning up various lots at the park. **(05/03/2021)**

The GPIIP Director and CBS Administration has implemented a plan to remove the junk vehicle from the GPIIP site and ensure that future dumping activity does not continue. **(11/30/2021)**

The GPIIP Director is working on establishing a budget estimate for a GPIIP Dock Crane and additional security cameras at the GPIIP. **(01/25/2022)**



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Tuesday, January 25, 2022

MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)
From: Garry White, Director
Subject: CBC Construction Inc. Lease Request

Introduction

CBC Construction Inc. requests to lease approximately 10-12,000 SF of property at the GPIP for the purpose of burning construction debris for a short term (1-2 months). CBC has discussed the burning of construction and overburden material with the CBS Fire Department and has received pre-approval to do so. Please see the attached request from CBC.

The GPIP Director is recommending a 12,000 SF of Lot 15 as a good location with a former APC Mill concrete pad. Please see attached proposed lease area.

The GPIP Director is recommending a lease amount of \$2,500. This proposed lease rate is higher than market rate, but the Director is recommending the higher rate due to the risks associated with left over debris clean up. The Director is also recommending either a \$5,000 bond or retainer to ensure the property is cleaned up. CBC has agreed to return lot to original condition after lease termination.

Action

- GPIP Board approval of the proposed lease.

From: Chris Balovich
Sent: Wednesday, December 15, 2021 1:28 PM
To: garrywhite@gci.net
Subject: Lot Rental

Garry,

We would like to rent or lease approx. 10-12,000 sqft of property, preferably on a concrete slab to burn clean construction debris. The length of time would be 1-2 months. Our plan is to burn the debris on top of a concrete slab then dispose of the ashes into a Rabanco Trailer and send south on the barge. In the previous email I sent you, we have pre-approval from the Sitka Fire Department. We are thinking this would most likely happen in February

Best Regards,



Chris Balovich

President

CBC Construction, Inc.

p: 907-747-9333 m: 907-738-0075

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e: chris@cbcalaska.com

CBC Proposed Lease Area

12,000 SF

