



BOARD OF DIRECTOR'S MEETING

MONDAY, APRIL 18TH, 2022 - AGENDA

3:00 PM

Room 6 Harrigan Centennial Hall

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
MARCH 31ST, 2022	
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. GPIP Strategic Plan	Discussion/Recommendations
I. New Business	
1. Fortress of the Bear Sublease Request (PULLED)	Discussion/Recommendations
2. Sayak Logistics LLC Tidelands Amendment Request	Discussion/Recommendations
3. NSRAA Tidelands Lease Amended Request	Discussion/Recommendations
4. Adventure Sitka, LLC GPIP Tariff Adjustment Request	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
March 31st, 2022 3:00pm
Gary Paxton Industrial Park
DRAFT Meeting Minutes

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 3:00pm

B. ROLL CALL

Members Present: Scott Wagner, Mike Johnson, Lauren Mitchell, Vaughn Morrison

Members Absent: Chris Ystad

Staff Present: Garry White

City Representatives: Thor Christianson

Others Present: Adam Olson - NSRRA

C. Review of Minutes – February 28th, 2022

Motion: M/S Johnson/Morrison to approve the minutes of February 28th, 2022

Action: Motion Passed 4/0 on a voice vote

D. Correspondence & Other Information- None

E. Changes/Additions/ Deletions to Agenda- Mr. White suggested to move Strategic Planning Item to end of discussion. Approved by Chair, Scott Wagner

F. Reports –

GPIP Report:

Mr. White provided a writing report and stated that he would update Board on GPIP information and issues during the walking tour portion of the meeting.

G. Persons to Be Heard- None

H. Unfinished Business – Moved to end of meeting

I. New Business-

1. GPIP Walking Tour

Mr. White led a tour of the GPIIP properties. The Board discussed various topics of the park, including, but not limited to; GPIIP Dock use, Marine Haul out development, park security, park clean up, securing the park to discourage future dumping of junk, current and future water delivery infrastructure, tideland uses, future expansion opportunities, safety egress routes, past and future infrastructure improvements, current tenants and potential for future tenants, and future staffing needs.

2. NSRAA Lot 7 Lease Request

Mr. Wagner recused himself due to his employment with NSRAA. Mr. Morrison took over as chair for the next two items.

Adam Olson with NSRAA informed the Board on NSRAA's plan for expansion of its hatchery located at the GPIIP and the property needed for the construction project. Mr. White outlined the proposed terms in his memo to the Board.

Motion: **Johnson/Mitchell** moved to recommend approve a month-to-month lease for 10,000 square foot portion of Lot 7 to NSRAA with terms as presented.

Action: **Passed (3/0)** on a voice vote

3. NSRAA Tidelands Lease Request

Adam Olson with NSRAA informed the Board on NSRAA's plan for its hatchery expansion and the need to install an additional marine outfall drain line. Mr. White outlined the proposed terms in his memo to the Board. Ms. Mitchell discussed the existing tidelands lease held by Sayak Logistics. Mr. White stated that the original tidelands lease was established by Alaska Pacific & Packing and transferred and operated by Northline Seafoods. Mr. White discussed that Northline had operated outside of the proposed tidelands lease area and the tidelands area was never adjusted to actually use from proposed use. The Sayak tidelands lease area will need to be adjusted or terminated before the CBS can lease NSRAA the encumbered portion of the same tidelands area. Mr. Olson requested a \$0.00 annual fee for use of the tidelands due to the economic impact NSRAA brings to the community. The Board discussed that NSRAA historically has not paid tidelands fees for its existing tidelands use and agreed with the waiver of a fee for the new tidelands use, noting that NSRAA's underwater tideland lease would not stop other vessels from ingress and egress of the tideland area.

Motion: **Johnson/Mitchell** moved to recommend a 30 year lease for NSRAA for ~2.69 acres of tidelands as outlined in presented drawing. The Board recommends a fee of \$0.00 for use of the tidelands. This approval is contingent on the Sayak Logistics LLC tideland lease being moved to historic use versus proposed use.

Action: **Passed (3/0)** on a voice vote

4. Silver Bay Seafoods Lot 9c Lease Request

Mr. Wagner resumed his position as Board Chair.

Mr. White outlined the proposed use of Lot 9c by Silver Bay Seafoods. Silver Bay has leased 10,000 SF of Lot 9c for housing for its summer employees for the past several summers. Mr. White informed that his memo did not include new CPI adjustments.

Motion: **Mitchell/Morrison** moved to recommend approval of a month to month lease with Silver Bay Seafoods for 10,000 SF of Lot 9c as present with appropriate CPI adjustments in rent.

Action: **Passed (4/0)** on a voice vote

Unfinished Business: GPIP Strategic Plan

The Board postpone further discussion on the Strategic Plan.

J. Adjournment

Motion: **M/S Mitchell/Morrison** move to adjourn the meeting at 4:21 pm

Action: **Passed (4/0)** on a voice vote

Friday, April 15, 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)**

The GPIP Dock is seeing increased use with the warmer months. Fender systems are being investigated for use by cruise ships this summer. **(03/29/2022)**

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 GPIIP 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)**

The GPIIP Director has been in discussion with the SCB folks on other options to haul vessel this summer via the ramp. The GPIIP Director has informed the SCB folks that adjustments to their proposal as presented in the RFP are now allowed. New proposals will require the existing RFP process to be finalized and a new process started.

The CBS investigated many grant opportunities over the winter/spring. The CBS has developed a grant application for a RAISE grant for the funding for the development of the haul out. The CBS has worked with outside consultants and lobbyist to submit a quality application. The CBS Assembly will discuss and hopefully approved the grant application at its April 12th meeting. **(03/29/2022)**

The CBS Assembly approved an application for a RAISE Grant to fund the haul out development. SEDA and the CBS continues to investigate potential funding source for

the development of the haul. Additionally, funding is being investigated to complete an updated conceptual design and cost estimates for the project. **(04/15/2022)**

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)**

The CBS has started removing junked cars from the GPIIP properties. The GPIIP Director is working on plans to provide additional site security and deterrents to future dumping of junk at the park. **(04/15/2022)**

Alaska Bears & Silver Bay Homestead Experience (new for 2022)

CAPACITY: 10 min / 40 max

Tour Timing Breakdown - using one AS boat (Yukon Queen) operating only in Silver Bay, and two ACT motorcoaches for all other transportation
 Conducting these boat-coach transfers at the GPIIP dock will help ease vehicle, vessel and pedestrian congestion in the Centennial Hall-Crescent Harbor area

Tour 1	Coach OSD > FOB 8:30 - 9:00	Site Visit at FOB 9:05 - 9:40	Shuttle to SMC 9:45 - 9:50	Cruising SMC > SBH 9:55 - 10:35	Ashore at SBH 10:40 - 11:10	Cruising SBH > SMC 11:15 - 11:30	Coach SMC > SVC 11:35 - 12:00	3.5 Hours
Tour 2	Coach OSD > FOB 10:30 - 11:00	Site Visit at FOB 11:05 - 11:40	Shuttle to SMC 11:45 - 11:50	Cruising SMC > SBH 11:55 - 12:35	Ashore at SBH 12:40 - 13:10	Cruising SBH > SMC 13:15 - 13:30	Coach SMC > SVC 13:35 - 14:00	3.5 Hours
Tour 3	Coach OSD > FOB 12:30 - 13:00	Site Visit at FOB 13:05 - 13:40	Shuttle to SMC 13:45 - 13:50	Cruising SMC > SBH 13:55 - 14:35	Ashore at SBH 14:40 - 15:10	Cruising SBH > SMC 15:15 - 15:30	Coach SMC > SVC 15:35 - 16:00	3.5 Hours
Tour 4	Coach OSD > FOB 14:30 - 15:00	Site Visit at FOB 15:05 - 15:40	Shuttle to SMC 15:45 - 15:50	Cruising SMC > SBH 15:55 - 16:35	Ashore at SBH 16:40 - 17:10	Cruising SBH > SMC 17:15 - 17:30	Coach SMC > SVC 17:35 - 18:00	3.5 Hours

NOTE: With the operating plan illustrated above, the Yukon Queen would moor at the GPIIP dock for no more than 25-minutes for each passenger disembark-embark cycle. On a very busy cruise ship day, the Yukon Queen would conduct a maximum of 4 tours, requiring 5 total mooring & passenger transfer cycles at the GPIIP dock. Tour 4 would only operate when at least three large ships are in port, with one of the ships not arriving before 1:00pm. Tour 4 could also operate as a local event. Each tour has a maximum capacity for 40-passengers. On a busy day, if all tours were sold out, up to 160 paying customers would transit the GPIIP dock for this tour. On days or at times when the GPIIP dock is not available, the Yukon Queen has a bow door & ramp that can be used to transfer customers on the nearby gravel ramp.

KEY:

OSD	Cruise Terminal	SBH	Silver Bay Homestead
FOB	Fortress of Bears	SVC	Sitka Visitor Center (at Crescent Hbr)
SMC	Sawmill Cove Dock		

revised: 4-6-2022



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

Thursday, April 14th, 2022

MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)
From: Garry White, Director
Subject: Sayak Logistics LLC Tidelands Lease Amendment Request

Introduction

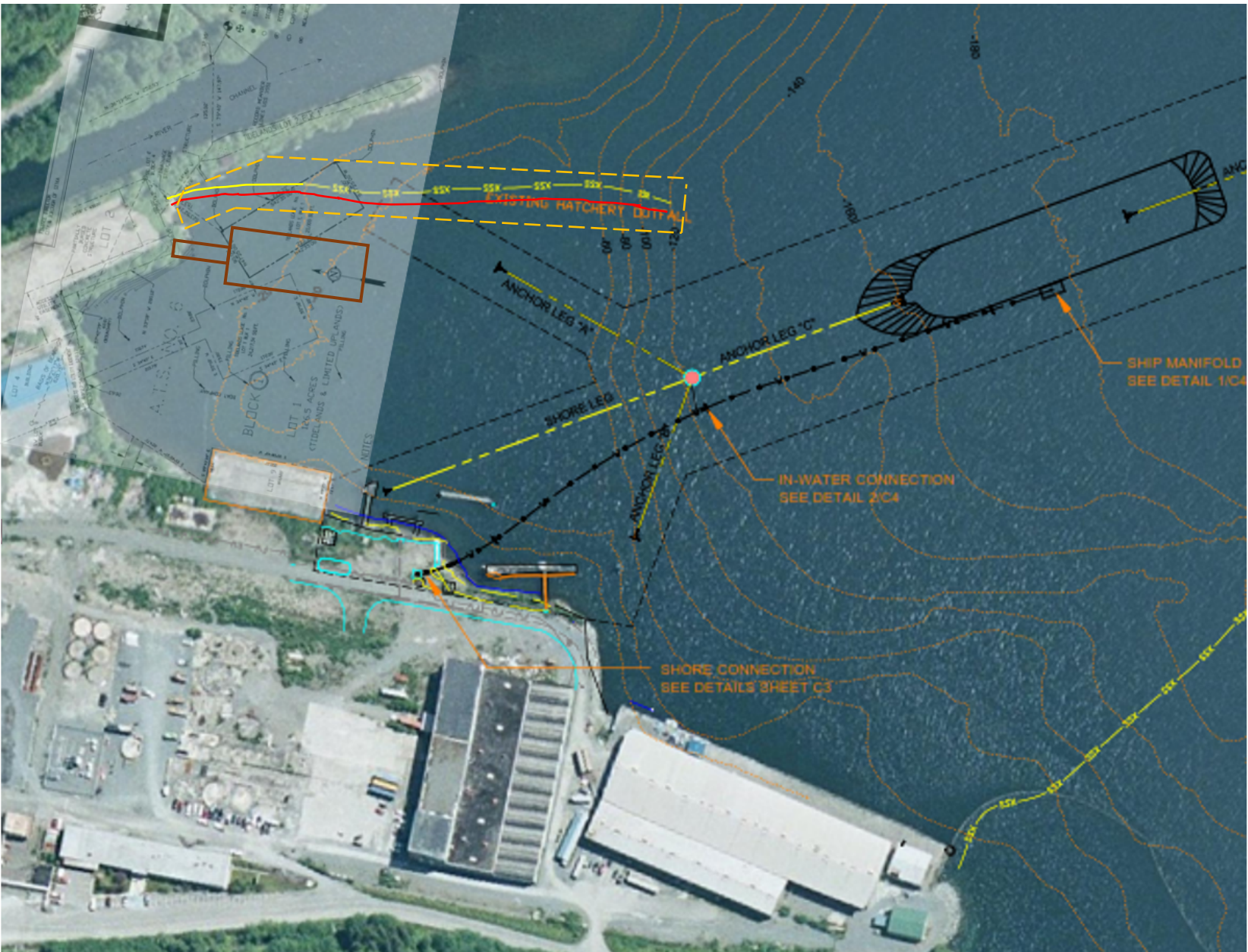
During the March, 2022 GPIP Board meeting the Sayak Logistics existing tideland lease was discussed during the NSRAA tidelands lease request. A portion of the existing Sayak tidelands is located in the same area requested by NSRAA for its marine outfall line. The GPIP Board voted to recommend approval of the NSRAA tidelands request contingent on moving the Sayak tideland location.

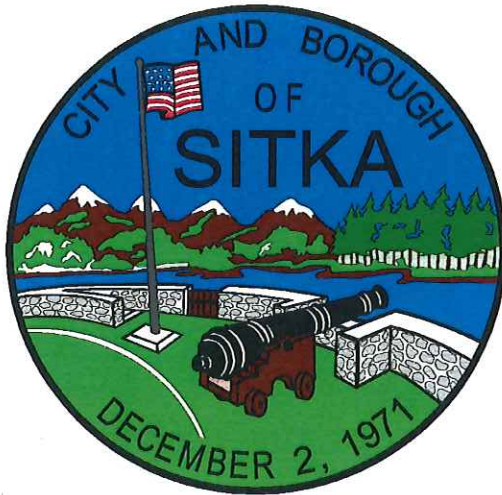
Representative from NSRAA and Sayak met recently. Sayak is requesting to amend its tideland lease as described in the attached letter or request and map.

Please note on the attached map, the existing tideland location is shown in the black dashed box along the existing mooring dolphins located in the GPIP tidelands. The NSRAA proposed tideland lease is shown in the yellow dashed box. The proposed new location of the Sayak tidelands lease is shown in a red box.

Action

- GPIP Board recommendations on the proposed Sayak Logistics Lease Amendment





LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF
SITKA, ALASKA**

AND

**NORTHLINE SEAFOODS LLC
BLOCK 4, LOT 4, GPIIP**

**NORTHLINE SEAFOODS LLC SEAFOODS LLC
TIDELANDS LEASE AGREEMENT**

The City and Borough of Sitka (“CBS” or “Lessor”) and Northline Seafoods LLC Seafoods, LLC (“Northline Seafoods LLC” or “Lessee”), collectively referred to as the “Parties,” enter into this Northline Seafoods LLC Seafoods, LLC Tidelands Lease Agreement (“Lease”), based on terms and conditions set out in this “Lease,” and as approved by the Gary Paxton Industrial Park Board on December 13, 2017.

WHEREAS, the Lessor is the owner of certain tidelands directly in front of Block 4, Lot 4 of the Gary Paxton Industrial Park (“GPIP) in Sitka, Alaska, comprising approximately 20,000 square feet in Alaska Tidelands Survey No. 6, and graphically represented on attached Exhibit A, hereafter referred to as the “Subject Property.”

NOW THEREFORE, based on the consideration set out below, the Lessor and Lessee agree to the following terms and conditions:

1. Lessor leases to the Lessee, on a month to month term, effective January 1, 2018, which is concurrent with Lessee’s lease of Block 4, Lot 8a, at the GPIP, being terminable at the will of Lessor by giving Lessee no more than thirty (30) days prior written notice of intent to terminate. The Subject Property is described as:

Approximately 20,000 square feet within the boundaries of Alaska Tidelands Survey No.6 as shown on Exhibit A (Section of Plat 2008-27, Sawmill Cove Industrial Park Subdivision No.1; US. Survey 3551, 2797 and ATSTNo.6). Shown as Tidelands lease No. 2, Lot 1, Block 1.

2. Lessee, in consideration of this Lease, agrees as follows:
 - a. Lease payments shall be made monthly to the Lessor. The lease payments shall be \$150 per month (\$1,800 per year), which is the equivalent of 4.5% of the value of the Subject Property that is valued at \$40,000. Payments for the Tidelands Lease shall be submitted with monthly rent payments for Block 4, Lot 8a and this Lease shall run concurrent with the Lease of Block 4, Lot 8a.
 - b. Lessee shall pay sales tax to the City and Borough of Sitka, based on the amount of each monthly lease payment.
 - c. Lessor hereby acknowledges the timely receipt of all Lease payments from January 1, 2018, through August 1, 2018. All Lease payments shall be made on or before the 1st day of the month for each month of the Lease term.
 - d. The Lease may not be assigned or sublet by the Lessee without the consent of the Lessor, which consent shall not be unreasonably withheld, and provided that nothing herein prevents Lessee from contracting with any third party (even through a lease) for the use of the improvements on the leased land.

- e. If the full Lease payment is not paid on time, and Lessee fails to remedy the default within thirty (30) days after receipt of a written notice of any such lease payment arrears, the Lessor may immediately, or at any time thereafter while such default continues, terminate the lease, repossess the Subject Property, enter on Subject Property, expel Lessee and those claiming right to possession or to be on the Subject Property based on the rights of the Lessee, and remove Lessee's effects (forcefully if necessary) without being guilty of any trespass. These rights are in addition to any other rights and remedies, without prejudice, which might otherwise be used for arrears or lease payments, proceedings on breach of agreement or collection on arrears.
- f. The Lessee agrees to pay any Local Improvement District assessments that may be levied against the Subject Property to the same extent and in the same amount as if the Lessee were the owner of the Subject Property that would be included in the Local Improvement District to be formed or contemplated. The Lessee shall share the Lessor's right as owner in all proceedings under the Local Improvement District (except for payment of assessments) in proportion that the remaining years of the lease bear to twenty (20). (For example: If the lease has five (5) years to run, the Lessee shall have the right to exercise 5/20ths of the Lessor's vote and the Lessor, 15/20ths.)

3. The Parties mutually agree as follows:

- a. The terms and conditions herein contained shall apply to and bind the heirs, successors, and agents of the respective Parties.
- b. Waiver by Lessor of any term or condition setout in this Lease shall not be considered a waiver of any subsequent breach of said term or condition.
- c. Other than due to negligence by CBS, lessee agrees to hold harmless, insure and indemnify the Lessor from any liability for property damage or personal injury to any person or persons on or about the Subject Property and to carry and provide proof of liability insurance in the amount of \$1 million dollars, with the Lessor as an additional named insured. Northline Seafoods LLC is responsible for any damage to the CBS (and Northern Southeast Regional Aquaculture Association, (aka NSRAA) outfalls which are located close to the Tidelands lease area and any damages incurred will be rectified Northline Seafoods LLC to the specifications agreed upon by CBS and NSRAA. Lessee is not responsible for negligence on the part of the Lessor.
- d. At any termination of the Lease, Lessee will be responsible for removal of any improvements including but not limited to, access ramps, floating docks, mooring buoys and anchors. If the improvements are not removed in a timely manner, Lessee shall repay the Lessor for all expenses incurred by such removal.
- e. CBS, as owner of this property of Tidelands, reserves the right to allow ingress and egress across this property by CBS and other parties, when it will not

interfere with actual operations of any Northline Seafoods LLC vessels or tie up to Northline Seafoods LLC buoys. Both parties agree in good faith to give as much advance notice as possible for such activity so there is no disruption of business.

- f. Each Party to the Lease represents that its representative or agent who signs and executes the Lease has been delegated and is authorized to legally bind each Party regarding this Lease.
 - g. Lessee shall throughout any term of this Lease Agreement, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations in its municipal capacity.
 - h. Each party agrees that for purposes of this lease and any subsequent sale, CBS retains all utilities, both known and unknown, and retains a utility easement to access, protect, maintain and use said utilities. No buildings or structures shall be built over or within 10 feet of a utility. Each party understands that at GPIP, the exact location of some underground utilities have not been identified or located. The lessee agrees to bear the sole cost of the removal or relocation of any utilities, both known or unknown, which is necessitated by Lessee's activities. Any property placed over a known utility without express permission of CBS, may be removed by CBS, with lessee to bear the sole cost of such removal.
 - i. Lessee shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by Lessor.
 - j. CBS will allow Northline Seafoods LLC to use the existing mooring dolphins (former Pulp Mill infrastructure) on the understanding that:
 - i. The Dolphins are in as-is/where-is condition.
 - ii. CBS will not warrantee the condition of current mooring dolphins.
 - iii. Northline Seafoods LLC will indemnify the CBS for use of the mooring dolphins and waive rights to pursue any claim against the CBS for use of the mooring dolphins.
 - k. Should the Block 4, Lot 8a lease be terminated without liability of Lessee to pay additional rent, then Lessee shall be entitled to terminate this Tidelands Lease Agreement with no obligation to make additional lease payments.
4. Nothing in this agreement supersedes voids or modifies any previous agreements between the Parties.

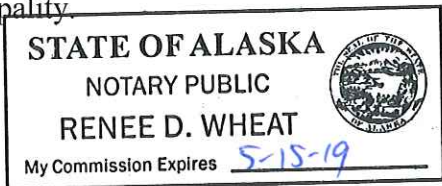
Date 8/30/18 ^{Feb}
9/4/18

CITY AND BOROUGH OF SITKA, ALASKA

[Signature]
By: P. Keith Brady
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 4th day of September, 2018, by P. Keith Brady, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.



[Signature]
Notary Public in and for the State of Alaska
My commission expires: 5-15-19

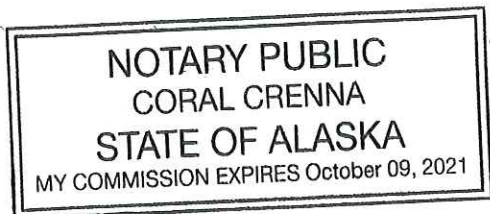
Date 8/30/18

NORTHLINE SEAFOODS LLC

[Signature]
By: Gene Glaab
Its: Member

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 30 day of August, 2018, by Gene Glaab, Member for the NORTHLINE SEAFOODS LLC, an Alaska limited liability company, on behalf of the company.



[Signature]
Notary Public in and for the State of Alaska
My commission expires: 10/9/21

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADOPT THE PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND APPROVAL. WE HEREBY ADOPT THE FOLLOWING REGULATIONS FOR THE USES AND PURPOSES OF THE PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ DAY OF _____ 20____
 OWNER _____
 SIGNATURES _____
 DATE _____ DAY OF _____ 20____
 OWNER _____
 SIGNATURES _____

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____ 20____ BEFORE ME THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME, known to be the legal, unimpaired, unmarried and sane and of legal age within the state of Alaska, and of sound mind and memory, and that he is the owner of the property therein and voluntarily for the uses and purposes therein specified herein written.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST BY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

CERTIFICATE OF PAYMENT OF TAXES

GREAT JUDICIAL DISTRICT (EAST JUDICIAL DISTRICT) STATE OF ALASKA

1. THE UNDERSIGNED BEING DULY APPOINTED AND QUALIFIED AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, ALASKA, IN AND FOR THE STATE OF ALASKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF _____ AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD OF PLAT RESOLUTIONS HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED TO SAID PLAT AND TO THE PROPERTY THEREON HAVE BEEN PAID IN FULL ON _____ DAY OF _____ VAL. BE. DEC. ON BE. BEFORE AUGUST 31, 20____ AND THE _____

ASSESSOR: CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

1. HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLANNING BOARD AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____

DATE _____ CHAIRMAN, PLANNING BOARD

SECRETARY _____

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

1. HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____ 20____ AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ TOWNOR _____

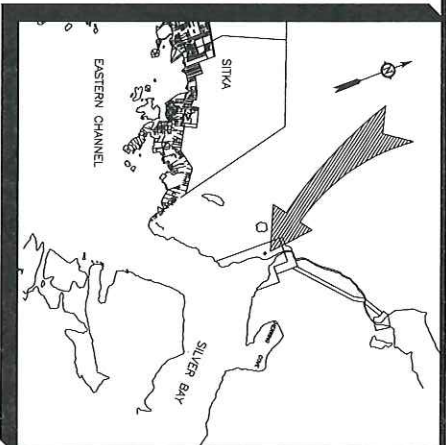
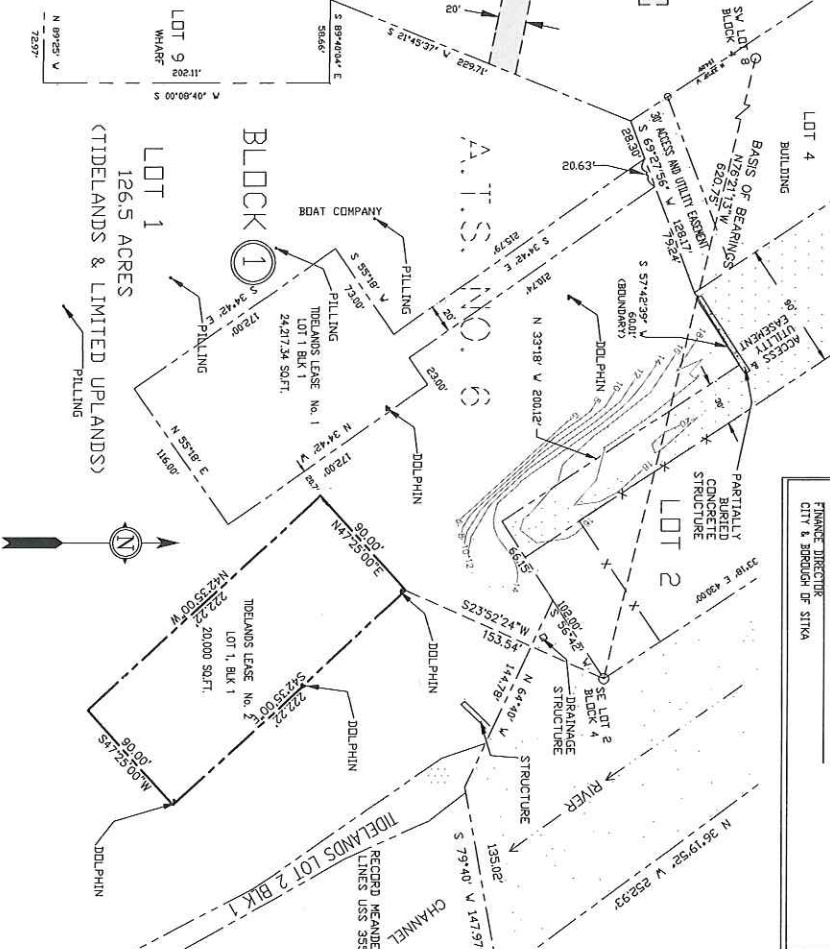
CITY AND BOROUGH CLERK _____

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

1. THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF _____

DATE THIS _____ DAY OF _____ 20____ AT SITKA, ALASKA.

FINANCE DIRECTOR
 CITY & BOROUGH OF SITKA



VICINITY MAP
 SCALE 1"=1 MI.

LEGEND

- (+) PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- (*) BLVD/D PRIMARY BRASS CAP (RECOVERED)
- (●) SECONDARY MONUMENT (SET)
- (○) SECONDARY MONUMENT (RECOVERED)
- (□) RECORDED DATA
- (◇) COMPUTED DATA
- (▢) MEASURED DATA



THE PURPOSE OF THIS PLAT IS TO CREATE A 20,000 SQUARE FOOT TIDELANDS LEASE IN LOT 1, BLOCK 1, OF A.T.S. NO. 6.

NOTES

THE PURPOSE OF THIS PLAT IS TO CREATE A 20,000 SQUARE FOOT TIDELANDS LEASE IN LOT 1, BLOCK 1, OF A.T.S. NO. 6.

PRELIMINARY
 SITKA RECORDING DISTRICT

TIDELANDS LEASE NO. 2

LOT 1, BLOCK 1, SAWMILL COVE
 INDUSTRIAL PARK RESUBDIVISION NO. 1
 (A.T.S. NO. 6)

ONELL
 SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700
 FAX: (907) 747-7990
 EMAIL: onelleng@aol.net

RECORD OF REVISIONS



DESIGNED BY: _____
 CHECKED BY: _____
 DATE OF PLAT: _____
 SCALE: 1" = 40'
 PRODUCT NO. 30014-204

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN THE PREPARATION OF THIS PLAT I HAVE COMPLIED WITH THE REQUIREMENTS OF THE PROFESSIONAL SURVEYING ACT AND THE REGULATIONS THEREOF. I HAVE ALSO COMPLIED WITH THE REQUIREMENTS OF THE ALASKA REGISTERED SURVEYORS BOARD. I HEREBY CERTIFY THAT THE PLAT IS CORRECT ACCORDING TO SAID FIELD NOTES.

DATE _____
 SURVEYOR'S NAME _____



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

Friday, April 15, 2022

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: NSRAA Tidelands Lease Amendment Request

Introduction

The Northern Southeast Regional Aquaculture Association (NSRAA) is requesting to amend its original lease proposed that was recommendation for approval by the GPIP Board at its March 2022 meeting. NSRAA would like to reduce the footprint of the tidelands from a ~2.69 Acre section to a ~1.6 Acre section of the GPIP Tidelands for the installation of a marine outfall drain line from its planned new constructed hatchery expansion on Lot 3. Please see the attached amendment request letter from NSRAA.

The GPIP approved the following motion at the March 31, 2022 meeting:

Motion: **Johnson/Mitchell** moved to recommend a 30 year lease for NSRAA for ~2.69 acres of tidelands as outlined in presented drawing. The Board recommends a fee of \$0.00 for use of the tidelands. This approval is contingent on the Sayak Logistics LLC tideland lease being moved to historic use versus proposed use.

Action: **Passed (3/0)** on a voice vote

Background

NSRAA is a private non-profit corporation created to assist in the restoration and rehabilitation of Alaska's salmon stocks and to supplement the fisheries of Alaska.

The City and Borough of Sitka (CBS) and NSRAA entered into a lease agreement for Lot 2 of the GPIP in 2006 with an initial term of 10 years with a lease amount of \$1,200 annually. The lease was extending in 2016 for another 10 years with an option to extend the lease for (4) four – additional 10 year terms. The lease amount was increased to \$2,400 annually, with the lease amount to be negotiated at each extension.

NSRAA leased the undeveloped Lot 2 from the CBS in 2006 and constructed a multi-million dollar fish hatchery on the property, including an outfall pipe that extends into the bay. The lease on Lot 2 does not charge an additional fees for the outfall drain. The hatchery provides millions of Coho and Chum Salmon to the common property fishery in the Sitka area.

NSRAA and the CBS entered into a lease agreement for Lot 3 on February 27, 2018 for a 3 year term to acquire the property to continue with its due diligence regarding expanding fish hatchery operations at the GPIP site. Section 1.3 of the lease agreement allowed NSRAA to exercise the

option for (4) successive terms of (10) ten years. The CBS amended the original Lot 3 lease in 2021 to give NSRAA lease terms that coincide with the lease terms of NSRAA's for Lot 2 which expires on May 1, 2026.

NSRAA is now moving forward with its plans to expand its current GPIIP Hatchery operations.

Other Information

- Sitka General Code (SGC) 18.16.210 (Tidelands leases), the CBS requires annual tidelands lease payment to the CBS to be 4.5% of the value of the tidelands and for the lease term to be adjusted every 7 years by the SCG CPI stated adjustment. *Please see SGC 18.16 for greater detail.*
- SGC 2.38.080 (GPIIP General Powers) gives the GPIIP Board powers to lease tidelands outside of Title 18 requirements. *Please see SGC 2.38 for greater detail.*

Proposed Terms

NSRAA is requesting to amend its lease from ~2.69 Acres to ~1.6 Acres of tidelands for a 30 year term with an option to renew into perpetuity. Please see attached map of the proposed lease area. *Please note the proposed lease area will include the existing marine outfall drain line install in 2006 as part of NSRAA's Lot 2 lease with the CBS.*

Market Rent

A 2014 tideland appraisal of the GPIIP tidelands by Alaska Appraisal Associates, Inc. determined the value at \$0.15/SF. The CBS Assessor agrees with the valuation.

~1.6 Acres = ~69,600 SF @ \$0.15/SF = \$10,440

\$10,440 @ 4.5% = \$490 annually

**The GPIIP Board Recommended waiving a fee of \$790 annually based off 2.69 Acres at its 3/31/2022 meeting due to the economic impacts the hatchery brings to the community.*

Action

- GPIIP Board discussion and recommendation on NSRAA Tideland lease amendment request.

To: Gary White - GPIP Director and GPIP Board of Directors

From: Adam Olson – NSRAA Operations Manager

Subject: NSRAA GPIP Updated Tidelands Lease Request

Background

The existing outfall (shown in yellow on the attached drawing) was authorized in 2006 as a condition of the lease for Lot 2. NSRAA has been working towards expanding its operation in the GPIP since 2018. To date, NSRAA has secured approximately \$4.6 million of the estimated \$9 million to construct an expansion facility and all associated infrastructure on Lot 3. The request to install an additional outfall parallel to the existing triggered a review and request from the CBS for NSRAA to apply for a tidelands lease. The previously proposed tidelands area overlapped an existing lease issued to Sayak Logistics. At the March 31st meeting, the GPIP Board approved recommending an NSRAA tidelands lease at no cost with the condition the Sayak Logistics lease area could be shifted to accommodate. NSRAA has worked cooperatively with Sayak Logistics on the attached drawing.

Request

The proposed NSRAA lease area has been modified and reduced in size to both encompass the existing and proposed hatchery outfalls and allow for non-conflicting use of the area with the amended Sayak Logistics lease. On the attached drawing, the proposed NSRAA lease area is shown in dashed orange lines and is approximately 69,600 ft² (1.60 acres). For reference, the modified Sayak Logistics lease area is shown in brown. The proposed amendment to the Sayak lease does not pose a conflicting use for NSRAA operations.

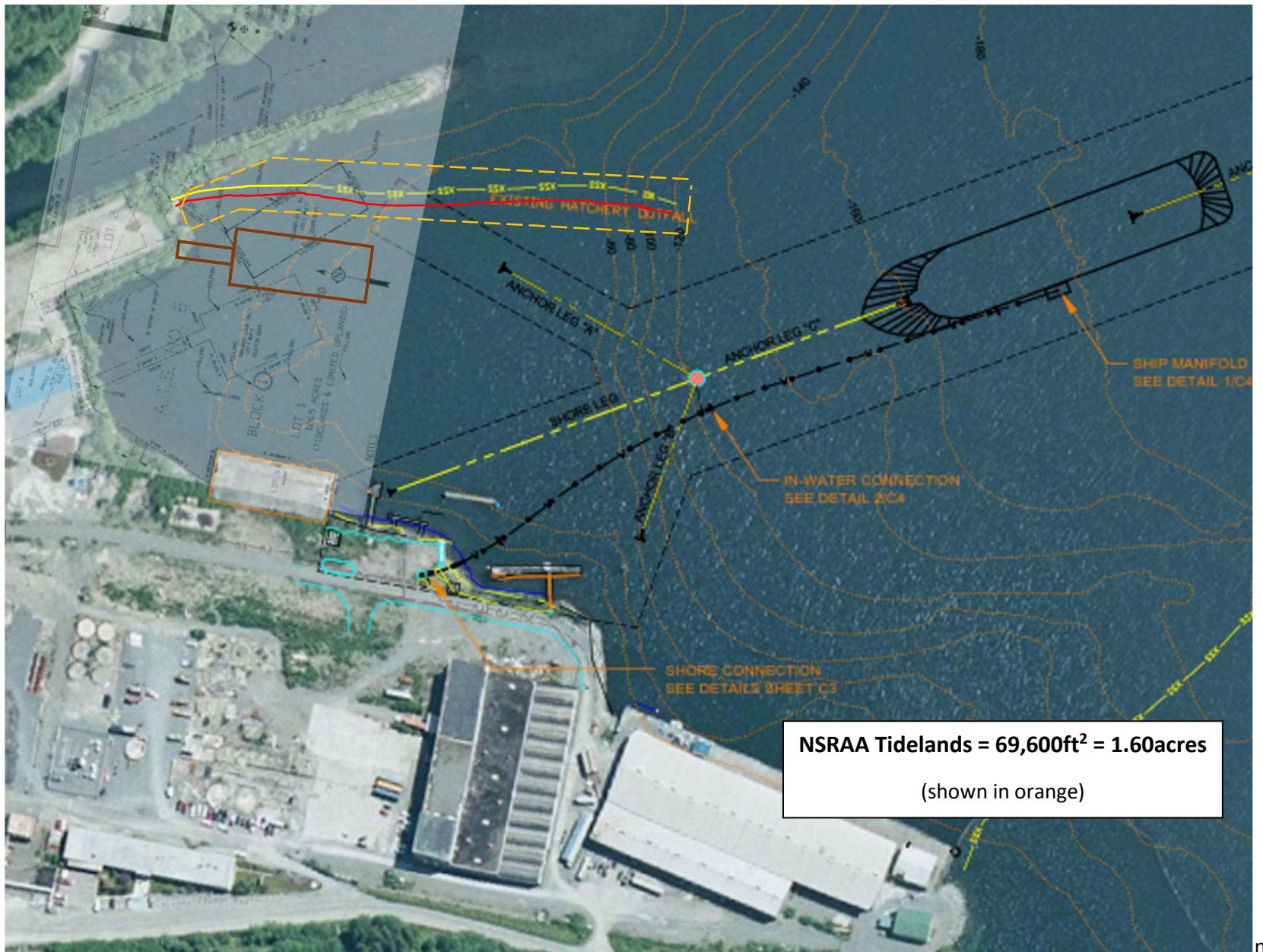
Assuming the GPIP Board moves to amend the Sayak lease as proposed, NSRAA requests the GPIP Board to recommend the CBS issue a long-term lease for 1.60 acres of tidelands adjacent to Lot 2 in the GPIP.

Respectfully,



Adam Olson
NSRAA Operations Manager

Proposed NSRAA Tidelands Lease & Ammended Sayak Logistics Tidelands Lease





Garry,

On December 17th, 2021 the lease agreement titled “Tidelands Lease Agreement between CBS and Northline Seafoods LLC Block 4, Lot 4, GPIP” (“agreement”) was assigned to Sayak Logistics LLC. This tidelands lease represents a leased tideland area of approximately 20,000 square feet within the boundaries of Alaska Tidelands Survey No.6 as shown in Section of Plat 2008-27, Sawmill Cove Industrial Park Subdivision No.1; US. Survey 3551,2797 and ATNo.6. Shown as Tidelands lease No. 2, Lot 1, Block 1.

Last week, the Northern Southeast Regional Aquaculture Association (NSRAA) indicated interest in utilizing a portion of this existing tideland lease area. To accommodate this potential tideland use, I would like to request an amendment to the agreement to redraw our leased tidelands space to the boundaries of the attached map. This redrawn area is meant to represent 20,000 square feet and may be adjusted as necessary by the GPIP Board. The proposed lease area by NSRAA is shown for reference and was developed with their consultation. This amendment request is not intended to change or alter other terms of the agreement.

Thank you and please contact me with any questions.

Ben Blakey

President, Sayak Logistics LLC



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

Thursday, April 14th, 2022

MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)
From: Garry White, Director
Subject: Adventure Sitka, LLC GPIP Tariff Adjustment Request

Introduction

Adventure Sitka LLC is requesting to utilize the GPIP Dock and the GPIP unimproved, access ramp to transfer passengers from the GPIP to one of its marine tour vessels. Please see the attached proposal and additional information provided by Adventure Sitka.

Adventure Sitka Proposal

Adventure Sitka requests to on load and off load passengers at the GPIP Dock when it is available for a fee of \$1.00/passenger. When the Dock is full, Adventure Sitka wishes to use the access ramp to transfer passengers with no fee.

GPIP Port Tariff Information

A Port Tariff is a document that contains published charges, rules, and requirements of the port, including docks and associated uplands. The Port Tariff is an implied contract that allows for rapid arrangements without the need for complicated agreements for use of the facility.

The GPIP Port is a “landlord” Port, which means that the GPIP will charge users for real estate and dock use and are responsible for maintenance, management and upkeep. The GPIP Port Tariff covers all properties of the GPIP uplands and tidelands.

The GPIP Port Tariff can be found at the following link:

<https://www.cityofsitka.com/media/Harbor/Master%20Tariff%20No%204.pdf>

- The GPIP Port Tariff includes fees for Dockage.
 - Dockage is the charge assessed to a vessel for docking at a wharf, dock, pier or other facility, or for mooring to a vessel so docked.
 - The 2022 Dockage fee for vessels 51-149 feet in length is \$1.23/foot/day.
 - The GPIP Tariff fee for incidental use of the dock is \$35/hour for up to 4 hours.

- The GPIIP Port Tariff requires that vessels wishing to dock or moor at the facility obtain Assignment/Berthing Reservation from the Harbor Master by filling out a Berthing Application.
- The GPIIP Port Tariff includes fees for Wharfage.
 - Wharfage is the charge assessed against any freight, cargo, goods placed in a transit shed or on a wharf, or passing through, over or under a wharf or Municipal Terminal; or transferred between vessels, or loaded to or unloaded from a vessel at a wharf, regardless of whether or not a wharf is used. Wharfage is solely the charge for use of wharf and does not include handling, sorting, piling of freight or charges for any other.
 - The GPIIP Port Tariff includes a Passenger Vessel Fee which are charges assessed to passenger vessels and cruise ships using the Port of Sitka.
 - The 2022 Passenger Vessel Fee is \$4.00 per person.
- The GPIIP Port Tariff includes charges for Miscellaneous Services. A fee to use the Access Ramp were put in place for anticipated vessels for haul out services.
 - The 2022 GPIIP Tariff fee for the access ramp is \$1.50/foot/day.
- The GPIIP Port Tariff allows for Preferential User Agreements (PUA). PUA's are agreements to allow for negotiated rates and terms with users outside of the standard Port Tariff fees.

Additional Information

- The GPIIP Director recommends that any use of the dock be considered non-exclusive use, vessels using the facility must complete a GPIIP Vessel Berthing Application and follow CBS Harbor scheduling processes.

Action

- GPIIP Board recommendations on potential rates and terms for the development of a PUA between the CBS and Adventure Sitka.

ALASKA BEARS & SILVER BAY HOMESTEAD

Duration:	3.5 hours approximate (including 45-min by coach, 1-hr cruising, 45-min at Fortress of the Bear and 35-min at Silver Bay Homestead)
Experience:	Easy – short walks to board transportation equipment and ashore at venues
Group Size:	10 person minimum ~ 40 person maximum
We Provide:	Guides, Homestead snacks, variety of hot and cold beverages
You Bring:	Weather-appropriate attire, comfortable walking shoes
Suggested:	Sunglasses, camera, binoculars, rain gear, gloves and hat

Tour Highlights:

- Visit Fortress of the Bear, where you will see and learn about beautiful, rescued brown bears.
- Cruise through Silver Bay, a glacier-carved fjord, while watching for wildlife and learning the natural history of this remarkable area.
- Step ashore at a remote Alaskan homestead to relax by a campfire and learn about pioneers who came in search of a living sustained by the area's incredible natural resources.

Enjoy a fully narrated motorcoach tour to Fortress of the Bear, a working rehabilitation center for orphaned brown bears. Then, board an excursion boat to explore a glacier-carved fjord. Along the way, you will step ashore at a remote Alaskan homestead to bask in the warmth of a crackling campfire and learn about pioneers who came in search of riches or to make a living sustained by the area's incredible natural resources.

Your adventure begins with a fully narrated motorcoach tour through Sitka enroute to Fortress of the Bear, a home for orphaned brown bears. Following rescue, the cubs are brought back to health and provided a long life full of enrichment. The facility is presently home to 8 brown and black bears of various ages. While you are observing the bears, the onsite interpretive staff will tell you about the bears, and the remarkable story of the couple that established the rescue facility.

Next, embark on a comfortable excursion boat to explore a glacier-carved fjord. While tracing the rugged coast, you will see historic sites and clues to the important roll the region's abundant natural resources have played – and still play – in Southeast Alaska's economy. At the head of Silver Bay, step ashore at a private Alaskan homestead where your wilderness guides will share knowledge that the original inhabitants of Southeast Alaska have used to thrive here for thousands of years. Enjoy spectacular views of the bay from the beach or while sitting around the campfire, complete with s'mores and cocoa.

Back aboard your expedition craft, you will cruise north in search of Steller sea lions, brown bears and other species of wildlife common to the area. At Sawmill Creek, you will transfer to a waiting coach to continue your exploration of the area by road. Along the way, your driver guide will point out the Alaska Raptor Center, the Sitka National Historic Park and other unique attractions that you might want to visit on your own before returning to your ship.

Please Note: Your tour may end downtown at the Sitka Visitor Center. Free shuttle buses, departing every few minutes, provide transportation back to the Cruise Ship Terminal.

Yukon Queen Vessel Information



VESSEL DETAILS

- 56 ft. monohull
- Cruise speed: 25 knots
- Seating capacity: 46 passengers; 42 at tables and 4 at benches
- All lower level seating
- Not wheelchair accessible
- Limited cash car
- Two restrooms on lower deck

2017 CHARTER DETAILS

Location:

Whittier, Alaska

Pricing:

Surprise Glacier 5.25 Hour Cruise: \$5,000

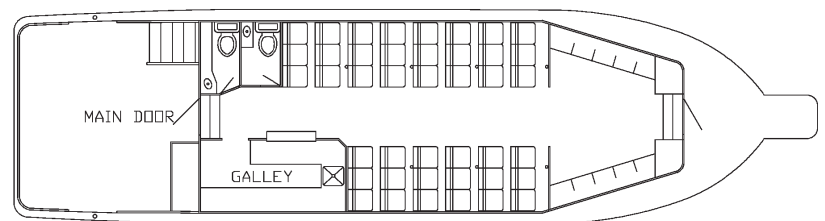
Blackstone Glacier 4.5 Hour Cruise: \$4,000

Additional Services & Fees:

Harbor fee: \$15 per person

Box Lunch: \$12 per person

SEATING CHART



MAIN DECK

