



**BOARD OF DIRECTOR'S MEETING**

**MONDAY, NOVEMBER 21, 2022 - AGENDA**

**3:00 PM**

**Room 6 Harrigan Centennial Hall**

**Regular Meeting**

**3:00 PM**

<b><u>Item</u></b>	<b><u>Action</u></b>
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
<b>JULY 11, 2022</b>	
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	
I. New Business	
1. GPIP Haul Out Project Charter	Discussion/Recommendations
2. GPIP Port Tariff Discussion and Adjustments	Discussion/Recommendations
3. GPIP FY2024 Budget	Discussion/Recommendations
J. Adjournment	

**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**  
**July 11th, 2022 3:00 pm**  
**Gary Paxton Industrial Park**  
**DRAFT Meeting Minutes**

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

**B. ROLL CALL**

**Members Present:** Scott Wagner, Mike Johnson, Lauren Mitchell, Chris Ystad, Chad Goeden

**Members Absent:** None

**Staff Present:** Garry White, Alaina Brown

**City Representatives:** John Leach

**Others Present:** Robert Woolsey and other members of the public.

**C. Review of Minutes – June 27th, 2022**

**Motion:** M/S Johnson/Ystad to approve the minutes of June 27th, 2022

**Action:** Motion Passed 5/0 on a voice vote

**D. Correspondence & Other Information- None**

**E. Changes/Additions/ Deletions to Agenda- None**

**F. Reports –**

Waiting to hear the results from the RAISE and Denali Commission grants. Mr. White continues to work with potential bulk water clients and is talking with 4 groups but has no proposals. Lot 15 has been cleared of junk vehicles that were dumped at the park and looking to put in more security cameras. Looking to open up tidelands for anchorage in the fall/winter season for additional revenue.

**G. Persons to Be Heard- None**

**H. Unfinished Business – None**

**I. New Business-**

1. **Assembly Proposal to Submit a Question to Qualified Voters up to ~\$8.1 million dollars of the proceeds from the sale of Sitka Community Hospital, which were deposited into the Permanent Fund for Haul Out Construction at GPIIP.**

The ballot proposition would ask the voters of Sitka to approve the net proceeds of the SCH building sale to be withdrawn from the Sitka Permanent Fund to fund the construction of a marine vessel haulout and shipyard. This is an expensive project and is difficult to fund privately alone, but with this money it appears to be a viable step forward to having it built. Once it is built it opens up the door to many other economic opportunities.

1. **M/S Mitchell/Johnson** moved for the approval ORD 22-15 - Assembly to Submit a Question to Qualified Voters up to ~\$8.1 million dollars of the proceeds from the sale of Sitka Community Hospital, which were deposited into the Permanent Fund for Haul Out Construction at GPIIP.

**Action: Roll call** - Mike Johnson **(Y)**, Lauren Mitchell **(Y)**, Chris Ystad **(Y)**, Chad Goeden **(Y)**  
Scott Wagner **(Y)**.

#### **J. Adjournment**

**Motion:** **M/S Mitchell/Johnson** move to adjourn the meeting at 3:34 pm

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



329 Harbor Drive, Suite 202  
Sitka, AK 99835  
Phone: 907-747-2660

Friday, November 18, 2022

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors  
From: Garry White, GPIP Director  
Subject: GPIP Haul Out Project Charter

**Introduction**

On October 4<sup>th</sup>, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP).

CBS and GPIP staff have developed the attached GPIP Vessel Haul Out Development Project Charter to outline the project goals, project scope, and timeline for moving the development forward.

**Background**

The GPIP Board has long recognized the importance of the fishing and maritime industry to the community of Sitka.

The GPIP Board and CBS have been working on vessel haul out development concepts since the GPIP properties were acquired. The CBS has repeatedly included marine haul out infrastructure requests in both its Federal and State Legislative Priorities. The CBS recently applied for a USDOT Build Grant in 2020, 2021, 2022 and plan to apply for future grant opportunities.

In 2009, the CBS released a RFP for private sector development of a vessel haul at the GPIP. The GPIP Director met with various marine service providers throughout the state and in the Puget Sound area that were interested in operating a marine haul out, but many were not interested in providing the funding for the base infrastructure needed for a haul out operations. The CBS received one proposal to the RFP from Puglia Engineering Inc. out of Bellingham, WA. Puglia and the CBS could not come to terms on the proposal and investment, due to large capital requirement (~\$21 million) requested to be funded by the CBS.

In 2014, Silver Bay Seafoods proposed to construct a haul out at the GPIP properties. After months of negotiations the venture did not move forward due to multiple reasons, including lack of waterfront ownership, infrastructure funding, and having other GPIP lots being leased to other ventures in GPIP.

In the spring of 2020, the CBS released another RFP for private sector development of a haul out. The RFP was structured for long term leases only.

The CBS received two proposals from the RFP process. The CBS Assembly accepted the GPIIP Board's recommendation to move forward with negotiating terms to move forward on a haul out at the GPIIP with WC/SIMS.

The CBS negotiation team consisting of the CBS Administrator, CBS Public Works Director, and the GPIIP Director met multiple times in summer 2020 with the WC/SIMS' principal owners. After considering all available information, listening to public stakeholder comments, and investigating more in-depth on the financial costs to move forward with a proposal; WC/SIMS concluded that the associated costs to complete a haul would require a larger financial subsidy from the CBS. A modified proposal was brought to the Assembly. The CBS Assembly rejected the modified proposal by WC Enterprises due to substantial changes to WC request for financial support.

The Assembly gave direction to continue to work on basis of design of a haul out and to wait for the USDOT Build Grant funding decisions. The CBS was informed in early fall 2020 that it was not successful in obtaining any grant funding for the haul out development.

The GPIIP Board met in September 2020 to discuss next paths forward and recommended that another RFP be issued for private sector development. The new RFP should be clear that the CBS did not have funding for the development of a haul out. The Assembly met in October 2020 and directed the GPIIP Board to draft and release another RFP for partial private sector development of the haul out and ship yard. The GPIIP Board met in late October to discuss a new RFP and recommended Assembly approval of the new RFP. The RFP was forwarded to the Ports and Harbors Commission and was further approved by a haul out working committee developed by the CBS Administrator. The Assembly gave final approval to release the RFP in late January 2021. The RFP was released on the 1st of February and stayed open until April 8th.

A proposal from Jeremy Serka, Sitka Custom Marine and Linda Benken, ASFT Board President, as principals for the Sitka Community Boatyard LLC (SCB) was submitted.

The GPIIP Board met in executive session at its April 21st meeting as the Selection Committee to score the proposal. The Board was unable to come to a decision if the proposal was responsive to the RFP, nor score the proposal. Instead the Board sent the proposers a detailed list of qualifying questions to help clarify sections of the proposal.

The GPIIP Board met again on May 12th in executive session as the selection committee and determined that the proposal was responsive to the RFP requirements. The Board tasked me with negotiating terms a lease with the principals of SCB.

The GPIIP Director met with the SCB folks multiple time in late spring and negotiated lease terms acceptable to both parties. The lease terms were presented to both the GPIIP Board and Assembly in June and July, with both bodies approving terms.

The CBS hired outside legal counsel to draft a detailed lease to incorporate various performance benchmarks into a lease document. The final draft of the lease was presented to SCB in early fall. Due to the deadline to determine whether the CBS would be successful in obtaining a USDOT RAISE Grant was coming up in November the process stalled. The CBS found out November 19th that it was not successful. SCB has submitted a list of clarification questions regarding terms in the lease document. SCB questions were all answered.

SCB has chosen to not move forward with signing the lease and has withdrawn its proposal for consideration. The group suggested that it has determined that development of a haul out facility is more expensive than they originally estimated.

**Additional Information**

The GPIIP Board has approved changes to the GPIIP Port Tariff to establish rules and regulations for use of the GPIIP properties to allow for vessels to be haul out of the water and worked on in the GPIIP with current the current limited infrastructure. Additionally, the Board has approved changes to the tariff to establish new fees for hauling vessels and use of the uplands for dry docking of vessels.

**Action**

- GPIIP Board discussion and approval of GPIIP Vessel Haul Out Project Charter.

## PROJECT COVER SHEET

Project Title/ Number: GPIP Vessel Haul-Out Development

Project Manager: Garry White & Mike Schmetzer      Project Sponsor: Michael Harmon

Project Description: Planning, Environmental, Engineering Design and Design-Build Construction of a 150-Ton Boat Haul-Out at Gary Paxton Industrial Park, Sitka, Alaska

Design  
 Construction  
 Other

Project Charter Available?       Yes       No

Project Status: *(highlight green, yellow, red)*

**General**

**Schedule**

**Budget**

**Milestones:**

Recently Completed

- Project Charter Developed with Risk Scoring
- 
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Upcoming

- GPIP Board of Directors Project Charter Review Nov 21, 2022
- Phase IA – Planning and Project Management
- Develop & Advertise RFP - Consultant Services
- Enter Contract and Commence with Phase IA of Project: Planning, Environmental, Prelim Engr, Develop Preferred Option
- Phase IB – Issue Design-Build RFP for Preferred Option

**Project Budget:**

<b>Estimated Total Project Cost</b>	<b>\$12,000,000</b>
Working Capital	\$8,180,000
Loans	\$0.00
Grants	\$0.00
Other	\$0.00
<b>Total Funded</b>	<b>\$8,180,000</b>
<b>Funding Gap</b>	<b>\$3,820,000</b>
Encumbrances to Date	\$0.00
<b>Unencumbered Funds</b>	<b>\$8,180,000</b>

**Contract Management:** (list all contracts anticipated on the project)

<u>Contractor/Function*</u>	<u>Type**</u>	<u>Amount</u>	<u>% Of Project</u>
Project Management Consultant		\$0.00	
Environmental Consultant		\$0.00	
Preliminary Engineering		\$0.00	
Design Build Contractor		\$0.00	

**General Comments:**

## PROJECT CHARTER

### GPIP BOAT HAUL-OUT DEVELOPMENT

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#### **Problem:**

Sitka's maritime industry is an important part of the community and economy that is currently being affected by lack of critical infrastructure in the community. Sitka is home to one of the largest fishing fleets in Alaska.

The existing public vessel haul out facility in Sitka, owned by Halibut Point Marine Services LLC (HPM), has been a haul out facility since the mid 1980's. The company ceased operations March 31, 2022, to pursue other business opportunities, leaving the community without an ability to haul vessels. The HPM haul out facility was a large economic driver in the community, many independent marine service providers have earned a living working on the various vessels that visit Sitka and the HPM yard. The lack of a haul out and shipyard facility in Sitka will cause the commercial vessel owners to travel to other communities for vessel work. The community will be underserved in the ability for vessels to get work done by local marine service providers, causing further job losses. Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint.

The City and Borough of Sitka (CBS) and community have been working on developing a haul out facility at the Gary Paxton Industrial Park (GPIP) since the property was acquired in 2000.

- 2000 –Present – legislative funding requested for development of a haul out at GPIP
- 2007 – PND Engineering provides a conceptual plan and cost estimates for haul out infrastructure between Lots 2 & 4.
- 2009 – RFP for private sector development of a haul out is released. The CBS received one proposal from a firm in Puget Sound for a 600-ton lift. Firm and the CBS could not come to terms on the proposal and investment, due to large capital requirement (~\$21 million) requested to be funded by the CBS.
- 2010 – HPM completes substantial improvements to their existing haul out facility, included the construction of 5 EPA approved wash down pads.
- 2014 – Silver Bay Seafoods proposes to construct a haul out at the GPIP properties. After months of negotiations the venture does not move forward due to multiple reasons, including lack of waterfront ownership, infrastructure funding, and having other key GPIP lots being leased to other ventures in GPIP.
- 2014 – The CBS commissions the Preliminary Screening-Level Feasibility Assessment and Planning for a Marine Center at the GPIP. Study concludes that if HPM would cease operations, the analysis indicates a moderate to strong opportunity for haul out operations at the GPIP.



- 2017 – The GPIB Board holds a public meeting to discuss haul out concepts and considers moving forward with development an access ramp to haul vessels. PND Engineering is hired to provide conceptual designs and cost estimates for ramp development
- 2019 – HPM announces that they will be ceasing haul out operations within the next two years.
- 2020 – The CBS releases another RFP for private sector development. The RFP was structured for long term leases only. Two firms respond, the CBS selects a firm. After considering all available information, listening to public stakeholder comments, and investigating more in-depth on the financial costs to move forward with a proposal; the firm concluded that the associated costs to complete a haul would require a larger financial subsidy from the CBS. The CBS Assembly rejects the modified proposal.
- 2021 – The CBS releases another RFP for private sector development. The RFP considers selling lots to a qualified developer. A local group responds to RFP and is selected to move forward. The group suggested that it has determined that development of a haul out facility is more expensive than they originally estimated and withdraws its proposal.

#### **Project Goal:**

- Develop a 150-ton haul out facility, which has the capacity of hauling out a majority of the vessel in the Sitka Fleet.
- Plan future haul out infrastructure to haul vessels greater than 150-tons.
- Plan future haul out infrastructure via GPIB Access ramp to haul vessels and barges for repair and refurbishment.
- Develop the GPIB uplands into a working shipyard to support the marine services industry.
- Retain and grow local marine service sector jobs.
- Provide critical infrastructure for emergency vessel repairs.
- Reduce travel costs and emissions for vessels having to travel to other regional shipyards.

#### **Project Scope:**

The project scope is outlined in Phases due to the lack of funding to fully develop a complete haul out facility:

#### **Phase 1: Waterfront Development (Completed December 2024):**

See attached map for Waterfront Development area and lots.

#### **1. Planning and Cost Estimates**

The CBS has discussed multiple different locations on the GPIP properties for the location of haul out and shipyard infrastructure. A thorough investigation of potential locations related to various environmental factors is needed.

Conceptual design should include movement of vessels on the uplands to account for existing utilities and infrastructure. Planning efforts should include master planning for additional larger haul out infrastructure and access ramp improvements if funding becomes available. Planning phase will include working with the community via GPIP Board meetings to ensure the proposed design services the greatest amount of the Sitka fleet.

## **2. Vessel Haul Out Piers**

Design and construction of a 150-ton vessel haul out piers that can accommodate the greatest amount of the Sitka fleet, to consider additional infrastructure to meet future trends of vessel lengths, beam, and net tonnage.

## **3. Wash Water Collection and Wash Down Facilities**

Design and construction of wash water collection and wash down facilities. Multiple wash down locations are envisioned to prevent bottle necks in haul out operations and to allow for quick repair options.

## **4. Wash Water On-site Pre-Treatment Facility**

Design and construction of a wash water on-site pre-treatment facility. Facility will need to accommodate multiple wash down collections sites and projected vessel traffic.

## **5. Line Up/Off Loading Float**

Design and Construction of a lineup/off loading float. Float will need to accommodate the greatest amount of the Sitka fleet.

## **6. Haul Out Equipment**

Haul out and shipyard operation options need to be investigated to determine if haul equipment will be purchased by the CBS or required via a haul out operational agreement that will service the greatest amount of the Sitka fleet.

### Additional Scope Items for Phase 1:

- Lighting and Security
- Boat Staging Area with proper drainage (parking for up to X vessels to do work)

## **Phase 2: Upland Shipyard Development (Start 2025 - Completed 2027):**

See attached map for Upland Shipyard Development area and lots.

### **1. Planning and Cost Estimates**

The CBS has investigated multiple different locations on the GPIIP properties for the location of shipyard infrastructure. Planning efforts should include public use space, leased space for marine service providers, sheltered work areas, and vessel storage. Additionally, planning should consider the movement of vessel within the GPIIP and existing and needed utilities.

### **2. Installation of Utilities and Upland Improvements**

Design and Construction of upland improvements to accommodate the movement and storage of vessel to the public and leased areas. To include power and lighting system, paving, and other site improvements to service the greatest amount of the Sitka fleet and marine service providers.

#### Additional Scope Items for Phase 2:

- Boat short term storage yard
- Long term storage yard
- Covered Storage (Boats and Gear)
- Power
- Fencing and Security
- Lighting
- Vendor lease space

Continued

## Budget

### Project Cost Breakdown

Expense Description	Amount
Design (Phase I)	\$950,000
Construction (Phase I)	\$6,000,000
Other (Travel Lift - Phase I)	\$1,230,000
<b>Total</b>	<b>8,180,000</b>

### Project Funding Breakdown

Funding Description	Amount
CBS Appropriations (Phase I)	\$8,180,000
Loans (Phase I)	\$0.00
Grants (Phase I)	\$0.00
Other (Phase I)	\$0.00
<b>Total</b>	<b>\$8,180,000</b>

### Project Funding Gap (if applicable)

Funding Description	Amount
Unfunded Balance	\$0.00

## Contract Management

### Contract Breakdown (if applicable)

Contractor/Function	Contract Type	Amount	% of Project
Port Planner PM/CM Svcs.	T&M	\$240,000	3%
Design/Environmental	LS	\$650,000	8%
Contractor	CMAR	\$6,000,000	74%
Travel Lift Purchase	LS	\$1,230,000	14%
Boat Yard Operator	Lease	TBD	TBD
	<b>Total</b>	<b>\$8,120,000</b>	

## Project Success Metrics:

- ✓ Cost Variance:  $CV(\%) = \frac{(Budgeted\ Work\ Cost) - (Actual\ Work\ Cost)}{(Budgeted\ Work\ Cost)} \times 100$
- ✓ Schedule Variance:  $SV(\%) = \frac{(Budgeted\ Work\ Days) - (Actual\ Work\ Dayes)}{(Budgeted\ Work\ Days)} \times 100$
- ✓ Customer Satisfaction:  $CS(\%) = \frac{(Total\ Customer\ Satisfaction\ Survey\ Points)}{(Total\ Customer\ Service\ Survey\ Questions)} \times 100$
- ✓ Alignment with Strategic Plan:  
Goal(s) and/or Objective(s): \_Aligns with the Strategic Goals to improve the economy, job creation, and making Sitka more livable community.
- ✓ Alignment with other policy, strategy, plan, procedure:  
Document(s) and Goal(s)/Objective(s): This project is our top legislative priority, and the funding was a ballot proposition that passed by over 80%.
- ✓ Other Metric(s):  
Due to the overwhelming community support of this project, it is considered the top priority project within CBS.

## Project Team:

Project Sponsor:	Michael Harmon
Contact Information:	907-747-1823
Organization:	CBS Public Works
Key Responsibilities:	Department Head

Project Manager:	Mike Schmetzer
Contact Information:	907-747-1807
Organization:	CBS Public Works - Engineering
Key Responsibilities:	Overall Project Manager

Contract Manager:	Michelle Snowden
Contact Information:	907-747-1803
Organization:	CBS Public Works - Contracts
Key Responsibilities:	Contract Management/Compliance

Continued

Other Project Participants		
Participant Name	Contact Information	Key Responsibilities
Garry White	<a href="mailto:garrywhite@gci.net">garrywhite@gci.net</a> 907-747-2660	GPIP Board management and liaison

**Risk Management**

Risk issue statement

Issue Statement:	Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint. The CBS recently had an economic Benefit Cost Analysis developed. The analysis shows that not having a local haul out option in Sitka will cost the commercial fleet almost \$15 million in increased travel costs, roughly \$2.5 million in opportunity cost of time, and over \$11 million in emissions avoided over 20 years for a total analysis of \$29 million impact when using the 3 percent discount rate for emissions. Additionally, a significant safety concern exists with vessels traveling to other communities for haul out options and no ability to haul vessel in emergency situations.
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Initial Consequence (CoF<sub>1</sub>) Assessment – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Assuming if a vessel goes down, multiple lives will be lost.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Initial Likelihood (LoF<sub>1</sub>) Assessment Results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 1 years	6	Likely to happen within 5 years

Initial Risk (R<sub>1</sub>) – Based on equation  $LoF_1 \times CoF_1 = R_1$

Initial Risk Score (R <sub>1</sub> ):	42
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Risk mitigation method(s) to be applied

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Accept           | <input checked="" type="checkbox"/> Modify Operations | <input type="checkbox"/> Repair              |
| <input checked="" type="checkbox"/> Avoid | <input type="checkbox"/> Modify Maintenance           | <input checked="" type="checkbox"/> Replace  |
| <input type="checkbox"/> Transfer/Share   | <input type="checkbox"/> Monitor                      | <input type="checkbox"/> Develop Contingency |

Residual consequence (CoF<sub>2</sub>) assessment results – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Vessels over 150 tons will still need to travel to other locations. This will not reduce risk of fatality to zero.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Residual likelihood (LoF<sub>2</sub>) assessment results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 5 years	2	Likely to happen once within a 50-year period

Residual Risk (R<sub>2</sub>) – Based on equation  $LoF_2 \times CoF_2 = R_2$

Residual Risk Score (R <sub>2</sub> ):	14
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Assessment Results (residual risk, risk mitigated, and financial efficiency)

Risk Mitigated (R <sub>M</sub> ) = (R <sub>1</sub> -R <sub>2</sub> ):	28
Financial Efficiency (FE) = $\left(\frac{R_M}{Total\ Planned\ Cost}\right)$ :	4.26x10 <sup>-6</sup>

**Stakeholder Register:**

<b>Stakeholder Name</b>	Garry White & GPIIP Board
Organization	Sitka Economic Development Association/GPIP
Contact Information	907-747-2660
Level of Influence on Project (High/Low)	High
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Project is an economic development and GPIIP Priority
How can stakeholder obstruct?	GPIP Board has management authority

<b>Stakeholder Name</b>	Stan Eliason
Organization	CBS Harbor Department
Contact Information	907-737-3439
Level of Influence on Project (High/Low)	Medium
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Needed infrastructure for fleet
How can stakeholder obstruct?	Port and Harbors has management authority of port matters

<b>Stakeholder Name</b>	
Organization	
Contact Information	
Level of Influence on Project (High/Low)	
Level of Interest in Project (High/Low)	
How can stakeholder benefit?	
How can stakeholder obstruct?	

<b>Stakeholder Name</b>	
Organization	
Contact Information	
Level of Influence on Project (High/Low)	
Level of Interest in Project (High/Low)	
How can stakeholder benefit?	
How can stakeholder obstruct?	



**Key Milestones:**

Key Tasks & Milestones	Start Date	End Date
Project Charter Approval: The Project Charter is brought to GPIIP Board for approval.		11/21/22
Project Budget Appropriation Assembly	11/8/22	11/22/22
Prepare RFQ for PM services Port Planner SME	11/17/22	12/8/22
Advertise PM/Port Planner RFQ	12/12/22	1/5/23
Selection of PM/Port Planner	1/25/23	2/02/23
Contract Execution/NTP for PM/Port Planner	2/02/23	2/28/23
First Draft of Basis of Design Phase 1 Scope	3/1/23	5/31/23
Review draft Basis of Design with SME Committee	6/1/23	6/30/23
9. Take final draft of Basis of Design to GPIIP Board	6/1/23	6/14/23
10. Final Basis of Design and Charter Scope	6/14/23	6/28/23
11. RFQ & Contract for Environmental and Design Team	2/28/23	6/28/23
12. Environmental Permitting and 30% Concept	7/1/23	2/28/24
13. Design Build Contract Execution	12/8/23	2/28/24
14. Design Phase	3/1/24	9/31/24
15. Construction Phase	7/4/24	12/31/24
16. Secure Operator for 2025 Season	3/15/24	12/31/24
17. Secure Haul-Out Lift Machine	3/15/24	12/31/24
18. Haulout is Operational		2/1/25
Milestones for Phase 2 TBD once funding is secured:		
Need to masterplan uplands during the develop of Phase 1 to apply for grants and position this phase to proceed.		
Environmental permitting will likely need to be redone once this phase is better defined through a masterplan and funding is available.		

Continued

**Approvals and Revision Log:**

**Approvals:**

Project Manager	Approval Date
Contract Manager	Approval Date
Project Sponsor	Approval Date
Finance Director	Approval Date
Municipal Administrator	Approval Date

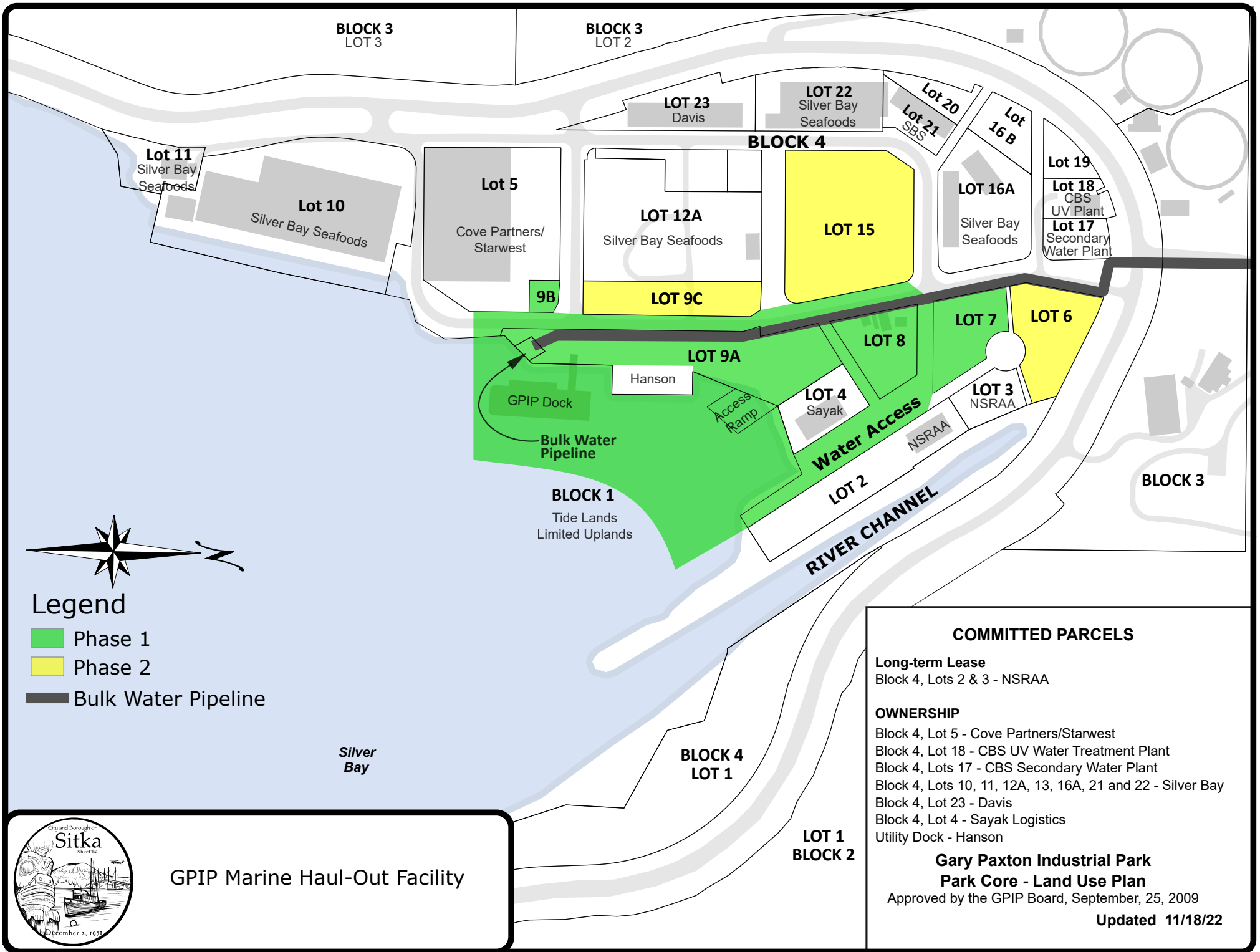
**Revision Log:**

Revision Number	Cause of Revision	Revision Approval Date
1.0		

## Appendix – A 2022 CBS Risk Assessment Matrix

Likelihood	Risk Matrix						
10 times/yr.	8	16	24	32	40	48	56
within 1 year	7	14	21	28	35	42	49
within 5 years	6	12	18	24	30	36	42
within 10 yrs.	5	10	15	20	25	30	35
within 20 yrs.	4	8	12	16	20	24	28
within 30 yrs.	3	6	9	12	15	18	21
within 50 yrs.	2	4	6	8	10	12	14
100 years	1	2	3	4	5	6	7

Consequence Category	Consequence Criteria						
	Insignificant	Minor	Moderate	High	Major	Extreme	Catastrophic
<b>Public Safety</b>	<input type="checkbox"/> No Injury <input type="checkbox"/> No damage to public or private property	<input type="checkbox"/> Near miss <input type="checkbox"/> Minor property damage	<input type="checkbox"/> Minor injuries <input type="checkbox"/> Moderate property damage	<input type="checkbox"/> Single injury w/ medical attention <input type="checkbox"/> Moderate property damage over large area	<input type="checkbox"/> Multiple injuries OR permanent disability <input type="checkbox"/> Major property damage	<input type="checkbox"/> Fatality <input type="checkbox"/> Major property damage over a large area	<input type="checkbox"/> Multiple fatalities
<b>Personnel Safety</b>	<input type="checkbox"/> No injury	<input type="checkbox"/> Near miss	<input type="checkbox"/> Single injury requiring medical attention	<input type="checkbox"/> Multiple injuries OR permanent disability	<input type="checkbox"/> Fatality	<input type="checkbox"/> Multiple fatalities	
<b>Compliance</b>	<input type="checkbox"/> No violation	<input type="checkbox"/> Minor restrictions <input type="checkbox"/> Increased oversight	<input type="checkbox"/> Violation <input type="checkbox"/> Fines imposed	<input type="checkbox"/> Restricted use <input type="checkbox"/> Sanctions <input type="checkbox"/> Legal penalties	<input type="checkbox"/> Loss of right to operate	-	-
<b>Reliability</b>	<input type="checkbox"/> No Impact	<input type="checkbox"/> Localized inability to meet service levels	<input type="checkbox"/> Wide-spread inability to meet service levels	<input type="checkbox"/> Inability to Safely operate or maintain service	-	-	-
<b>Reputation</b>	<input type="checkbox"/> Questions raised by Municipal Admin. <input type="checkbox"/> Local media coverage	<input type="checkbox"/> Questions raised by Assembly	<input type="checkbox"/> Questions raised by State Officials <input type="checkbox"/> State media coverage	<input type="checkbox"/> State Legislative hearing	<input type="checkbox"/> Questions raised by Federal officials	<input type="checkbox"/> National media coverage	-
<b>Financial Impact</b>	<\$10k	\$10k - \$100k	\$100k - \$1M	\$1M - \$10M	\$10M - \$100M	\$100M - \$1B	>1B



**BLOCK 3**  
LOT 3

**BLOCK 3**  
LOT 2

**Lot 11**  
Silver Bay Seafoods

**Lot 10**  
Silver Bay Seafoods

**Lot 5**  
Cove Partners/  
Starwest

**LOT 23**  
Davis

**LOT 22**  
Silver Bay Seafoods

**Lot 20**  
**Lot 21**  
SBS

**Lot 16 B**

**Lot 19**  
**Lot 18**  
CBS UV Plant  
**Lot 17**  
Secondary Water Plant

**BLOCK 4**

**LOT 12A**  
Silver Bay Seafoods

**LOT 15**

**LOT 16A**  
Silver Bay Seafoods

**9B**

**LOT 9C**

**LOT 7**

**LOT 6**

**LOT 9A**

**LOT 8**

Hanson

**GIIP Dock**  
**Bulk Water Pipeline**

**Water Access**

**LOT 4**  
Sayak

**LOT 3**  
NSRAA

NSRAA

**BLOCK 1**  
Tide Lands  
Limited Uplands

**LOT 2**

**RIVER CHANNEL**

**BLOCK 3**



**Legend**

- Phase 1
- Phase 2
- Bulk Water Pipeline

Silver Bay

**BLOCK 4**  
**LOT 1**

**LOT 1**  
**BLOCK 2**

**COMMITTED PARCELS**

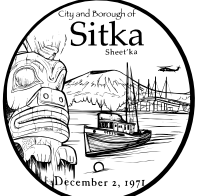
**Long-term Lease**  
Block 4, Lots 2 & 3 - NSRAA

**OWNERSHIP**  
Block 4, Lot 5 - Cove Partners/Starwest  
Block 4, Lot 18 - CBS UV Water Treatment Plant  
Block 4, Lots 17 - CBS Secondary Water Plant  
Block 4, Lots 10, 11, 12A, 13, 16A, 21 and 22 - Silver Bay  
Block 4, Lot 23 - Davis  
Block 4, Lot 4 - Sayak Logistics  
Utility Dock - Hanson

**Gary Paxton Industrial Park  
Park Core - Land Use Plan**

Approved by the GIIP Board, September, 25, 2009

**Updated 11/18/22**



**GIIP Marine Haul-Out Facility**



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

Tuesday, November 15, 2022

## MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors

From: Garry White, Director

Subject: GPIP Port Tariff Discussion and Adjustments

### **Introduction**

The GPIP Director is recommending a discussion and adjustments to the GPIP Port Tariff. The CBS Harbor rates were increased by 8.3% during for fiscal year 2023. The GPIP Tariff has tried to mirror Harbor Department rates. The GPIP Director has reviewed the rates the CBS charges for small cruise ships in relation to other private docks in the area and is recommending that the CBS increase its rates to be comparable to other local docks.

### **GPIP Port Tariff**

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.

### **Background**

The GPIP Board recommended and the City and Borough of Sitka Assembly approved the first GPIP Port Tariff #1 in February 2018. The GPIP Port Tariff #1 was drafted, with input by the GPIP Director and GPIP Board, by Parrish, Blessing, & Associates Inc. (PBA), a regulatory and economics consulting firm from Anchorage. PBA has experience in port tariff development, having worked with the Port of Alaska (formerly port of Anchorage) on its port tariff development and financial management.

The GPIP Board discussed the need to monitor the fee schedule and to adjust if need be over time when the tariff was established. The tariff (Port Tariff #2) was adjusted in July 2018 to accommodate incidental use of the facility and to lower wharfage rates to promote more use of the facility. The tariff (Port Tariff #3) was adjusted in September 2018 to accommodate the movement and storage of fishing gear over the dock and the GPIP uplands.

The tariff (Port Tariff #4) was adjusted in February 2022 with the following changes:

- 3% increase in Dockage Fees
- Added a Monthly Permit Fee for dockage
- Added a Terminal Operator Fee
- Added a Passenger Vessel Fee
- Adjusted the Port Security Passenger Fee
- Added a section to the Charges to Miscellaneous Service Item to set fees for use of the access ramp and upland dry dock storage fee

The entire GPIIP Port Tariff can be found at the following link:

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

Based off conversations with potential future users of the facility, the Director is proposing a discussion on following adjustments to the fee schedule.

### **Small Cruise Ship/Passenger Vessels**

#### **1. Item 200 – Dockage**

##### **A. General Dockage**

Item 200 sets the definitions and schedule of charges for docking or mooring a vessel to the GPIIP Dock. The current tariff fee schedule for vessels is below.

<b>Vessel Length (feet)</b>	<b>DOCKAGE RATE</b>					
	<b>In Dollars</b>					
	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
0 – 50 feet – rate per foot	\$0.89	\$0.94	\$0.97	\$1.00	\$1.03	\$1.06
51 – 149 feet – rate per foot	\$1.12	\$1.19	\$1.23	\$1.27	\$1.31	\$1.35
150 - 199	\$445	\$472	\$486	\$501	\$516	\$531
200 - 299	\$665	\$705	\$726	\$748	\$770	\$793
300-399	\$998	\$1,028	\$1,059	\$1,091	\$1,124	\$1,158
400	\$1,272	\$1,310	\$1,349	\$1,389	\$1,431	\$1,474

*Note: 400' is the largest vessel that can be accommodated at the GPIIP Dock.*

The current CBS Harbor rates for fiscal year are the following:

- \$1.34 per foot per day (0'-80')
- \$2.29 per foot per day (81'-150')
- \$3.43 per foot per day (150'+)

*\*25% discount on daily rate for Fishing Vessels and Tenders with a Fish Ticket from a Sitka plant only. Contact the Harbor Dept. for details.*

##### **B. Cruise Passenger Vessels greater than 250'**

The current the GPIIP Tariff does not contain a separate fee for the dockage of cruise passenger vessel greater than 250'. Cruise ship vessel that require an USCG approved Facility Security Plan limited the use of the entire dock facility and increase staff time to accommodate.

The GPIIP Director has discussed local fees of other private docks that accommodate cruise passenger vessels and has found the following rates were charged in 2022.

- \$3,000 flat dockage fee for vessels in the 250' – 400' range.

C. Monthly Dockage Fee

The current GPIIP Tariff monthly dockage fee is the following:

Monthly permits (30 days):

- \$21.22 per foot of overall length up to 150'
- \$31.82 per foot of overall length for 151' and up

The current Harbor monthly dockage fee is the following:

Monthly permits (30 days):

- \$22.98 per foot of overall length up to 150'
- \$34.46 per foot of overall length for 151' and up

Discussion: GPIIP Board's recommend Dockage Fees

Wharfage

**2. Item 250 – Wharfage**

Item 250 sets the definitions and schedule for any freight, cargo, or goods moved over the GPIIP Dock (Wharf) or GPIIP property.

A. Items 251 – 255 under the Wharfage section have not been adjusted since the GPIIP Tariff was established in 2018. Rate have increased by 6% every year since 2018. The Tariff format should be adjusted as rates from 2018 – 2023 are currently listed.

B. Item 256 – Passenger Vessel Fee

The GPIIP Board established a \$4 per person fee for passengers using the facility on commercial vessels (cruise and tourist vessels).

The GPIIP Director has discussed local passenger fees of other private docks that accommodate cruise passenger vessels and has found that fees have increased to \$5 per person in 2022.

### C. Other Wharfage Fees

The other miscellaneous Wharfage fee in this section, minus the flat security fee, have not changed since the Tariff was established in 2018. Rate have increased by 6% every year since 2018. The Tariff format should be adjusted as rates from 2018 – 2023 are currently listed.

Discussion: GPIP Board's recommendation on Wharfage fees.

### **Other Tariff Sections**

Board discussion on any other sections of the Tariff #4 that needs adjustment.

### **Action**

- GPIP Board recommendations on the proposed adjustments to the GPIP Port Tariff Fee Schedule.





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

Wednesday, November 16, 2022

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors  
From: Garry White, Director  
Subject: FY2024 GPIP Enterprise Budget

**Introduction**

Section 2.38.150 of the Sitka General Code states the following:

**2.38.150 Preparation and submission of a budget.**

The director shall prepare the budget in accordance with approved city and borough procedure and format and shall submit it to the board of directors for approval and recommendation to the assembly. The board of directors shall modify the budget as it deems necessary and forward it to the municipal administrator for transmittal to the assembly. The board shall annually prepare and submit to the municipal administrator a proposed six-year capital improvements program for submittal to and consideration by the assembly. (Ord. 00-1568 § 4 (part), 2000.)

**Additional Information**

Attached is the following:

- Draft FY2024 budget

**Action**

- Board discussion and approval of FY2024 budget.

<b>Operating Revenue</b>					
Moorage					
Dock Tariff Charges					
Freight Storage					
Fuel Flowage					
Other Revenue					
Land Rent					
Building Rent					
<u>Interest Income</u>					
<u>Bulk Water Fees</u>					
<b>Total Revenue</b>					
<b>Operating Budget</b>	FY2013	FY2014	FY2015	FY2016	FY2017
<u>Category</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Salaries & Benefits	\$0	\$92,902	\$64,237		\$0
Travel and Training	\$0				
Utilities	\$18,356	\$33,478	\$24,449	\$26,784	\$21,826
Solid Waste					
Heating Fuel	\$25,718	\$24,208	\$21,020	\$18,277	\$16,600
Telephone	\$4,560	\$5,685	\$4,750	\$3,935	\$1,121
Insurance	\$18,697	\$20,307	\$20,766	\$5,915	\$6,163
Office Supplies	\$1,296	\$2,930	\$0	\$0	\$5,657
Wastewater lab supplies	\$0	\$0	\$0	\$0	
Repair and maintenance	\$1,542	\$0	\$0	\$0	\$0
Building maintenance	\$31,425	\$20,865	\$21,210	\$12,558	\$9,883
MIS Fees	\$3,732	\$3,700	\$3,737	\$3,732	\$0
Contract services	\$86,438	\$94,178	\$124,599	\$138,857	\$146,074
landfill testing					
ADEC oversight					
SEDA contract					
road maintenance					
snow removal					
Janitorial					
electrician					
surveyor					
wastewater testing					
sprinkler/alarm					
stormwater testing					
audit fees					
dock management					
Interdepartmental services	\$72,224	\$58,268	\$48,009	\$38,973	\$42,188
Legal Fees					
Bad Debts					
Vehicles	\$670	\$0	\$0	\$0	\$0
Tools/small equipment	\$0	\$0	\$20	\$0	\$0

Advertising	\$3,114	\$773	\$4,000	\$2,176	\$0
Credit card expense	\$154	\$233	\$480	\$424	\$384
Interest Expense	\$14,561	\$12,943	\$11,325	\$9,708	\$8,090
Note Princial Payment					\$49,783
Other Expense	-\$148,178	\$958	\$1,523	\$0	\$810
<b>Total Operating Budget</b>	<b>\$134,309</b>	<b>\$371,428</b>	<b>\$350,125</b>	<b>\$261,339</b>	<b>\$308,579</b>

				FY2022	FY2022	FY2023	FY2023	FY2024
				Budget	Actual	Budget	YTD	Budget
					\$44,580		\$16,088	\$55,000
					\$27,690		\$7,553	\$30,000
					\$304		\$0	\$1,000
					\$15,837		\$7,674	\$16,000
					\$1,578		\$0	\$2,000
					\$98,242		\$22,944	\$63,000
					\$70,508		\$16,635	\$0
					\$7,914		\$3,063	\$7,500
								\$30,000
					<b>\$266,653</b>		<b>\$73,957</b>	<b>\$204,500</b>
FY2018	FY2019	FY2020	F2021	FY2022	FY2022	FY2023	FY2023	FY2024
Actual	Actual	Actual	Actual	Budget	Actual	Budget	YTD	Budget
\$18,667	\$20,105	\$16,089	\$19,466	\$20,000	\$22,287	\$20,000	\$2,581	\$25,000
					\$4,024		\$0	2500
\$16,336	\$17,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$1,294	\$1,383	\$1,414	\$1,416	\$1,400	\$2,462	\$1,400	\$354	\$1,500
\$9,770	\$16,906	\$22,059	\$19,831	\$20,858	\$19,304	\$21,000	\$22,765	\$24,000
\$0	\$32	\$0	\$0	\$0	\$1,486	\$0	\$0	\$2,500
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$1,612	\$15,000	\$0	\$15,000	\$0	\$15,000
\$6,125	\$4,061	\$470	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$97,171	\$95,445	\$96,623	\$106,839	\$111,768	\$97,521	\$112,725	\$45,145	\$112,725
						\$3,600		\$3,600
						\$1,500		\$1,500
						\$90,000		\$90,000
						\$3,000		\$3,000
						\$3,000		\$3,000
						\$0		\$0
						\$3,000		\$3,000
						\$5,000		\$5,000
						\$0		\$0
						\$0		\$0
						\$1,000		\$1,000
						\$2,625		\$2,625
						\$0		\$0
\$36,520	\$73,191	\$70,122	\$66,864	\$70,185	\$83,336	\$70,500	\$89,246	\$90,000
	\$5,276	\$30,208	\$522	\$2,500	\$23,341	\$2,500	\$1,704	\$5,000
	\$39,958	\$2,147	\$404	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000

\$651	\$202	\$0	\$457	\$2,500	\$0	\$2,500	\$0	\$1,500
\$549	\$685	\$1,072	\$1,059	\$1,250	\$371	\$1,250	\$236	\$2,500
\$6,472	\$4,854	\$3,236	\$1,618	\$0	\$0	\$0	\$0	\$0
\$49,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$683	\$85	\$1,032	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000
<b>\$244,021</b>	<b>\$279,503</b>	<b>\$244,472</b>	<b>\$220,088</b>	<b>\$247,461</b>	<b>\$254,132</b>	<b>\$248,875</b>	<b>\$162,031</b>	<b>\$284,225</b>

	2007	2008	2009	2010	2011	2012	2012	2013
<b>Revenue</b>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
*Note: Does not include other revenue sources								
Lease Income	\$317,993	\$462,783	\$286,768	\$78,326	\$77,165	\$75,339		\$83,209
Bulk Water fees	\$0	\$0	\$0	\$100,000	\$100,000	\$0		\$150,000
<b>Total</b>	<b>\$317,993</b>	<b>\$462,783</b>	<b>\$286,768</b>	<b>\$178,326</b>	<b>\$177,165</b>	<b>\$75,339</b>		<b>\$233,209</b>
Total Operating Budget	<b>\$461,243</b>	<b>\$538,467</b>	<b>\$366,341</b>	<b>\$324,962</b>	<b>\$321,212</b>	<b>\$339,954</b>	<b>\$421,234</b>	<b>\$256,887</b>

2013	2014
<u>Projected</u>	<u>Budget</u>
\$264,000	\$405,000
<u>\$150,000</u>	<u>\$83,333</u>
<b>\$414,000</b>	<b>\$488,333</b>
	<b>\$343,215</b>