



BOARD OF DIRECTOR'S MEETING

THURSDAY, MARCH 31TH, 2022 - AGENDA

3:00 PM

Gary Paxton Industrial Park – GPIP Dock Ramp

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
FEBRUARY 28TH, 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. GPIP Walking Tour	Discussion/Recommendations
2. NSRAA Lot 7 Lease Request	Discussion/Recommendations
3. NSRAA Tidelands Lease Request	Discussion/Recommendations
4. Silver Bay Seafoods Lot 9c Lease 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.

BOARD OF DIRECTOR'S MEETING
MONDAY, FEBRUARY 28, 2022 – 3:00 pm
Room 6 Harrigan Centennial Hall/Zoom Meeting

Regular Meeting

- A. CALL TO ORDER** The Chair, Scott Wagner, called the meeting to order at 3:00 pm
- B. ROLL CALL**
- Members Present:** Scott Wagner, Vaughn Morrison, Lauren Mitchell, Mike Johnson, Chris Ystad
- Members Absent:** None
- Staff Present:** Garry White, Deb Corso
- City Representatives:** Brian Hanson (Municipal Attorney)
- Others Present:** Hugh Bevan, others
- C. Review of Minutes – January 27, 2022**
- Motion:** **M/S Johnson/Mitchell** to approve minutes of January 27, 2022
- Action:** Motion passed 5/0 on voice vote
- D. Correspondence & Other Information – None**
- E. Changes/Additions/Deletions to Agenda – Mr. White requested to move Strategic Planning Item to end of discussion. Approved by Chair, Scott Wagner**
- F. Reports –**
- GPIP Report:**
- **Dock:** Mr. White stated that the dock is getting more use as Spring approaches. Working with Turnagin Marine, the group that build the dock, to improve the fender system to increase capacity from 250' in order to accommodate larger vessels without damaging infrastructure. Long-term objective is to have engineers produce numbers that will provide for a range of vessels.
 - **Haul out:** Mr. White spoke with the SCB Group and they are still looking for funding to go forward and this has been rather difficult. Mr. White is working with the City to procure funding and will continue pursuing the RAISE grant. Looked at the two successful applications from Haines and Cordova to see what they did differently and it appears to be an issue of time. This will be CBS's third year applying. The EDA grant is cumbersome and has been broken down into phases in order to better procure any and all funding opportunities – at least for the baseline infrastructure.

- **Bulk Water:** Still working with Arctic Blue Waters, and looking at different opportunities/proposals including entities wishing to manufacture tequila with Sitka water.
- **Management of GPIIP:** Still investigating where dumped vehicles are coming from and SPD is involved in this pursuit while the City is also taking steps to ensure no more vehicle disposals occur at GPIIP.
- **Dock Crane:** Current estimated cost for a crane at the GPIIP Dock is north of \$500K. Current working capital is ~ \$640K and therefore Mr. White is looking into other potential funding options at this time.

Discussion/Questions:

- Mr. Johnson asked about fenders on the Dock: i.e., tonnage vs. overall length; weight and wind-shear considerations. Mr. White contends that manufacturer's current recommendation is 250' maximum. This is further explained in Port Tariff.
- Mr. Johnson asked if Turnagin is paying for their current anchorage space. They are not, however, they are providing pro bono services in providing calculations for GPIIP. Mr. White will be looking at tariff changes to address long term anchoring in the GPIIP tidelands.
- Mr. Wagner asked about status of Eckert Fine Beverages. Mr. White stated that they are requesting 900 gallons and then an additional 6,000 gallons. They have yet to complete their agreement for a proper water filling station. Mr. White will follow up with this.
- Ms. Mitchell asked about the CBC lease for burning of construction debris. Mr. White said they will aspire to get the lease done soon.

G. Persons to Be Heard – none

H. Unfinished Business – none

I.

J. New Business –

1. Sitka Salmon Shares Dock Use Agreement

Ms. Mitchell is recused from the Board to speak as a member of the Public. Salmon Shares requested to enter into a GPIIP Dock Use Agreement for 2022 with similar terms as the previous two years. GPIIP will provide space for a mobile boom truck and one 40' freezer container to support their fish-buying operation at a rate of \$1000/month for a month-to-month lease. Harbormaster will have permission to request they move on demand for when there is a lot of traffic there. Additionally, there will be a Port Security Plan in place along with some fencing put up for when cruise vessels come in.

Motion: Ystad/Morrison move to approve Dock Use Agreement with same terms as 2021.

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

2. Fortress of the Bear Lot 19 Lease Request

Hugh Bevan, Board member for Fortress of the Bear (FOB) requests to lease Lot 19 for additional parking on a month to month basis. Lot 19 is a 12,669 square foot parcel of raw property located in the western portion of GPIIP. Current value at 9% = \$383.25/month. He further expressed interest in a longer-term lease and/or option to buy. He states there are current road access issues and he is working with DOT in

hopes of resolving this soon. Mr. White states there is a possibility to sell Lot 19 in the future and he also reiterates that there is a 30-day Notice to terminate included in the terms.

Motion: Mitchell/Morrison move to approve to lease Lot 19 at terms presented to FOB.

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

3. Coastal Transportation SE, LLC Lot 9a Lease Request

Mr. Billy Akan, representative of Coastal Transportation SE, LLC joins in via Zoom and is requesting to lease 60' x 100' section of a portion of Lot 9a, between the Hanson Maritime dock and the access ramp. Current value at 9% = \$360.00/month on a month-to-month lease. They wish to expand their ramp and dock access to unload/load cargo. Have no intention to make any modifications, just need space.

Motion: Johnson/Ystad move to approve a month-to-month lease for 6000 square foot of Lot 9a to Coastal Transportation with terms as presented

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

K. Old Business -

GPIP Strategic Plan

- **Rock Pit:** Mr. Johnson states that Granite creek is tapped out and a new mining space is needed. Mr. White states that there has been pushback regarding areas directly across from Silver Bay there is another area behind it - Mental Health Lands that has investigated in the past. There is also an area where the old landfills are located. The area has challenges including drainage issues. Mr. White contends there is a third proximal location owned by City, a flat space with decent access, that was at one time considered as a viable location for a water bottling plant, which may be worthy of further investigation without the complications of the aforementioned locations. Ms. Mitchell asked about mining impacts and risks. Mr. Ystad suggested surveying contractors about whether they would be inclined to drive out so far for rock.
- **Haul Out:** Mr. Ystad asked about potential date for the latest RFP proposal for Haul Out development. Mr. White stated that none of the grants are assured and that both development investment groups discovered the cost to be prohibitive with a predicted amounts range of \$3.7 to 3.8 million, whereas the initial proposal was ~ \$1 million for the marine piers alone. Mr. White recommends further investigation since the subject won't even be addressed until October and there needs to be a new creative process or a big bag of money. There is no funding available from government coffers and there is currently not enough grant funding to justify the anticipated cost of development. There is a need for enormous subsidy funds to even begin the process. Mr. White responded that he will share the packet of materials on this subject matter with the Board.

L. Adjournment

Motion: Morrison/Mitchell move to adjourn the meeting at 3:46 pm

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

Tuesday, March 29, 2022

MEMORANDUM

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

1. GPIIP Dock

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

The GPIIP Director has received a request from the cruise ship industry for 7-8 port of calls for a 300 foot cruise ship at the GPIIP 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 GPIIP 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 GPIIP 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 GPIIP Dock. The FSP is currently awaiting USCG approval.

The GPIIP 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)**

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)**



Gary Paxton Industrial Park (GPIP)

Strategic Plan

Adopted by the GPIP Board
July 31, 2017

Introduction

The GPIP Board developed this Strategic Plan at planning sessions held in Winter/Spring of 2017. The GPIP Board recognizes that multi-purpose dock and future infrastructure improvements within the park will influence the future development of the site.

Guiding principles

1. Preserve public access and marshalling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and create a positive cash flows to the City from the operation of the Park.

Plan Priority Items

The GPIP Board plans to address the following items. (Items are listed in random order)

❖ **Develop a Port Facility to accommodate the Maritime Industry.**

- Continue with development of multi-purpose dock.
- Develop a water access ramp in the northern portion of Lot 9A.
- Develop a tariff schedule to include fees for tideland and upland use.
- Designate and retain Lots 3, 7, 8, 9a, 9C, & 15 in public ownership, to be developed as uplands to support marine services sector and multi-purpose dock.
- Designate and promote Lot 6 for future private or public development to support maritime industry.
- Designate and utilize Lot 9b to support management of port facility.
- Research Utility Dock and adjacent uplands for further re-purpose or sale.
- Research additional development opportunities for tidelands seaward of GPIIP Uplands.
- Research if existing dolphins in the tidelands can be useful or need to be removed.
- Develop a marketing plan that presents the park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.
- Determine the MARSEC rules for fencing at the GPIIP.

❖ **Develop and Market remaining uplands outside of Port Facility**

- Advertise to sell or lease Lots 17, 16b, 19 and 20 in the industrial park.
- Establish access point for Lots 19 and 20.
- Release RFP for sale of the Administration Building lot.
- Remove area of GPIIP sign from Administration Building lot.
- Dispose of remaining rock at GPIIP by bringing interested parties together for discussion.

❖ **Market Sitka's Water Export Asset to the world**

- Continue to work with potential partners in exporting Sitka's water in Bulk.
- Continue to work with potential partners that wish to establish water bottling facilities in Sitka.
 - Identify property in vicinity of the park to locate water bottling facilities.
- Continue to research and track water export ventures around the globe.

- Investigate alternative methods of marketing water and water purchase agreements.
- Investigate additional infrastructure needed to transport, load, and off load water.

❖ **Research the development of a rock quarry in the Sawmill Cove vicinity.**

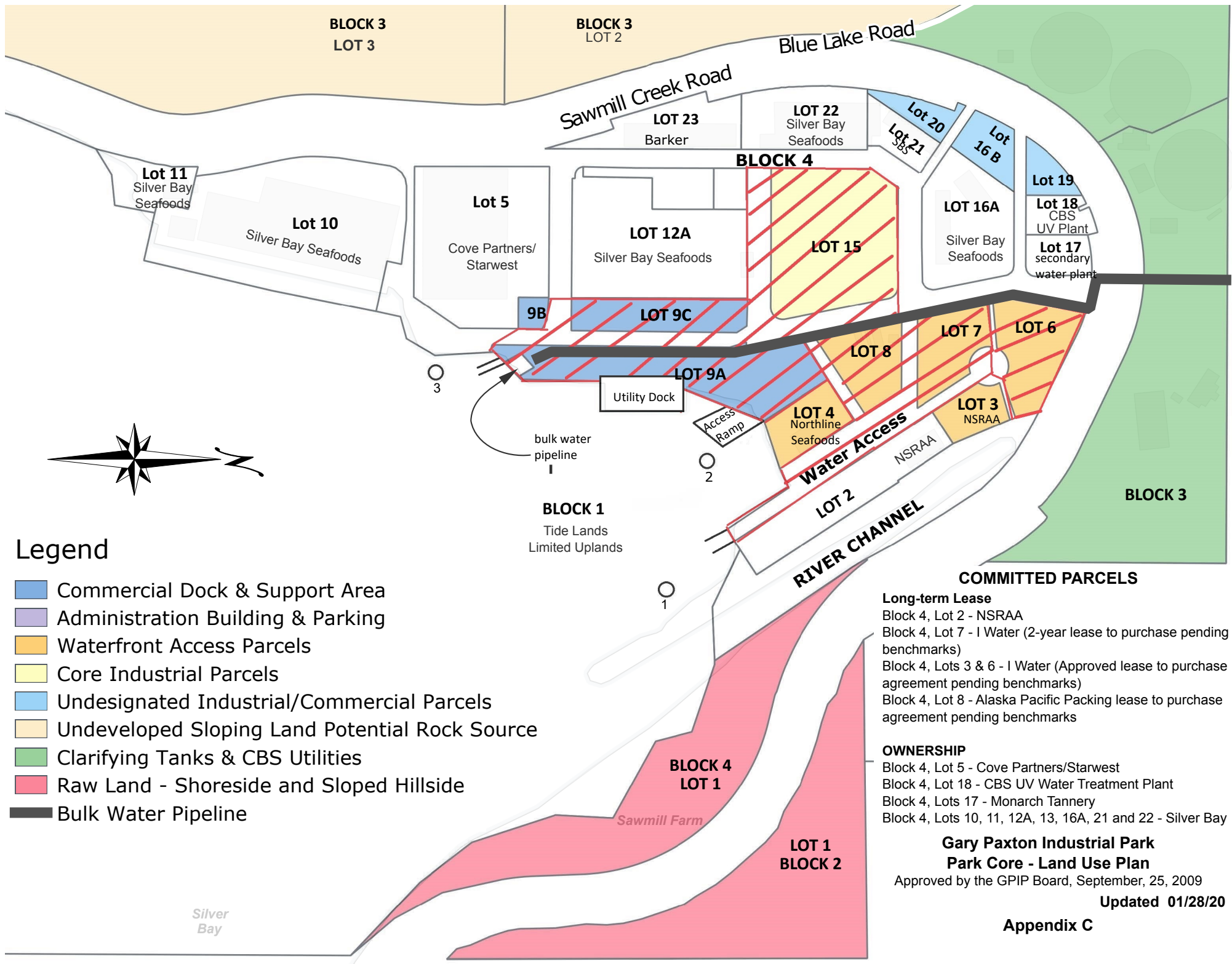
This quarry would generate revenue for the City as well as provide less expensive rock for use on Park projects.

- Market Lot 1 / blk 2 as a rock source and Lot 3 / blk3 as possible rock source.

❖ **Continue to pursue the development of a private marina in Herring Cove.**

❖ **Develop Exit Strategy for existing GPIIP Development Board.**

- Research different management concepts and entities.



Legend

- Commercial Dock & Support Area
- Administration Building & Parking
- Waterfront Access Parcels
- Core Industrial Parcels
- Undesignated Industrial/Commercial Parcels
- Undeveloped Sloping Land Potential Rock Source
- Clarifying Tanks & CBS Utilities
- Raw Land - Shoreside and Sloped Hillside
- Bulk Water Pipeline

COMMITTED PARCELS

- Long-term Lease**
- Block 4, Lot 2 - NSRAA
 - Block 4, Lot 7 - I Water (2-year lease to purchase pending benchmarks)
 - Block 4, Lots 3 & 6 - I Water (Approved lease to purchase agreement pending benchmarks)
 - Block 4, Lot 8 - Alaska Pacific Packing lease to purchase agreement pending benchmarks

- OWNERSHIP**
- Block 4, Lot 5 - Cove Partners/Starwest
 - Block 4, Lot 18 - CBS UV Water Treatment Plant
 - Block 4, Lots 17 - Monarch Tannery
 - Block 4, Lots 10, 11, 12A, 13, 16A, 21 and 22 - Silver Bay

**Gary Paxton Industrial Park
Park Core - Land Use Plan**
Approved by the GPIP Board, September, 25, 2009
Updated 01/28/20
Appendix C



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

Tuesday, March 29, 2022

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: NSRAA Lot 7 Lease Request

Introduction

The Northern Southeast Regional Aquaculture Association (NSRAA) is requesting to lease a 10,000 SF section of Lot 7 for construction laydown and support of their planned hatchery expansion on Lot 3 of the GPIP.

Lease Terms

NSRAA is requesting to lease a portion of the lot on a month to month basis. Lot 7 is a 32,879 SF parcel of raw property located in the northern portion of the park near Lot 3. NSRAA is looking to lease a 100' X 100' (10,000 SF) portion of the lot as shown on the attached drawing. This section contains a concrete pad that would be beneficial to NSRAA to stockpile gravel and overburden and to laydown other construction materials.

Rent

Lot 7 has an assessed value of \$188,100 or \$5.72/SF.

10,000 SF @ \$5.72/SF = 57,200

\$57,200 @ 9% = \$5,148 annually or \$429/month

Action

- GPIP Board discussion and recommendation on NSRAA lot 7 request.



- Red square is 10,000 sqft (100'x100') located on existing concrete pad.

To: Gary White - GPIP Director and GPIP Board of Directors
From: Adam Olson – NSRAA Operations Manager
Subject: NSRAA GPIP Tidelands Lease Request

Background

Northern Southeast Regional Aquaculture Association (NSRAA) leased Lot 3 in 2018 to expand its operations at Sawmill Creek Hatchery. The expansion has been broken up into multiple phases to facilitate funding through the Pacific Salmon Treaty Mitigation Program. To date, NSRAA has completed the installation of an additional supply pipeline off of the bulk water line and is currently working with the CBS to complete the installation of the backup water system from the CSW intake system in Sawmill Creek. The next phase that NSRAA wishes to complete this May-July is to install a new drain line from Lot 3 to a marine outfall located on CBS tidelands. The original outfall was authorized as a condition of the lease for Lot 2 to construct the hatchery. To date, NSRAA has secured approximately \$4.6 million of the estimated \$9 million to construct the expansion facility and all associated infrastructure.

Request


NSRAA requests the GPIP Board to move to direct the CBS to issue a long-term lease for ~2.69 acres of tidelands adjacent to Lot 2 in the GPIP. NSRAA would like a term of 30 years with option to renew, as NSRAA intends to continue to operate the Sawmill Creek Hatchery in perpetuity. The proposed lease area, depicted in the attached drawing, encompasses both the existing and proposed outfall, as well as provides for the area to install a docking facility in the future. NSRAA transports 50,000,000 chum and 2,000,000 coho salmon from the facility each year, and currently do so by temporarily mooring a netpen frame on aging leftover mill infrastructure. Tidelands in the GPIP area have been most recently assessed at a value of \$0.15/ft². City tidelands leases are traditionally calculated at 4.5% of market value. For reference, the resulting compensation and calculation is shown below:

$$2.69 \text{ acres} = 117,000 \text{ ft}^2 \times \$0.15/\text{ft}^2 = \$17,550 @ 4.5\% = \$790 \text{ annually}$$

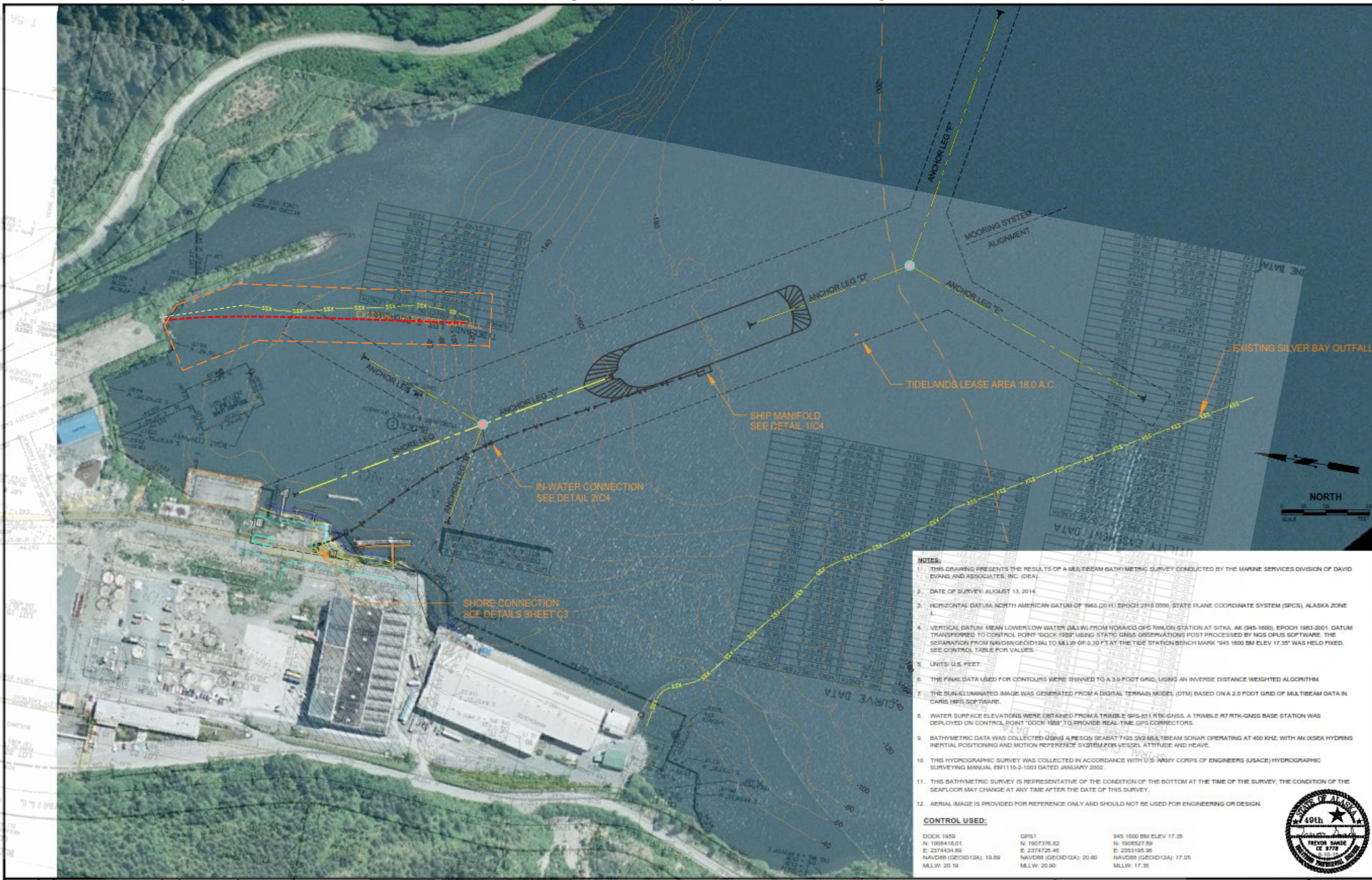
Given NSRAA’s non-profit status, the economic benefit created from NSRAA salmon to the community of Sitka, and the original provisions to install an outfall as part of the lease for hatchery construction; NSRAA requests the GPIP Board to direct the CBS to enter into the above-described lease for **\$0.00 annual compensation.**

I will be present at the next scheduled Board of Directors meeting to answer any questions, and please don’t hesitate to reach out prior to the meeting.

Respectfully,


Adam Olson
NSRAA Operations Manager
(907) 752-1308 (c)
(907) 747-6850 (o)

Proposed NSRAA Tidelands Lease Yellow=existing outfall Red=proposed outfall Orange=lease area (~117,000ft²; or ~2.69acres)



- NOTES:**
1. THIS DRAWING PRESENTS THE RESULTS OF A MULTIBEAM BATHYMETRIC SURVEY CONDUCTED BY THE MARINE SERVICES DIVISION OF DAVID EVANG AND ASSOCIATES, INC. (DEA).
 2. DATE OF SURVEY: AUGUST 13, 2014.
 3. HORIZONTAL DATUM: NORTH AMERICAN DATUM OF 1983 (NAD 83) EPOCH 2011.0000. STATE PLANE COORDINATE SYSTEM (SPCS), ALASKA ZONE 1.
 4. VERTICAL DATUM: MEAN LOWER LOW WATER (MLLW) FROM NOAA/CGO PWS NWADN STATION AT SITKA, AK (945 1600), EPOCH 1983.2001. DATUM TRANSFERRED TO CONTROL POINT "DOCK 190" USING STATIC GNSS OBSERVATIONS POST PROCESSED BY NGS GNSS SOFTWARE. THE SEPARATION FROM NAVD83 (GEOID12A) TO MLLW IS 0.30 FT AT THE TIDE STATION BENCH MARK "945 1600 BM ELEV 17.35" WAS HELD FIXED. SEE CONTROL TABLE FOR VALUES.
 5. UNITS: U.S. FEET.
 6. THE FINAL DATA USED FOR CONTOURS WERE THINNED TO A 3.0 FOOT GRID, USING AN INVERSE DISTANCE WEIGHTED ALGORITHM.
 7. THE SURFLOORED IMAGE WAS GENERATED FROM A DIGITAL TERRAIN MODEL (DTM) BASED ON A 2.0 FOOT GRID OF MULTIBEAM DATA IN CARIS HIPS SOFTWARE.
 8. WATER SURFACE ELEVATIONS WERE OBTAINED FROM A TRIMBLE GPS-60 RTK-GNSS, A TRIMBLE R7 RTK-GNSS BASE STATION WAS DEPLOYED ON CONTROL POINT "DOCK 190" TO PROVIDE REAL-TIME GPS CORRECTIONS.
 9. BATHYMETRIC DATA WAS COLLECTED USING A RESON SEABAT 7125 2ND MULTIBEAM SONAR OPERATING AT 400 KHZ, WITH AN OSEA HYDRUS RENTAL POSITIONING AND MOTION REFERENCE SYSTEM FOR VESSEL ATTITUDE AND HEAVE.
 10. THIS HYDROGRAPHIC SURVEY WAS COLLECTED IN ACCORDANCE WITH U.S. ARMY CORPS OF ENGINEERS (USACE) HYDROGRAPHIC SURVEYING MANUAL 38(11) 10-2-1003 DATED JANUARY 2002.
 11. THIS BATHYMETRIC SURVEY IS REPRESENTATIVE OF THE CONDITION OF THE BOTTOM AT THE TIME OF THE SURVEY; THE CONDITION OF THE SEAFLOOR MAY CHANGE AT ANY TIME AFTER THE DATE OF THIS SURVEY.
 12. AERIAL IMAGE IS PROVIDED FOR REFERENCE ONLY AND SHOULD NOT BE USED FOR ENGINEERING OR DESIGN.

CONTROL USED:

DOCK 190	GPS1	945 1600 BM ELEV 17.35
N: 1006418.51	N: 1807376.82	N: 1908237.89
E: 2374434.89	E: 2374725.46	E: 2353155.90
NAVD83 (GEOID12A): 19.89	NAVD83 (GEOID12A): 20.60	NAVD83 (GEOID12A): 17.05
MLLW: 20.19	MLLW: 20.90	MLLW: 17.35



Designed: TSS	Approved: TSS	 R&M ENGINEERING-KETCHIKAN, INC. 353 CARLISLA LAKE ROAD KETCHIKAN, ALASKA 99901	Client:	Project:	Sheet Description:	Sheet No. T1
Drawn: TSS	Date: 8-10-15		ALASKA BULK WATER INC.	SITKA BULK WATER PIPELINE	VICINITY MAP	
Date	No.	Description	By	Checked: RB	PROJECT #142347	



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

Tuesday, March 29, 2022

MEMORANDUM

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

Introduction

The Northern Southeast Regional Aquaculture Association (NSRAA) is requesting to lease a ~2.69 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 request letter from NSRAA.

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 GPIP 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 (GPIP General Powers) gives the GPIP Board powers to lease tidelands outside of Title 18 requirements. *Please see SGC 2.38 for greater detail.*

Proposed Terms

NSRAA is requesting to lease ~2.69 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 GPIP tidelands by Alaska Appraisal Associates, Inc. determined the value at \$0.15/SF. The CBS Assessor agrees with the valuation.

~2.69 Acres = ~117,000 SF @ \$0.15/SF = \$17,550

\$17,550 @ 4.5% = \$790 annually

Action

- GPIP Board discussion and recommendation on NSRAA Tideland lease.



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

Tuesday, March 29, 2022

MEMORANDUM

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

From: Garry White, Director

Subject: Silver Bay Seafoods - lot 9c lease

Introduction

Silver Bay Seafoods (SBS), a local seafood processing company, requests a short term lease of 10,000 SF of lot 9c to located six camper trailers to house temporary employees for the summer. The lease will be from retroactive from March 1st – the end of September.

Background

Lot 9c was lease for the same purpose to SBS on a short-term basis the last four summers and prior to that to Barnard Construction for temporary housing during the Blue Lake Dam Expansion Project. The lot still has water and electrical utilities available on the lot. The sewer infrastructure is available.

Property

Lot 9c is a 34,636 SF parcel of property located adjacent to lot 12a in the center of the park. SBS is looking to house 6 camper trailers and would need - 10,000 SF of property. A 2014 appraisal of the property by Alaska Appraisal Associates Inc. values the property at \$182,000 or \$5.26/SF.

$10,000 \text{ SF} @ \$5.26/\text{SF} = \$52,600 @ 9\% = \$4,734 / 12 = \$394.50 \text{ per month.}$

Additional Information

- SBS would be responsible for all utilities, including providing sewage grinder pump if needed.

Action

- Board discussion and approval of Silver Bay Seafoods' proposal.