GARY PAXTON
INDUSTRIAL PARK

BOARD MEETING – MONDAY,
AGENDA
SEPTEMBER 24TH, 2018
3:00 PM
SEDA Conference Room – 329 Harbor Dr., Suite 212

Regular Meeting **3:00 PM**

Item	Action
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
AUGUST 29TH TH, 2018	
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. Raw Water Infrastructure Update	Discussion/Recommendation
2. GPIP Access Ramp Project	Discussion/Recommendation
3. Strategic Planning	Discussion/Recommendation
I. New Business	
1. Rock Discussion/CBS Lease Lot 16b, 19, 20	Discussion/Recommendation
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
August 29th, 2018 3:00pm Gary Paxton Industrial Park – NSRAA Building – 4680 SMC
GPIP – DRAFT MINUTES

A. CALL TO ORDER: The Chair called the meeting to order at 3:04pm

B. ROLL CALL

Members Present: Scott Wager, Sheila Finkenbinder, Wayne Unger

Members Absent: Dan Jones

City Representatives: Keith Brady

Others Present: Garry White, Dr. Wein, Rob Woolsey (KCAW), Rebecca Olson (NSRAA), Al Stevens, Pat Glaab, Sarah Nelson.

C. Review of Minutes – July 26th, 2018

MOTION: **M/S Finkenbinder/Unger** moved to accept the minutes of July 26th, 2018
ACTION: **Motion PASSED 3/0** on a voice vote

D. Correspondence & Other Information – None

E. Changes/Additions/Deletions to Agenda – None

F. Reports

Executive Director – Garry White

BOTTLED WATER

Mr. White is in discussion with two groups that are interested in bottling water in Sitka. Eckert Fine Beverages will send up a 330 gallon tote to be filled and they are working with a local contractor.

ADMINISTRATION BUILDING

Two businesses walked through the building today. They are both interested in possibly putting bids in.

STORAGE REQUESTS

Mr. White has been getting requests to store nets and bait sheds on the property.

G. Persons to Be Heard – None

H. Unfinished Business

1. Raw Water Infrastructure Update

McMillan is hired and is onsite today.

2. STRATEGIC PLANNING – Walking Tour

BOAT HAUL OUT

Mr. Glabb discussed his vision for expanding Northline Seafood's existing access ramp to allow more uses in the future. People are currently using the ramp effectively to launch private skiffs. It would be helpful if it could be a little longer.

If the CBS desires to get into the boat haul out business a water treatment system is needed. A system to collect and treat the water when a boat is washed would include concrete or geo-fabric to collect debris on, a tank, and a way to get the water to the tank. Mr. Glabb pointed out a low point in the current concrete that would be a good place to put the wash down.

Sitka has 640 boats that use the grid and Halibut Point Marine. These boats can be pulled now, but what happens in the future.

The conceptual design provided by PND Engineers during the last GPIP meeting was top dollar as it provided access for all tides. This is a perfect world scenario and doesn't seem financially viable at this time.

Water and electric need to be onsite. Find out what the EPA requires for a wash down pad.

Mr. White mentioned that he has been researching how Wrangell operates their yard and has developed a facility user agreement similar to Wrangell.

Discussion to keep the treatment facility next to a current structure and not in the middle of the park. Maybe put it next to the water meter shack.

Barges have to be flat to change direction.

DOCK

A 190 foot boat is requesting to tie up here over the winter. Discussion on how to physically arrange the use to allow for other vessels to use facility at the same time. Put together a package deal to offer customers.

A 225 amp outlet was discussed on the dock for larger boat projects.

Nets are being stored on the dock short term. Rated needs to be added for this. Recommended to designate 12 spaces on the dock and charge $250 a month. Maybe paint blocks to designate location. Put a clause in the agreement that the nets may be moved if someone needs the dock.

LIGHT

Mr. Stevens informed the board of a dark area in the park that needs a light to provide a safe environment for users of the GPIP. He received a quote from Mr. Wheeler for $1,500 to install a light pole.

No opposition from the GPIP board to put the pole in.

Mr. Brady agreed to get the light pole installed.

ADMINISTRATION BUILDING

It appears the building has a leak in the hallway.

September 11, 2018 the administration building will hopefully be on the City Assembly agenda.

ROCK

Lot 20 has trees on it.

Lot 16b has rock on it from the dam project. Discussion to lower it to pre-existing level.

No opposition to having lot 16b lowered down to pre-existing level.

DRAFT

Lot 19 is being used for Fortress of the Bear parking.

Mr. Wagner recommended a sloped easement. Keep lot 19 at current road elevation. Lot 20 will remain the same. Lot 16b should be lowered to park elevation.

Lot 17 – the city wants to use this space for a new water treatment plant.

Mr. Eddy and Mr. O'Brien have been going through rock at the park.

Lot 6 should go to original grade. Mr. Eddy is interested in lot 6.

I. New Business

1. GPIP Raw Property Storage Rates

Mr. White reviewed the proposed rate structure.

1. Fishing Nets on 8'x12' pallets:
    - $1,000/year
    - $125/month (2 month minimum, paid up front)
    - $250/month for on dock storage.
2. Bait Sheds and Misc. fishing gear stored in 20' x 20' area:
    - $0.60/SF/month or $240/month (2 month minimum, paid up front)

Update GPIP Port Tariff to include a $35 fee for moving fishing nets and bait sheds across the dock.

MOTION: **M/S Finkenbinder/Unger** moved to accept the storage rates and Port Tariff update as presented by the GPIP Director.

ACTION: **Motion PASSED 3/0** on a voice vote

J. Adjournment: M/S Finkenbinder/Unger moved to adjourn the meeting at 4:40pm

DRAFT

329 Harbor Drive, Suite 212, Sitka, AK 99385
Phone: 907-747-2660

Thursday, September 20, 2018

MEMORANDUM

TO: GPIP Board of Directors

FROM: Garry White, Director

SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. **GPIP Port Planning/Feasibility Study**

   The CBS commissioned a planning/feasibility study with Northern Economics (NE) to determine potential market demand for a large vessel moorage facility, a vessel haul out facility, and potential uses and location of a deep-water dock. The CBS worked with NE over the fall and winter of 2013/2014, taking input from the community and helping to provide potential market demand opportunities. Funding for the planning/feasibility study came from a $487k Federal appropriation for the GPIP waterfront development

   Northern Economics provided a preliminary screening-level feasibility assessment and planning study to the CBS in March 2014, which can be view on the www.sawmillcove.com website.

2. **Construction of a multipurpose dock at GPIP.**

   The dock project is moving along fine. The contractors purchased the 250' by 74' barge in the winter of 2016. The barge was located in Tacoma, WA through the winter and spring to complete in-water work. The barge went through various remodeling, including pouring of the concrete deck to support freight traffic. The barge was hauled to the Ketchikan Shipyard and was in dry dock at Vigor Shipyards to complete epoxy coating work on the exterior of the barge. The barge was brought to the GPIP in September. Turnagain Marine acquired the Army Corps permits in early October. Turnagain has removed old APC infrastructure in the water. Turnagain has installed dolphins to hold the dock in place. **(11/20/2017)**

   The GPIP Dock has been fastened to the installed dolphins, the transfer bridge (ramp) has been installed, and the barge has been ballasted with fresh water. Turnagain Marine is nearly complete with the project. **(12/11/2017)**

   The GPIP Dock is near completion.
   - A landline phone needs to be installed to meet the fire safety requirements.
   - A tariff schedule for the dock has been approved by the Board and Assembly and has been posted on the CBS and www.sawmillcove.com.
   - The CBS IT Department is working on installing a security camera system

- A Berthing Application has been developed.

The Dock is open for public use. (**04/17/2018)**

The Dock has been getting more and more use as the public discovers the usefulness of it.

The Tariff Schedule revision was approved by the Assembly at its July 10th meeting. The new Tariff allows for incidental use of the facility.

The facility is still awaiting installation of internet and phone lines to install a landline and security cameras. **(07/24/2018)**

3. Marine Services Industries at the GPIP.

The GPIP Director is researching the marine industry in SE Alaska and looking for opportunities for marine service industries that would fit well with the GPIP assets. Research is also being completed to identify funding sources for marine service industries infrastructure. **(03/23/15)**

The Assembly approved funding in June for the design, engineering, and permitting of an access ramp to support the marine services sector at the park.

The CBS entered into a lease with Northline Seafoods LLC to install an access ramp to accommodate hauling barges on the northern portion of Lot 9a of the waterfront. The CBS is working with Northline Seafoods to ensure the ramp can be modified in the future to accommodate multiple uses. **(08/01/2017)**

Northline Seafoods has completed its ramp on lot 9a. Northline is working on constructing a dead man anchor system to haul out barges. **(12/11/2017)**

Northline Seafoods successfully hauled its barge via its ramp.

Lots 9A, 15, and the Water Access easement has been cleared of debris and graded flat.

The CBS is moving forward with design, engineering and permitting of an access ramp to support the marine service sector. **(03/27/2018)**

The Director is researching cost and management options for the storage of fishing gear on GPIP properties. **(07/24/2018)**

The GPIP Board held meetings on June 28th and July 26th to discuss the development of an access ramp at the GPIP to promote the marine service industry. PND Engineers of Juneau is under contract with the CBS to design, engineer and permit an access ramp. PND presented different concepts for the development of an access ramp. The consensus was to develop a ramp at an 8% grade to accommodate both barges and larger commercial vessels. The existing gravel ramp constructed by Northline Seafoods is already at an 8% grade and could be improved to allow more use. PND engineers provided a cost estimate of $6.7 million dollars to construct a fully operational concrete access ramp, EPA approved wash down pad, and all the associated upland improvement

for a fully operational haul out yard. The Board is in the process of prioritizing development with current funds available. **(07/31/2018)**

4. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/08/2018)**

5. Bottled Water

The Director continues to receive inquires for bottled water. The Director has recently had conversations with entities from China and Costa Rica. **(05/08/2018)**
The Director continues to have conversations with a potential bottling group from Costa Rica. A proposal for operations at the GPIP should be coming forward for the Board's consideration soon. **(07/24/2018)**

6. GPIP Property Marketing

Detailed profiles of GPIP properties have been developed and approved by the Board. The profiles have been placed on the GPIP website at www.sawmillcove.com and will be used for other marketing opportunities.

Marketing materials have been updated on the www.sawmillcove.com website and hard copy to reflect recent sale of property. **(03/02/2015)**

The sawmillcove.com website has been updated. Property marketing is still the focus of the website. **(05/31/2017)**

7. Blue Lake Dam Expansion Project

The Blue Lake Dam Expansion Project has been completed. Evacuated rock from the project is still being stored on park property. Rock needs to be removed from the property for economic development to continue on the site. The CBS is still working on a solution. **(05/12/2015)**

The CBS Electrical Department intends to release a request for proposals of entities interested in purchasing rock stored at GPIP. **(06/29/2015)**

The CBS Electrical Department has recently investigated several plans to remove rock from the property. **(09/22/2015)**

Rock is actively leaving the park via contracts between the CBS Electric Department and various entities. **(07/11/2016)**

The Director is currently working with various groups to continue to remove rock from the industrial site and bring the industrial site condition back to leasable condition. **(05/31/2017)**

The CBS Electric Department reports that a contractor has purchase all the remaining rock left in the GPIP. The rock will be barged out of the park for use in a private

waterfront development. The contractor anticipates that all rock will be removed from the park by the end of the calendar year. **(08/01/2017)**

A majority of the rock in the park has been removed. Rock remains on lots 15, 16b, 19, and 20. **(10/16/2017)**

More rock has left the park. Rock only remains on lots 16b, 19, & 20. The Assembly has approved funding to clean up the waterfront and interior lots to bring back to a usable state. **(01/18/2018)**

8. Hazard Risk Mitigation

Due to the August 18, 2015 landslide that occurred at the GPIP, the CBS is assessing its risk to allow occupancy of municipal owned property. The CBS Attorney is developing waiver language for current and future lessees of the property for day use only. The Attorney is additionally investigating the potential to lease properties to entities that wish to lease the property for overnight housing. **(04/12/2016)**

The CBS has hired a consultant to complete hazard risk assessment of the property surrounding the GPIP properties. A written assessment is expected this summer. **(07/11/2016)**

CBS Administration has determined that the liability risk of allowing the Administration Building to be occupied is too great due to landslide risk and have terminated all leases in the building effective 9/30/2016. **(08/05/2016)**

9. The GPIP Board met over the winter and spring to develop an updated strategic plan for the development of the industrial site. The Board approved the 2017 GPIP Strategic Plan at its July 31st meeting. **(08/01/2017)**

A set of detailed maps that outlines property ownership, utilities, etc. is being finalized for Board approval. **(10/16/2017)**

10. The CBS Assembly agreed to accept the insurance settlement on the damaged Administration Building. **(06/05/2017)**

11. The RFP for the Administration Building has been released. The RFP closes on 9/19/2017. **(07/24/2017)**

The CBS did not receive any proposals to purchase the Administration Building. **(10/16/2017)**

The GPIP Board intends to release an invitation to bid or similar process to sell the building. **(01/18/2018)**

The Administration Building Invitation to Bid document is awaiting legal review before Assembly consideration. **(03/27/2018)**

12. The CBS Assembly has approved funding to clean up the Sawmill Farm site. **(01/18/2018)**

Item H-1

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

Thursday, September 20, 2018

MEMORANDUM

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

From: Garry White, Director

Subject: Bulk Water Infrastructure Update

Introduction

The CBS is working to enhance its bulk water delivery infrastructure. The GPIP Board recommended at its March 2018 meeting to transfer $100,000 from the Raw Water Fund to the CBS Electric Department to investigate and enhance the water delivery system for both Bulk Export and Public Industrial Use water.

The following was provided to the GPIP Director on September 14th:

McMillen Engineering status:

* Hydraulic analyses are at about 95% complete.

* Waiting on coordination work with Plunger valve manufacturers and M&H valves on butterflies and actuators.

* About 30% to 40% complete for the entire project work.

Action

- Board discussion and recommendations regarding infrastructure project.

Item H-2

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

Thursday, September 20, 2018

MEMORANDUM

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

From: Garry White, Director

Subject: GPIP Access Ramp Project

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is in the process of planning for an access ramp to allow vessels and barges to be haul out at the GPIP.

The GPIP Enterprise fund has $40,000 allocated for design, engineering, and permitting of an access ramp at the GPIP to support the marine services industry.

Background

The CBS has hired PND Engineering Juneau to complete the work.

A representative from PND visited Sitka on June 28th to investigate potential locations for the access ramp, met with potential stakeholders, and discussed future plans for the ramp and development of the GPIP with the GPIP Board.

PND met with the Board again on July 26th to provide a conceptual plan and estimated cost estimate for a fully operational access ramp, including a wash down pad, water treatment system, concrete access ramp, timber float, upland improvements, and 100 ton hydraulic trailer. Cost estimate for the full operation was estimated at ~$6.8 million dollars.

A representative from Northline Seafoods addressed the Board regarding the access ramp project. Northline is currently leasing a portion of Lot 9a and has constructed a gravel access ramp to haul out its barge for repair work this past winter. Northline suggested that regional barge companies have shown interest in hauling barges at the site. The site needs to have an EPA approved wash down pad installed if the GPIP wishes to get into commercial operations to haul barges.

Board discussion revolved around potential funding sources for the PND fully operational conceptual plan, potential public/private partnerships, and phasing the project with available working capital.

The Board met August 29th to conduct a site visit of the proposed ramp location. The Board discussed potential site locations for a water treatment facility, benefits of a water down pad or water collection fabric that could be versatile for multiple locations and vessel sizes, and the PND conceptual plan. The Board recommended setting project priorities at its next meeting.

GPIP Director Recommendations

The GPIP Director recommends dual paths to move the project forward.

Path A – Continue to research and investigate potential funding sources for development of a fully operational access ramp and upland facilities.

Path B – Prioritize and fund essential phases of the access ramp project to allow for vessels/barges to start using the facility.

Recommended priorities phases:

1. EPA approved water treatment infrastructure.
2. EPA approved wash down pad or water collection infrastructure.
3. Ramp infrastructure improvements, including installing a concrete ramp.
4. Upland improvements (Electric, water, lighting, etc.).
5. Timber float.
6. Potential CBS owned infrastructure to haul vessel (Hydraulic trailer or lift).

The GPIP Director recommends that the CBS invest in base infrastructure and partner with private industry to develop the access ramp and marine service sector at the GPIP.

Action

GPIP Board discussion and recommendations on Access Ramp.

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 GPIP 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 GPIP.

- **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 GPIP sign from Administration Building lot.
  - Dispose of remaining rock at GPIP 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 GPIP Development Board.**

- Research different management concepts and entities.

Item I-1

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

Thursday, September 20, 2018

MEMORANDUM

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

From: Garry White, Director

Subject: Rock Discussion/CBS Lease Lots 16b, 19, 20

Introduction

The GPIP Board of Directors conducted a walk-through of the GPIP properties on August 29th, 2018. The Board discussed the remaining rock being stored by the CBS Electric Department on Lots 16b, 19, & 20 during the walk-through. The GPIP Board directed the GPIP Director to add an agenda item to the September GPIP Board meeting to discuss removing the remaining rock from the property or establishing a lease for use of the GPIP property.

Background

The CBS Electric Department met with the GPIP Board of Directors in 2012 and 2013 to discuss storage of rock removed during the Blue Lake Dam Expansion Project. The Board agreed to allow the Electric Department to store rock on Lot 16b, 19, & 20 without a fee. The GPIP Board intended to use the rock for the proposed GPIP Dock Project.

As the Blue Lake Dam Expansion Project progressed, additional space was requested for storage of rock at the GPIP. The GPIP Board approved rock storage leases between the Electric Department and the GPIP for Lots 8, 9a, 9b, 17, and the "water access area" of the GPIP in 2013. Rock was removed from all lease area at the park in the fall of 2017.

GPIP Board Comments from August Walk-through

The GPIP Board discussed the remaining rock and discussed the following points at its 8/29/2018 meeting:

- Lot 16b – The Board saw value in bring the elevation of rock stored on the lot down to its original elevation and grade, which is consistent with adjacent lots 16a and 18.

- Lot 19 – The CBS currently has lot 19 leased to Fortress of the Bear on a short term lease for additional parking. The Board saw value in leaving the elevation of the lot consistent

with the Sawmill Creek Rd. The Board discussed the need to have the lot sloped to best engineering practices down to elevations consistent with adjacent lots 16b and 18.

- Lot 20 – The Board saw value in leaving the elevation of the lot consistent with the Sawmill Creek Rd. The Board discussed the need to have the lot sloped to best engineering practices down to elevations consistent with adjacent lots16b.

Action

- Board discussion on recommendation on lots 16b, 19, & 20.