



BOARD OF DIRECTOR'S MEETING

**THURSDAY, FEBRUARY 11, 2021 - AGENDA
3:00 PM**

Room 6 Harrigan Centennial Hall/Zoom Meeting

Regular Meeting

3:00 PM

| <u>Item</u> | <u>Action</u> |
|--|---------------------------|
| A. Call to Order | Acknowledge |
| B. Roll Call | Acknowledge |
| C. Review of Minutes | Motion to Approve |
| JANUARY 14TH, 2021 | |
| D. Correspondence & Other Information | Acknowledge/Questions |
| E. Changes/Additions/Deletions to Agenda | Change/Add/Delete |
| F. Reports | |
| G. Persons To Be Heard | |
| H. Unfinished Business | |
| 1. Clay Stromquist Proposal | Discussion/Recommendation |
| 2. GPIP Port Tariff Adjustments | Discussion/Recommendation |
| I. New Business | |
| 1. NSRAA Lot 3 Lease Extension | Discussion/Recommendation |
| J. Adjournment | |

EXECUTIVE SESSION – Not expected

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
January 14, 2021 3:00pm – Harrigan Centennial Hall**

DRAFT Meeting Minutes

- A. CALL TO ORDER:** The Chair, Scott Wagner, called the meeting to order at 3:00pm
- B. ROLL CALL**
- Members Present:** Scott Wagner, Vaughn Morrison, Mike Johnson, Chris Ystad
- Members Absent:** Jamal Floate
- Staff Present:** Garry White, Makena Hardwick
- City Representatives:** Thor Christianson (Assembly Liaison), John Leach (Administrator), Brian Hanson (City Legal)
- Others Present:** Jeremy Serka, Richard Wein, Jeff Favour along with Stan Eliason, Robert Woolsey and Michael Harmon via Zoom.
- C. Review of Minutes – December 15, 2020**
- Motion:** M/S Morrison/Ystad to approve the minutes of December 15, 2020
Action: Motion Passed 4/0 on a voice vote
- D. Correspondence & Other Information- None**
- E. Changes/Additions/ Deletions to Agenda- None**
- F. Reports – None**
- G. Persons to Be Heard- None**
- H. Unfinished Business**
1. GPIIP Port Tariff Adjustments
- Mr. White introduced this topic and brought up the previous discussion to add more to the Tariff at the last meeting. Under item 250 (h) there is a fee for cargo containers, it is a security surcharge of \$0.58 per ton. Mr. White recommended removing this fee as it tailored more towards larger ports.

A correction to the information in the packet was made: \$1.50 per foot for the access ramp fee

Motion: M/S Johnson/Ystad move to Remove item 250 (h) from the Port tariff

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

Board's Suggested definition:

Anything large enough to require a forklift to bring down to the dock should be charged. This could be added to the definitions section in the tariff.

Stan Eliason spoke to the board regarding this. He said that the forklift exclusion would be easy to implement.

Motion: M/S Johnson/ Morrison move to exempt fishing gear and consumables under 30 sq. foot in area from the fee for moving items across the dock

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

Mr. Johnson asked Mr. Eliason if there is a way in his office to identify boats that are local and those that are not.

Public Comment:

Richard Wein: In the past, there was a different charge for individuals who had moorage addresses in Seattle, at the time there were issues with the Federal Government for differential charges.

Motion: M/S Johnson/ Morrison move to only exempt local processor's fishing gear and consumables under 30 sq. foot in area from the fee for moving items across the dock

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

2. GPIP Haul Out RFP

Mr. White presented a summary on the RFP. Mr. White told the board what was discussed at the assembly meeting. Change time from 90 days to 60 days, change project scope. Assembly suggested that certain items be changed to "aspired" rather than "required". Discussion on ability to sell the property, and discussion on adding more city funding, and then discussion on preference for long-term leasing.

The City planning director said a few tools could be implemented, including a zoning overlay, and a covenant on the deed of trust.

Mr. Christianson mentioned that the hang up at the assembly meeting was on how to articulate that a long-term lease was preferred. He recommends bringing a few options to the assembly and allowing them to choose between those options.

The RFP will be brought back to the assembly on the 26th.

Public Comment:

Jeremy Serka: Private industry can be met in the middle with the City to get it done. Trailers do not bring in profit and though it would be feasible it will drive many boats to go elsewhere for work to be done.

Richard Wein: Need to think about how to involve the local community. It needs to be an open process. Low interest rates make it feasible. The process has been distorted, the economic fund could be used to pay interest fees. Certain land should never be sold so that the City can maintain control of the future potential.

Jeff Farvour: Brought up how the task force has been learning from experience. He also agreed that long-term leases are what people want and what will be good for the City.

Board Discussion:

Mr. Leach stated that when they started the process over in September the task force was created to verify that each step was done properly so that it will be correct when it is presented to the assembly.

Kevin Knox, John Leach, Michael Harmon, Thor Christianson, Garry White and sometimes Brian Hanson are on the task force for the haul out.

I. New Business-

1. GPIP Landfill Assessments Funding

Mr. White provided an overview of a documented old APC landfill on Block 4, Lot 1 and a newly discovered APC landfill on Block 3, Lot 1. APC worked with the State and reclaimed the landfill on Block 4, Lot 1. Water flow was diverted around the landfill and a concrete cap was placed on the top of the landfill. The CBS is required to monitor the landfill. Stability monuments appear to be moving. The State DEC is requesting that a geotechnical assessment be completed to determine with the land cap is moving or the entire landfill. An amount of money was set aside for GPIP environmental contingency fund. \$135,000 is requested to fund the geo survey and assessment.

Michael Harmon stated that some challenges include that the Block 3, Lot 1 landfill was not a documented landfill so there is no knowledge of what was put in the landfill. CBS PW is requesting a budget of \$135,000 to investigate this landfill.

Motion: **M/S Morrison/Johnson** move that FY22 Capital budget of \$270,000 to come out of the environmental contingency fund for GPIIP landfill assessments.

Public Comment:

Richard Wein: Would like to know how much the balance of the fund is currently.

Mr. White stated that \$640,000 is the current balance of the environmental contingency fund.

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

2. Sitka Salmon Shares GPIIP Dock Proposal

Mr. White introduced this topic. Sitka Salmon Shares would like to set up a crane and 40' freezer truck on the dock. The lease rate will be \$1,000/ month. They are also being charged wharfage and moorage. If we lease this dock a chunk will no longer be available to the public. The harbormaster can move their items if need be.

Mr. White recommends that they do not lease the area but have a written agreement that they can use the space to store their gear and to make it a month to month agreement. No negative feedback was received from the public about this space being used last year. Mr. White recommends putting them on a meter to see how much electricity they are using.

Public Comment:

Richard Wein: It is a multi-use dock and no one should use the dock in a way that could inhibit other users. They need to be mobile and flexible in its use.

Motion: **M/S Johnson/Morrison** Move that we approve a month to month use agreement with Sitka Salmon Shares for a rate of \$1,000 a month and that they must hook up to their own meter.

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

3. Delta Western Request

Mike Johnson recused himself from this discussion topic.

Mr. White introduced this topic. He gave a summary of the past and current use of the GPIIP dock by Delta Western. Mr. White recommends that we do not lease the whole area, but a portion of the area. And do not block access to the raw water pipeline. Delta Western would like to add a separate tank. A 9% ROI on the land would give GPIIP an additional \$225.60 in revenue from Delta Western per month. The current lease has built in an additional revenue when a certain amount of fuel is reached. It is currently a month-to-month, but they would like to make it a 5-year lease.

Mr. Johnson, as a member of public, responded to a question about the reasoning behind this decision from Delta Western. The reasoning was to maintain access. Delta Western would like to have things stored in a container so that items do not blow away and will not be taken by animals. Other options could also benefit them. Including not having the lower area.

John Leach asked if any local competitors stated interest in this, and a competitive bid may be necessary.

Brian Hanson said if you bring it to the assembly for a 5-year lease it will need to either be put out in a competitive bid or a determination that it would be inappropriate to do a competitive bid for this item be made.

Public Comment:

Jeremy Serka: The right corner is a potential spot for a travel lift. There are other areas that could work for Delta Western's purpose.

Mr. Johnson said that a month-to-month agreement would not be a deal breaker for Delta. If it would be faster to do month-to-month that would be preferred to meet deadlines for development.

The area was modified from the original request to be for the 70' to 38' area of lot A.

Motion: M/S Morrison/Ystad Move to approve a month-to-month agreement for 70'x38' area of lot A at a rate of \$159.60 per month for Delta Western.

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

4. CS Enterprises Block 4, Lot 1 Lease Proposal

CS Enterprises would like to build a Sawmill on 20,000 SF of GPIIP land in Block 4, Lot 1. The State DEC must approve any plan put in place for construction. Certain restrictions must be put in place. The value of the land is \$0.38 per sq. foot. Would prefer upfront payment to avoid having to collect a small sum once a month. The area they have selected is attractive to them because of the road access.

Suggestion: Pass a resolution to lease them an area contingent on DEC approval.

Mr. Harmon- resolve this landfill issue and see where we are at before putting a sawmill in place that could disturb the situation more.

This item was tabled.

5. Bulk Water Pipeline Repair

Scott Wagner recused himself and passed the chair duties onto Vaughn Morrison.

Mr. White introduced this item. The bulk water pipeline has sprung two leaks this winter. NSRAA has done a short-term solution. A long-term solution and full fix is still required. Currently NSRAA is using this water to keep their fish alive at the hatchery. The repairs would need to wait until the fish leave in May. NSRAA has estimated a budget for the fixes of \$74,000. Raw Bulk Water fund to be used instead of the GPIIP fund. NSRAA wish to take the lead on designing the repair and get it approved by CBS.

Public Comment:

Jeremy Serka: considered fixing the outlets? Most of the cost is in repairing the bulk water line.

Mr. White stated that the only solution available is to replace the T pipe completely

Chris Ystad stated that he is a member of the NSRAA board, but does not see a conflict in him voting on this topic.

Motion: M/S Johnson/Ystad Move to approve a budget of \$74,000 in the FY21 GPIIP capital budget. Funds for the project should be taken from the CBS Raw Water fund.

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

J. Adjournment: The Chair, Scott Wagner, adjourned the meeting at 4:40 pm

GPIP board

My name is Mike Svenson and I have a seiner here in town. I have been thinking about the boat haulout and I believe there is another way to go about this. You want to attract out of town people, so what do I look for when I go to Wrangell? There is more to just working on my boat, I look for restaurants, hotels, lots of stores and lot of guys who work on things. And in Wrangell these things are all available within walking distance from the shipyard.

You also need to keep in mind that Wrangell is more centralized than Sitka. Craig is only 10 hours away and Petersburg, Ketchikan, and Metlakatla is only 5 to 6 hrs. away. For Sitka, everybody is at least 25 to 30 hours from us. Sitka will have to entice people to come. How? Make it so it is like a little vacation by bringing your wife and having all the amenities readily available. Sitka must make it convenient to get to stores and restaurants. That is the beauty of Wrangell, everything is convenient. If you stick people out at the end of the road with no hotels, no restaurants, no stores, and it takes a lot of taxi money to make it back into town everyday would you come here? And let's face it, the taxi service in this town is terrible and guys are not going to want to stand out in the cold waiting for a taxi.

Another thing to keep in mind is by getting hauled out in Silver Bay is the worry of theft. I would not feel good about leaving my boat unattended with fish plant workers walking around my boat. During a cold northly blowing out there, people do not hang out there so good cold winters could be bad.

So, after all that, do I have an idea? Yes, I do. Get a team together and go visit the Governor to see about moving the U of A to another location while leaving the building for the start of a shipyard. It seems the Governor might find this to be a way make a smaller campus somewhere else in town. There is no reason the college needs prime waterfront. You need to figure out which would bring in more money a shipyard or a college? We are not talking about a heavy industrial yard, just fishing boats, not ferries. There on Japonski you have the swimming pool and showers and with a short walk across the bridge and you have everything else you might need. There are many possibilities, for more marine stores, restaurants etc. going in the U of A building, similar to what the fishermen's terminal has in Seattle. This yard would be probably be close to the size of Wrangell's. The lot could be from where that Russian sailboat is to the edge of the Edgumbe gym and back to the hill. Nobody seems to use the ballfield anymore. It has become just a run for dogs now.

The state would be more inclined to help if you had a plan on what Sitka is looking for in a shipyard. If you wanted to make it a real shipyard for every fishing boat and not just your local fleet which is not that many. I think that unless you want to haul out a big wooden seiner who wants to replace a keel and put a bunch of new planks on and also want to replace his refrigeration and install a new auxiliary engine then were not ready for primetime. Or the seiner that wants a new paint job which can be an easy \$50,000 job. Last time I was there I had a bow thruster put in, so I had a fiberglass guy and a hydraulic guy right there ready and willing to do the work costing \$20,000 and done in 2 days. That is prime time.





Monday, February 8, 2021

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)**

GPIP Dock Revenues have increased each fiscal year. FY18 - \$689, FY19 - \$14,643, FY20 - \$37,462, FY21 YTD - \$32,955. **(11/25/2020)**

2. Marine Services Industries at the GPIIP.

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

GPIP Board has been unable to secure funding for the construction of haul out infrastructure to date.

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

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

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

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

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

The CBS was unsuccessful in obtaining grant funds for the development of a CBS owned marine haul out facility. The GPIP Board met in September and provided direction that another RFP be developed for private sector development of the haul out. The CBS Assembly met in October and gave direction that they wished to see a partial private sector development of a haul out with the CBS retaining ownership of its property.
(10/27/2020)

The GPIP 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)**

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)

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)

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)



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

Monday, February 08, 2021

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: CS Enterprises Lot 20 Lease Request

Introduction

Clay Stromquist dba CS Enterprises is requesting to lease a portion of Lot 20 at the Gary Paxton Industrial Park (GPIP) for the purpose of operating a small sawmill. CS Enterprises current operates its sawmill in the parking lot of the Administration building, but needs to relocate the operation.

Background

Lot is 13,088 SF parcel of property located on Sawmill Creek across the street from Fortress of the Bear. Currently a portion of the lot is leased to the CBS Electrical department for rock storage from the Blue Lake Dam Expansion project. The Electrical department has nearly removed all the rock and is in the process of grading the parcel. The portion of the property requested by CS Enterprises is on the far southern end of the parcel, away from the rock storage area.

Lease Terms

CS Enterprises proposes to lease a ~2,600 SF portion on a month to month basis. CS Enterprises wishes to conduct sawmill operations, storage of logs, and construct a temporary structure for storage of milled lumber on the leased property.

CS Enterprises proposes the following terms:

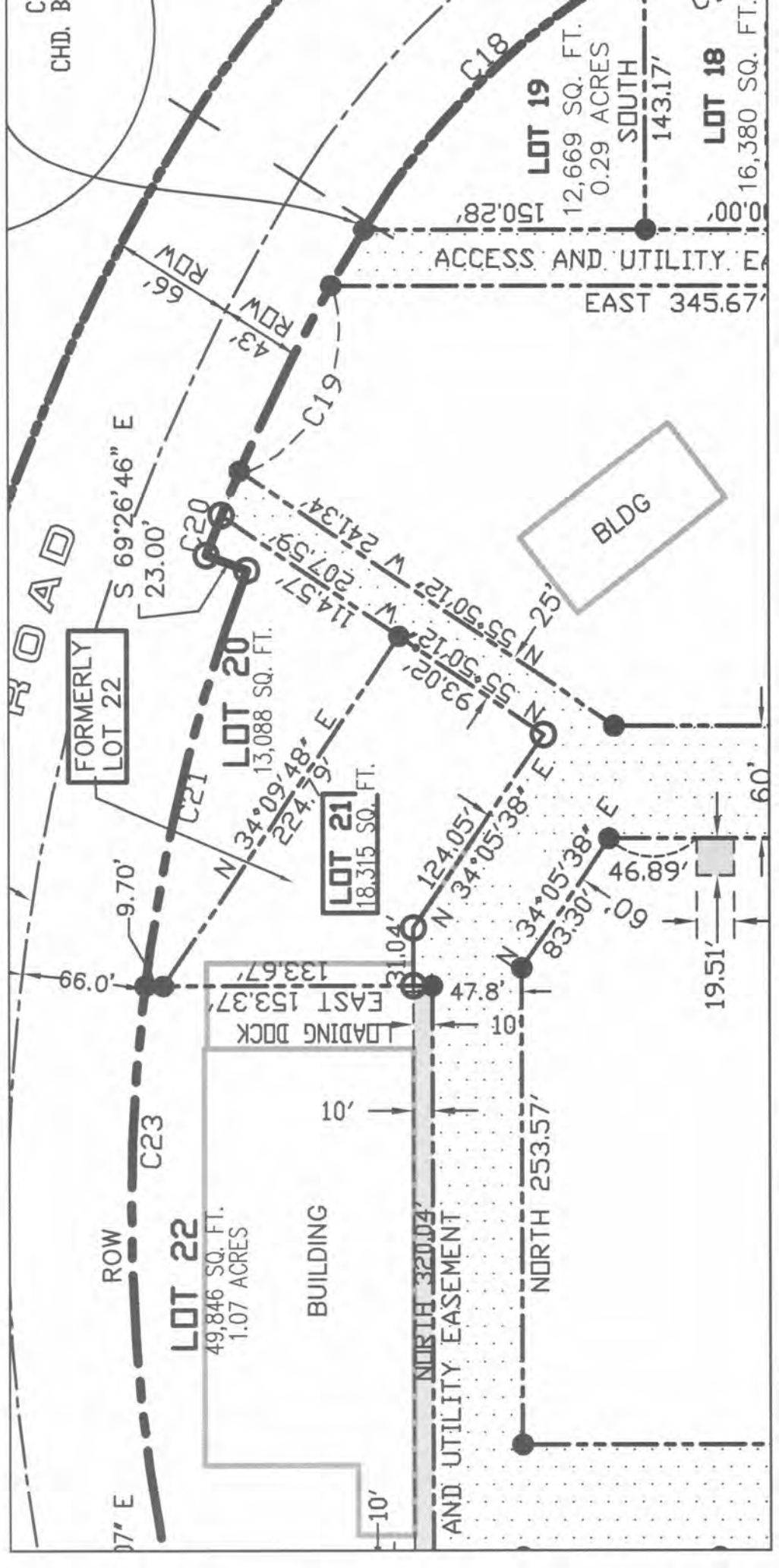
Lot 20 has an assessed value of \$54,400. $\$54,400 @ 9\% = \$4,896$ or $\$0.37/\text{SF}/\text{YR}$

2,600 SF of property @ $\$0.37/\text{SF}/\text{year} = \$962/\text{year}$ or $\$80/\text{month}$

The GPIP Director is recommending a month to month lease with an annual payment of \$962.

Action

- GPIP Board discussion and recommendation on a month to month lease to CS Enterprises for a portion of Lot 20.





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Monday, February 8, 2021

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: GPIP Port Tariff Discussion and Adjustments

Introduction

The GPIP Board discussed and recommended changes to the GPIP Port Tariff at its November, December, and January meetings. The proposed changes to the Port Tariff are attached.

The GPIP Director is recommending one additional change to the tariff.

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.

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

<http://www.cityofsitka.com/government/departments/harbor/documents/MasterTariffNo.39-4-2018DRAFT-3.pdf>

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, GPIP Board, and 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 again in September 2018 to accommodate the movement and storage of fishing gear over the dock and the GPIIP uplands.

Proposed Adjustments to the GPIIP Port Tariff Fee Schedule (Port Tariff #4)

Dockage

- **Item 250 – Wharfage**

Item 200 sets the definitions and schedule of charges for docking or mooring a vessel to the GPIIP Dock.

The GPIIP Board previously discussed including long term moorage rates into the tariff but decline as the intent of the GPIIP dock is for short work and transfer of items across the dock.

The GPIIP dock does not see much activity during the winter months and there have been requests for monthly moorage of the facility during slower times of use at the dock. The GPIIP Director is recommending that a Monthly Transient Permit fee schedule be established to accommodate the requests and to generate additional revenues.

The Monthly Transient Permits will be managed by the GPIIP Port Director or Harbor Master. Language will be included in the tariff allowing the Harbor Master or Port Director to adjust month permits if demand increases.

Monthly permits (30 days):

- \$20.21 per foot of overall length up to 150'
- \$30.30 per foot of overall length for 151' and up

Action

- GPIIP Board recommendations for additional adjustments to the GPIIP Port Tariff Fee Schedule (Port Tariff #4).

Proposed Adjustments to the GPIIP Port Tariff Fee Schedule

The following are recommended adjustments to the GPIIP Port Tariff Fee Schedule. Detail regarding proposed adjustments are contained in attached memo.

1. Item 200-Dockage

DOCKAGE RATES WILL BE ASSESSED AS FOLLOWS EXCEPT AS OTHERWISE PROVIDED.

| Vessel Length (feet) | DOCKAGE RATE In Dollars | | | | | |
|-------------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| 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 |

2. Incidental Use Fee

- \$35/hr for up to 4 hours

3. Port Security Passenger Fee

- \$850/Vessel Docking

4. Passenger Use Fee

- \$4/passenger registered on vessel

5. Vendor Permit

- \$150 per year

6. Access Ramp Fee

- \$1.50/foot/calendar day

7. Upland Dry Dock Fee

Short Term Projects

- \$1.95/ft/day

Long Term Project

- \$0.20/sf/month for vessels with a Sitka moorage account
- \$0.23/sf/month for vessels without a Sitka moorage account
- \$50/month Dry Dock Administrative Fee

Dry Dock limited to 4 months. Fee will double each month after 4 months without GPIIP Port Director written approval to stay past 4 months.

8. Monthly Transient Permits

Monthly permits (30 days):

- \$20.21 per foot of overall length up to 150'
- \$30.30 per foot of overall length for 151' and up



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Monday, February 8, 2021

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board
From: Garry White - GPIP Director
Subject: NSRAA Lot 3 Lease extension

Introduction

Northern Southeast Regional Aquaculture Association (NSRAA) is requesting to extend its lease of Lot 3 at the Gary Paxton Industrial Park (GPIP). Please see the attached request.

NSRAA and the CBS entered into a lease agreement 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 allows NSRAA to exercise the option for (4) successive terms of (10) ten years. NSRAA is requesting that instead of a new 10 year lease that this lease term should coincide with the lease terms of NSRAA's for Lot 2 which expires on May 7, 2026 or a new lease of roughly 74 months.

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 hatchery provides millions of Coho and Chum Salmon to the common property fishery in the Sitka area. The GPIP hatchery has created 1 ½ FTE job at the site and provides other economic benefits to the community through fish harvest and processing.

NSRAA plans to expand salmon production on Lot 3 in the near future. The expansion will help alleviate crowding, increase capacity and address emergency water loss issues with existing facility. NSRAA estimates the new production will have an ex-vessel value of \$5-\$8 million dollars.

Action

- GPIP Board recommendation of the lease extension between the CBS and NSRAA.

To: Gary White - GPIP Director and GPIP Board of Directors
From: Adam Olson – NSRAA Operations Manager
Subject: NSRAA GPIP Lot 3 Lease Option to Renew


Background

Northern Southeast Regional Aquaculture Association (NSRAA) has leased lot 3 in the Gary Paxton Industrial Park (GPIP) since February 27, 2018. The lease was acquired with the intent to expand our operations at Sawmill Creek Hatchery, currently located on lot 2 in the GPIP. Construction for the expansion has yet to begin but the lot clearing is ongoing. The initial phases of the expansion are in the design and engineering period, with some funding already secured. The timeline for full design and construction is unknown currently, but the project is progressing slowly. Additional revenue generation may be complicated by current poor salmon returns to Southeast Alaska.

Request

The initial term of the lease for lot 3 was for 3 years. As per section 1.3 of the lease agreement, NSRAA would like to formally request to extend the lease for four (4) successive terms of (10) years, upon the same terms and conditions as the current lease agreement with one exception. NSRAA would like to request the lease renewal and rate adjustment period for both Lot 3 and Lot 2 to coincide. The current 10-year term for the Lot 2 lease should expire in May 2026. The term of the lease for Lot 3 could be extended approximately 6 years to allow for the term renewal to coincide. NSRAA believes it has met conditions b, c, and d of section 1.3, and this request satisfies condition a, to allow for approval of the lease renewal by the City and Borough of Sitka Assembly. NSRAA would request the GPIP Board of Directors to recommend to the CBS Assembly to approve a lease renewal as outlined above.

Respectfully,


Adam Olson
NSRAA Operations Manager