



BOARD MEETING – THURSDAY, JUNE 8TH, 2017
AGENDA

3:00 PM

SEDA Conference Room – 329 Harbor Dr., Suite 212

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
APRIL 20TH, 2017	
MAY 4TH, 2017	
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. ABWI Equipment Purchase/Removal	Discussion/Recommendation
2. Sawmill Farm Lease Review	Discussion/Recommendation
3. Eckert Sales and Marketing Proposal	Discussion/Recommendation
4. Strategic planning	Discussion/Recommendation
I. New Business	
1. Northline Seafoods Lease Request	Discussion/Recommendation
2. Administration Building RFP	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
April 20th, 2017 3pm at SEDA Conference Room
Minutes**

A. CALL TO ORDER: The Chair called the meeting to order at 3:02 pm.

B. ROLL CALL

Members Present: Scott Wager, Hugh Bevan, Charles Horan, Sheila Finkenbinder

Members Absent: Dan Jones (Teleconference)

City Representatives: Mark Gorman, Michael Harmon, Dan Tadic, Brian Hanson, Shilo Willams

Others Present: Michael Eckert, Brian Eckert (Teleconference) Wayne Unger, Pat Glaab, Brielle Schaffer

C. Review of Minutes- March 23, 2017

MOTION: M/S Bevan/Jones moved to accept the minutes March 23, 2017, as adjusted.

ACTION: Motion passed 5/0 on voice vote

Include correct square foot number adjustment for Fortress of the Bear lease recommendations to the Assembly.

D. Correspondence & Other Information – None

E. Changes/Additions/Deletions to Agenda

- Move Sawmill Farm Lease (H-2) to after Alaska Pacific and Packing ramp construction request (I-2)
- Strike Item H-3, Strategic Planning

F. Reports

Executive Director

- Mr. White informed that the construction of multi-purpose dock was moving along nicely. The CBS is working with seasoned marine professional to help ensure a successful process.
- ABWI sent a proposal to the city to purchase their existing bulk water items.
- Still in discussions with several groups for bulk water, most recent group is interested in exporting to African market.
- A group is still investigating operating a water bottling plant for export to the Asian market.
- Mr. White stated that some water pipes broke in the administration building during the cold snap. The problems have fixed.
- Fortress of the Bear is still interested in lot 19.
- Sitka Bike & Hike executed its lease on lot 6.

G. Persons to Be Heard – None

H. Unfinished Business

1. Eckert Sales and Marketing Proposal

Discussion:

- Mr. White gave a brief background of the Eckert Sales proposal.
- Mr. Brian Eckert discussed a counter offer of 6% of gross sales and the 1cent/ gallon stating that 6% was not anywhere near what they can offer as far as keeping their business healthy, they could offer ½% of sales with the 1cent/gallon.
- Mr. Bevan suggested using a local water source might be a more viable option.
- Ms. Finkenbinder felt the exclusivity was an obstacle.
- Mr. Horan clarified that it would be approx. \$23,000 in city revenue by year five, and stated that it would be optimal if water could be bottled on-site. He said that for \$23,000 it just did not pencil out for the city.
- Mr. Michael Eckert stated that this would be a starting point for Sitka to start selling water.
- Mr. Jones commented that he was not comfortable with the terms; he would need fees paid up front that would get them through five years.
- Mr. Wagner read an E-mail from Mr. Jones laying out a possible terms for sale to Eckert Sales: \$50,000 paid up front for 3 year contract with exclusivity taking up to 175,000 gallons from Blue Lake at no charge, after that it would be .10cents a gallon, with a chance for renewal up to \$200,000 up to 800,000 gallons at no charge.
- Ms. Finkenbinder asked if the two go together, Mr. Jones stated it was one motion in perpetuity. She stated that she like the upfront payment idea
- Mr. Wagner asked if there were milestone in the 3-year term, Mr. Jones stated that Eckert Sales would need to transport 175,000 gallons within the first 3 years.
- Mr. Jones stated that the exclusivity would be in using the term 'Blue Lake Water', not the water itself.
- Mr. Horan clarified that this was for bottling water only.
- Mr. Michael Eckert asked to have the potential proposals sent to him so that he could have a chance to look them over in writing. Mr. White agreed that he would send proposals to Eckert Sales and Marketing for their review.
- Mr. Bevan suggested 3% of retail sales with exclusivity when volume reaches ½ million gallons, exclusivity would remain as long as the volume is about ½ million gallons.
- Mr. White asked the Board what target revenue amount the board was looking for, Mr. Bevan stated 1/2million per year and Mr. Jones stated \$100,000 a year minimum.

2. Sawmill Farm Lease Review

Mr. White gave a history of the relationship between the Sawmill Farm and GPIIP. He mentioned the lease requirements that the GPIIP Board had with Sawmill Farm: keeping farm clean, 50K clean-up bond and semi-annual reporting.

Discussion:

- Ms. Daniels addressed the board: She stated that the Farm was initially started with the idea of raising pigs. The pigs never arrived and that was a loss that she had not expected. Ms. Daniels suffered several setbacks in 2016. In October of 2016 she got 4 pigs, they are now pregnant. She admitted that she is a year behind where she thought she would be. At this point, the Farm does not have money to get the bond; it would be nearly \$500/ mo.
- Mr. Finkenbinder was sympathetic of the difficult times that Ms. Daniels was having and was looking for a collaborative solution.

- Mr. Horan stated that the purpose of the bond was preventing the GPIIP with being left with an area that is unclean and unsatisfactory.
- Mr. Bevan stated lack of proof of insurance was a big issue. Ms. Daniels agreed and said it was a priority.
- Mr. Bevan asked what the status on lease payment was; Mr. White was waiting to get that information from the city.
- Mr. Wagner asked if 1 million dollars was a standard insurance, Mr. Hansen said it was standard but not necessarily a required amount.
- Ms. Daniels requested the time before the next meeting to look into the insurance and come back at the next meeting to make a decision, at a meeting in May.
- Ms. Finkenbinder recapped what the GPIIP Board needed from Ms. Daniels: Lease payment, proof of insurance, letter from DEC and a semi-annual report.
- The board discussed the potential to lower the bond amount.
- Mr. Horan stated it was hard to have a partnership when one member was not in communication.
- Ms. Williams informed the board that there was still some trash about, as recently as last week.
- Board agreed to give until the next main meeting to make a final decision.

MOTION: **M/S Finkenbinder/Horan** moved to give Ms. Daniels of Sawmill Farm until next main meeting in May to become compliant with the term of the lease.

ACTION **Motion passed on voice vote**

I. New Business

1. Silver Bay Seafoods Lot 9c Lease Request

Mr. White introduced the lease request, stating that Silver Bay was interested in the lot lease for camper trailers for the summer season (May-September). Mr. White stated that the proposed lease was the same lease that GPIIP and Silver Bay have done in the past.

MOTION: **M/S Jones/Finkenbinder** moved to accept Lot 9c lease request to Silver Bay Seafood as presented for \$394.50/mo for 10,000sq/ft from May – end of September.

ACTION: **Yeas: Jones, Horan, Bevan, Wagner, Finkenbinder**

Nays: None

Motion passed 5/0 on voice vote

2. Alaska Pacific and Packing Ramp Construction Request

Mr. White explained the vision of Alaska Pacific & Packing and the desire for a haul out ramp in the center of the waterfront.

Discussion:

- Mr. Glaab would like to work with the CBS to construct a ramp. Mr. Glaab needs to haul out his barge this fall and would like to complete the barge retrofit work in Sitka since he

has hired local workers for the project to date. He would like to avoid having to travel to Ketchikan for barge haul-out and retain his local workforce.

- Mr. Glaab would like to grade a portion of lot 9 to a slope of 12% towards the water.
- Mr. Glaab would purchase and implement a hydraulic bag process to move barges and larger vessel out of the water. A 12% grade could also be beneficial for boats on trailers.
- Mr. Glaab estimated the cost of grading a water front portion of roughly 75' to be less than \$50k.
- Mr. Glaab envisions the area to be owned by the CBS, public access would be ensured.
- Mr. Bevan cautioned about erosion potential with an aggregate only ramp.
- Mr. Horan asked if it was possible to lease the land and build a temporary structure.
- Mr. White is most concerned about the time-period, an Army Corp permit could take a bit of time, and maybe the upland portion could be done in advance.
- Ms. Finkenbinder asked it if would be different if Mr. Glaab leased the property, could he do the work himself on property he leased.
- Mr. Harmon stated that the CBS typically likes to engineer and construct project for long term use, not quick temporary projects.
- The lack of funding for construction of an engineered ramp was discussed.
- Mr. Horan entertained the idea of an expanded lease with the following: 1). Lease credits for jobs created 2). The ramp does not conflict with use of land at GPIIP, 3). Proper permits are acquired 4). City gives the final okay of design and work.
- Mr. White reviewed the points: 1). Lease potential employee credit, 2). Site grading and 3). Mr. Glaab will have proper permits for any work that he does.

MOTION: **M/S Jones/Finkenbinder** moved accept the Alaska Pacific and Packing Construction as proposal.

ACTION **Motion Withdrawn**

The Board directed Mr. White to work with Mr. Glaab on terms to establish a lease for the property.

3. GPIIP Administration Building Repairs/ Insurance Settlement Status.

Mr. Harmon gave a report of the damage on the Administration Building during the August 2015 landslide. The CBS's insurance company is offering the CBS a settlement rather than spending funds to repair the building. A local contracting firm estimated the cost of repairs to the building. The building was valued at \$0 by a professional appraisal firm in 2014. The land was valued at \$233,000.

- Mr. Horan mentioned the reason the building is not financially viable for the GPIIP is that the annual rent generally did not make up the cost to operate the building. Leasing the building has resulted in negative cash flow to the CBS. Perhaps an owner with a single purpose would be a better fit.
- Mr. Gorman stated CBS policy is that the building cannot be occupied until landslide hazard mitigation has taken place.
- Mr. White asked if the board was interested in getting the cash or keeping the building.
- Mr. White stated the building has many issues, but there are people in the community that have expressed interest in purchasing it.
- The Board discussed different projects, including using the funds to improve the marine services industries at the GPIIP.

MOTION: **M/S Finkenbinder/Bevan** moved to put ~\$248,000 of the insurance settlement from Administration Building damage into the GPIIP enterprise fund.

ACTION: **Yeas: Horan, Bevan, Wagner, Finkenbinder**

Nays: None

Motion passed 4/0 on a roll call vote

4. GPIIP Dock Lawsuit

Mr. Hansen informed the Board that it is highly likely and probable that GPIIP board members and staff will be involved in the deposition process. Mr. Dapceвич is alleging that the City has violated the Charter. Mr. Hansen stated that is not the case; there was no violation of the Charter.

- Mr. White commented this lawsuit could put millions of state money for Sitka at risk.
- Mr. Gorman stated that the lawsuit is costing the city money.
- Mr. Hansen stated the City's approach is to vigorously defend their position.

5. Administration Building RFP

Mr. White discussed the point system for the RFP for the Administration Building, weighing it more on plan and vision rather than cash. Some Federal covenants from the EDA grant will stay with the building.

J. Adjournment: Mr. Wagner moved to adjourn the meeting at 5:44 pm

**Gary Paxton Industrial Park - Board of Directors Meeting
May 4th, 2017 3pm at SEDA Conference Room
Draft Minutes**

A. CALL TO ORDER: The Chair called the meeting to order at 3:02 pm.

B. ROLL CALL

Members Present: Scott Wager, Hugh Bevan, Sheila Finkenbinder, Dan Jones

Members Absent: Charles Horan

City Representatives: Michael Harmon

Others Present: Terry Trapp (Teleconference), Robert Woolsey

C. Review of Minutes- April 20th, 2017 - Postponed

D. Correspondence & Other Information – None

E. Changes/Additions/Deletions to Agenda

F. Reports - None

G. Persons to Be Heard – None

H. Unfinished Business

1. ABWI Equipment Purchase

Discussion:

- Mr. Trapp gave a brief synopsis of his April 17, 2017 letter that stated he would like to sell the remaining bulk water equipment at GPIP valued at \$700,000, offering for \$400,000.
- Board asked if the CBS did not buy, were there other options to sell and Mr. Trapp said there was by piece-mealing it out.
- Board felt that it would be a hard to justify the \$400,000 cost.

MOTION: **M/S Finkenbinder/Bevan** moved to purchase ASWI equipment for \$400,000.

AMENDMENT: **M/S Jones/Finkenbinder** moved to add prior to recommending to the Assembly to receive legal counsel that the equipment is correctly ABWI's to sell.

ACTION: **Amendment passed 4/0**

- Board discussed giving ABWI until July 31st, 2017 to remove equipment.

TABLE: **Bevan** moved to table the Item H-I

ACTION: Motion **failed** 2/2 on voice vote

- City representative mentioned that for the money there are other more pressing items that will be more pressing (ramp, crane, land slide mitigation)

MOTION: M/S Finkenbinder/Bevan moved to purchase ASWI equipment for \$400,000 and prior to recommending to the Assembly that GPIIP would receive legal counsel that the equipment is correctly ABWI's to sell.

ACTION: Yeas: Finkenbinder
Nays: Jones, Bevan, Wagner
Motion failed 3/1 on roll call vote

2. Strategic Planning

Discussion:

- Board agreed that since most items for the 2009 Strategic Plan were completed that it would be best to start over with a clean slate.
- Board asked for a more concise plan with less strategies for each plan
- Board agreed with the Guiding Principles but would like to remove the word *always* from principle number 1.

WATERFRONT

1. Create a port facility to include public access and marshalling areas
 - Possible discussion of removing lot lines
 - Lot 6 is removed from area because it has road access
Recommended not to encumber E-W corridor, need to leave roadbed.
 - Determine the MARSEC rules for fencing or if leaving the road for public access
 - Establish tariffs
2. Ramp
 - Best location would be the northern portion of lot 9A
3. Set aside lot 9B corner lot for park management and marine service facilities
4. Determine potential future uses of utility dock
5. Determine if Dolphins in the water will be an issue with dock project
6. New dock and future ramp uses will help determine future of park.

LAND USE

1. Continue to advertise to sell and lease lots 17, 16B, 19 and 20 in the industrial park.
2. Determine best access point for lots 19 & 21, request formal DOT ruling
3. Identify 'Core Use' of park, the anchor of GPIIP
4. Follow through with the RFP in Strategic Plan on the administration building
5. Remove the area that the GPIIP sign is on from the Administration Building lot.
6. Leave lot 3 / block 3 in strategic plan as possible rock source.
7. Market lot 1 / blk 2 as rock source
8. Bring all interested parties together to discuss the remaining rock at GPIIP
9. Develop an exit strategy for the GPIIP board, establish a management board

BULK WATER

1. Review bulk water offload methodology
2. Determine locations for future water bottling plant, interior of park to remain a port facility

I. **New Business - None**

J. **Adjournment:** Ms. Finkenbinder moved to adjourn the meeting at 4:52 pm

DRAFT

**Gary Paxton Industrial Park Fund
Financial Analysis
As Of, And For the Nine-Month Period Ending March, 2017**

KPI Dashboard

Indicator	Amount	Compared To Last Yr	Compared To Plan
Revenue	124,784		
Earnings Before Interest	(314,134)		
Earnings Before Interest and Depreciation	(77,446)		
Net Income	1,397,490		
Total Working Capital	723,329		
Repair Reserve (1% of PPI)	116,632		
Working Capital Appropriated For Projects & Unspent Bond Proceeds	68,004		
Undesignated Working Capital	538,693		
Days Cash on Hand, Total Working Capital	806.32		
Days Cash on Hand, Undesignated Working Capital	600.5		

The Gary Paxton Industrial Park Fund achieved operating results which are ahead of plan but less favorable than last fiscal year.

City and Borough of Sitka
Gary Paxton Industrial Park
Income Statement
For The Twelve-Month Period From July 1, 2016 to June 30, 2017
(Unaudited)

	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	FY2017 YTD	FY2016 YTD	Variance To FY2016 YTD	FY2017 Plan (S/L - 75%)	Variance To FY2017 Plan
Revenue:									
Leases	44,957	41,201	38,626	-	124,784	188,701	(63,917)	111,900	12,884
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Total Revenue:	44,957	41,201	38,626	-	124,784	188,701	(63,917)	111,900	12,884
Cost of Sales:									
Operations	55,037	90,434	56,759	-	202,230	167,254	(34,976)	216,905	14,675
Depreciation	78,896	78,896	78,896	-	236,688	230,448	(6,240)	236,688	-
Total Cost of Sales:	133,933	169,330	135,655	-	438,918	397,702	(41,216)	453,593	14,675
Gross Margin:	(88,976) -197.91%	(128,129) -310.99%	(97,029) -251.20%	-	(314,134) -251.74%	(209,001) -110.76%	(105,133) -140.98%	(341,693) -305.36%	27,559 53.61%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	(88,976) -197.91%	(128,129) -310.99%	(97,029) -251.20%	-	(314,134) -251.74%	(209,001) -110.76%	(105,133) -140.98%	(341,693) -305.36%	27,559 53.61%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	5,132	130,177	4,318	-	139,627	17,571	122,056	15,525	124,102
Grant Revenue:	-	34,988	1,529,967	-	1,564,955	32,886	1,532,069	1,564,955	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interest Transfer From SMC Contingency	4,261	4,777	4,073	-	13,111	15,358	(2,247)	14,250	(1,139)
Interest Expense:	(2,023)	(2,023)	(2,023)	-	(6,069)	(7,281)	1,212	(6,068)	(2)
Total Non-operating Revenue & Expense:	7,370	167,919	1,536,335	-	1,711,624	58,534	1,653,090	1,588,663	122,962
Net Income:	(81,606) -181.52%	39,790 96.58%	1,439,306 3726.26%	-	1,397,490 1119.93%	(150,467) -79.74%	1,547,957 1199.67%	1,246,970 1114.36%	150,520 85.30%
Earnings Before Interest and Depreciation (EBID):	(10,080) -22.42%	(49,233) -119.49%	(18,133) -46.95%	-	(77,446) -62.06%	21,447 11.37%	(111,373) -73.43%	(105,005) -93.84%	27,559 31.77%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(2,710)	118,686	1,518,202	-	1,634,178	79,981	1,554,197	1,483,658	150,520
Debt Principal	12,446	12,446	12,446	-	37,338	37,338	-	37,338	-
Debt Principal Coverage Surplus/Deficit	(15,156)	106,240	1,505,756	-	1,596,840	42,643	1,554,197	1,446,320	150,520
Debt Principal Coverage Percentage	-21.77%	953.61%	12198.31%	-	4376.72%	-34.81%	4411.53%	3973.59%	437.94%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(15,156)	106,240	1,505,756	-	1,596,840	42,643	1,554,197	1,446,320	150,520
Depreciation	78,896	78,896	78,896	-	236,688	230,448	6,240	236,688	-
Cash Accumulated For/(Taken From) Asset Replacement	(94,052)	27,344	1,426,860	-	1,360,152	(187,805)	1,547,957	1,209,632	150,520

Working Capital

Cash Flow:

Net Income Plus Depreciation Less Principal	(15,156)	106,240	1,505,756	-	1,596,840	42,643	1,554,197	1,446,320	150,520
CapEx, Accruals, and other Balance Sheet Changes	15,363	(1,615,625)	(191,944)	-	(1,792,206)	(257,794)	(1,534,412)	(1,792,206)	-
Increase in (Decrease in) Working Capital	207	(1,509,385)	1,313,812	-	(195,366)	(215,151)	19,785	(345,886)	150,520
Plus Beginning Total Working Capital	918,695	918,902	(590,483)	-	918,695	981,270	(62,575)	918,965	(270)
Equals Ending Total Working Capital:	918,902	(590,483)	723,329	-	723,329	766,119	(42,790)	573,079	150,250

Working Capital Detail:

Repair Reserve (1% of PPE):	116,632	116,632	116,632	-	116,632
Working Capital Designated for CapEx	23,312	234,786	68,004	-	68,004
Undesignated Working Capital	778,958	(941,900)	538,693	-	538,693
Total Working Capital:	918,902	(590,483)	723,329	-	723,329
Days On Hand Annual Cash Outlays in Total Working Capital:	1,206.37	(513.63)	926.65	-	806.32
Days On Hand Annual Cash Outlays in Total Working Capital Less Repair Reserve:	1,053.25	(615.08)	777.24	-	676.30
Days On Hand Annual Cash Outlays in Undesignated Working Capital	1,022.64	(819.31)	690.12	-	600.50
Working Capital Current Assets	987,709	1,038,299	861,774	-	861,774
Current Liabilities	(19,023)	(1,603,891)	(113,554)	-	(113,554)
CPLTD	(49,784)	(24,891)	(24,891)	-	(24,891)
Total Working Capital	918,902	(590,483)	723,329	-	723,329

Unspent Capital Project Working Capital Appropriations	Beginning 7/1	2017	Unbilled			Expenses	A/P	Retainage Payable	YTD Working Capital
	Working Capital	Appropriations	Cash	A/R	A/R				
80273 - GPIP Site Improvements	\$ 9,826.95	\$ -	\$ 9,826.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,826.95
90748 - GPIP Dock	\$ (14,094.04)	\$ 250,000.00	\$ 59,460.51	\$ -	\$ -	\$ 1,840,157.81	\$ -	\$ (88,662.50)	\$ 59,460.51
90836 - GPIP Shoreline Stabilization	\$ -	\$ -	\$ (1,283.87)	\$ -	\$ -	\$ 1,283.87	\$ -	\$ -	\$ (1,283.87)
Totals:	\$ (4,267.09)	\$ 250,000.00	\$ 68,003.59	\$ -	\$ -	\$ 1,841,441.68	\$ -	\$ (88,662.50)	\$ 68,003.59



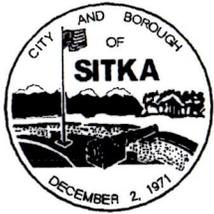
Balance Sheet

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Category Proprietary Funds					
Fund Type Enterprise Funds					
Fund 270 - Gary Paxton Industrial Complex					
ASSETS					
1027	Change in FMV-Investments				
1027.000	Change in FMV-Investments	21,633.00	19,625.00	2,008.00	10.23
	1027 - Change in FMV-Investments Totals	\$21,633.00	\$19,625.00	\$2,008.00	10.23%
1030	Investment-Central Trea.				
1030.100	Investment-Central Trea.	671,111.95	482,335.82	188,776.13	39.14
	1030 - Investment-Central Trea. Totals	\$671,111.95	\$482,335.82	\$188,776.13	39.14%
1050	Accts Rec.-Misc Billing				
1050.000	Accts Rec.-Misc Billing	43,898.44	46,697.84	(2,799.40)	(5.99)
	1050 - Accts Rec.-Misc Billing Totals	\$43,898.44	\$46,697.84	(\$2,799.40)	(5.99%)
1070	Notes Receivable				
1070.010	Notes Receivable	55,689.50	63,411.69	(7,722.19)	(12.18)
	1070 - Notes Receivable Totals	\$55,689.50	\$63,411.69	(\$7,722.19)	(12.18%)
1200	Prepaid Insurance				
1200.020	Prepaid Insurance	1,437.49	1,603.25	(165.76)	(10.34)
	1200 - Prepaid Insurance Totals	\$1,437.49	\$1,603.25	(\$165.76)	(10.34%)
1500	Land - SMC Industrial Com				
1500.270	Land - SMC Industrial Com	3,381,102.50	3,381,102.50	.00	.00
	1500 - Land - SMC Industrial Com Totals	\$3,381,102.50	\$3,381,102.50	\$0.00	0.00%
1510	Land Improvements				
1510.000	Land Improvements	5,231,342.17	5,231,342.17	.00	.00
	1510 - Land Improvements Totals	\$5,231,342.17	\$5,231,342.17	\$0.00	0.00%
1520	Distribution Lines				
1520.006	Distribution Lines	3,126,008.64	3,126,008.64	.00	.00
	1520 - Distribution Lines Totals	\$3,126,008.64	\$3,126,008.64	\$0.00	0.00%
1540	Buildings				
1540.000	Buildings	3,299,007.15	3,299,007.15	.00	.00
	1540 - Buildings Totals	\$3,299,007.15	\$3,299,007.15	\$0.00	0.00%
1550	Machinery & Equipment				
1550.000	Machinery & Equipment	5,094.80	5,094.80	.00	.00
	1550 - Machinery & Equipment Totals	\$5,094.80	\$5,094.80	\$0.00	0.00%
1570	Furniture & Fixtures				
1570.000	Furniture & Fixtures	1,724.00	1,724.00	.00	.00
	1570 - Furniture & Fixtures Totals	\$1,724.00	\$1,724.00	\$0.00	0.00%
1585	Intangible Accounts				
1585.000	Intangible Accounts	123,300.93	123,300.93	.00	.00
	1585 - Intangible Accounts Totals	\$123,300.93	\$123,300.93	\$0.00	0.00%



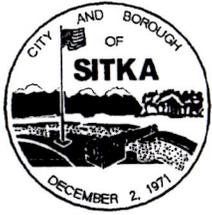
Balance Sheet

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Category Proprietary Funds					
Fund Type Enterprise Funds					
Fund 270 - Gary Paxton Industrial Complex					
ASSETS					
1610	Accumulated Depr. Land Im				
1610.000	Accumulated Depr. Land Im	(1,040,619.16)	(903,873.82)	(136,745.34)	(15.13)
1610 - Accumulated Depr. Land Im Totals		(\$1,040,619.16)	(\$903,873.82)	(\$136,745.34)	(15.13%)
1620	Accumulated Depr Ut Plant				
1620.000	Accumulated Depr Ut Plant	(697,483.62)	(634,962.56)	(62,521.06)	(9.85)
1620 - Accumulated Depr Ut Plant Totals		(\$697,483.62)	(\$634,962.56)	(\$62,521.06)	(9.85%)
1630	Accumulated Depr Harbor				
1630.000	Accumulated Depr Harbor	(.12)	(.12)	.00	.00
1630 - Accumulated Depr Harbor Totals		(\$0.12)	(\$0.12)	\$0.00	0.00%
1640	Accumulated Depr Building				
1640.000	Accumulated Depr Building	(1,484,593.82)	(1,362,037.15)	(122,556.67)	(9.00)
1640 - Accumulated Depr Building Totals		(\$1,484,593.82)	(\$1,362,037.15)	(\$122,556.67)	(9.00%)
1650	Accumulated Depr Equipmnt				
1650.000	Accumulated Depr Equipmnt	(5,094.80)	(5,094.32)	(.48)	(.01)
1650 - Accumulated Depr Equipmnt Totals		(\$5,094.80)	(\$5,094.32)	(\$0.48)	(0.01%)
1670	Accumulated Depr furnitur				
1670.000	Accumulated Depr furnitur	(1,724.00)	(1,724.00)	.00	.00
1670 - Accumulated Depr furnitur Totals		(\$1,724.00)	(\$1,724.00)	\$0.00	0.00%
1810	Acc. Amortization - 1992				
1810.090	Acc. Amortization - 1992	(229,380.40)	(229,380.40)	.00	.00
1810 - Acc. Amortization - 1992 Totals		(\$229,380.40)	(\$229,380.40)	\$0.00	0.00%
1820	Other Deferred Debits				
1820.000	Other Deferred Debits	229,380.40	229,380.40	.00	.00
1820 - Other Deferred Debits Totals		\$229,380.40	\$229,380.40	\$0.00	0.00%
ASSETS TOTALS		\$12,731,835.05	\$12,873,561.82	(\$141,726.77)	(1.10%)
LIABILITIES AND FUND EQUITY					
LIABILITIES					
2300	Advances Payable				
2300.000	Advances Payable	248,910.68	298,692.81	(49,782.13)	(16.67)
2300 - Advances Payable Totals		\$248,910.68	\$298,692.81	(\$49,782.13)	(16.67%)
LIABILITIES TOTALS		\$248,910.68	\$298,692.81	(\$49,782.13)	(16.67%)
FUND EQUITY					
2800	Contributed Cap.-Local				
2800.001	Contributed Cap.-Federal	2,427,569.38	2,427,569.38	.00	.00
2800.002	Contributed Cap.-State	1,304,917.94	1,304,917.94	.00	.00



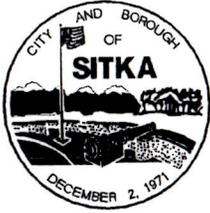
Balance Sheet

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Category	Proprietary Funds				
Fund Type	Enterprise Funds				
Fund	270 - Gary Paxton Industrial Complex				
	FUND EQUITY				
2800.003	Contributed Cap.-Local	1,749,388.61	1,749,388.61	.00	.00
	2800 - Contributed Cap.-Local Totals	\$5,481,875.93	\$5,481,875.93	\$0.00	0.00%
2900	Reserve for Encumbrances				
2900.010	Reserve for Encumbrances	151.00	151.00	.00	.00
	2900 - Reserve for Encumbrances Totals	\$151.00	\$151.00	\$0.00	0.00%
2910	Designated-Capital Project				
2910.140	Designated-Capital Project	(439,765.78)	(439,765.78)	.00	.00
	2910 - Designated-Capital Project Totals	(\$439,765.78)	(\$439,765.78)	\$0.00	0.00%
2920	Undesignated/Re. Earnings				
2920.000	Undesignated/Re. Earnings	7,852,210.97	7,745,425.23	106,785.74	1.38
	2920 - Undesignated/Re. Earnings Totals	\$7,852,210.97	\$7,745,425.23	\$106,785.74	1.38%
2965	P/Y Encumbrance Control				
2965.000	P/Y Encumbrance Control	(151.00)	(151.00)	.00	.00
	2965 - P/Y Encumbrance Control Totals	(\$151.00)	(\$151.00)	\$0.00	0.00%
	FUND EQUITY TOTALS Prior to Current Year Changes	\$12,894,321.12	\$12,787,535.38	\$106,785.74	0.84%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(152,521.43)			
	Fund Expenses	563,918.18			
	FUND EQUITY TOTALS	\$12,482,924.37	\$12,787,535.38	(\$304,611.01)	(2.38%)
	LIABILITIES AND FUND EQUITY TOTALS	\$12,731,835.05	\$13,086,228.19	(\$354,393.14)	(2.71%)
Fund	270 - Gary Paxton Industrial Complex Totals	\$0.00	(\$212,666.37)	\$212,666.37	100.00%
Fund Type	Enterprise Funds Totals	\$0.00	(\$212,666.37)	\$212,666.37	100.00%
Fund Category	Proprietary Funds Totals	\$0.00	(\$221,354.40)	\$221,354.40	100.00%
	Grand Totals	\$0.00	(\$221,354.40)	\$221,354.40	100.00%



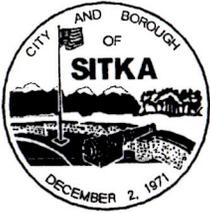
Balance Sheet

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year YTD Total	Net Change	Change %
Fund Category Proprietary Funds					
Fund Type Capital Projects Funds					
Fund 780 - Capital Project-GPIP					
ASSETS					
1030	Investment-Central Trea.				
1030.100	Investment-Central Trea.	68,003.59	369,416.97	(301,413.38)	(81.59)
1030 - Investment-Central Trea. Totals		\$68,003.59	\$369,416.97	(\$301,413.38)	(81.59%)
1590	Construction in Progress				
1590.000	Construction in Progress	433,633.87	352,984.33	80,649.54	22.85
1590 - Construction in Progress Totals		\$433,633.87	\$352,984.33	\$80,649.54	22.85%
ASSETS TOTALS		\$501,637.46	\$722,401.30	(\$220,763.84)	(30.56%)
LIABILITIES AND FUND EQUITY					
LIABILITIES					
2023	Retainage Payable				
2023.000	Retainage Payable	88,662.50	.00	88,662.50	+++
2023 - Retainage Payable Totals		\$88,662.50	\$0.00	\$88,662.50	+++
LIABILITIES TOTALS		\$88,662.50	\$0.00	\$88,662.50	+++
FUND EQUITY					
2900	Reserve for Encumbrances				
2900.010	Reserve for Encumbrances	7,603.80	7,603.80	.00	.00
2900 - Reserve for Encumbrances Totals		\$7,603.80	\$7,603.80	\$0.00	0.00%
2920	Undesignated/Re. Earnings				
2920.000	Undesignated/Re. Earnings	433,633.87	731,089.33	(297,455.46)	(40.69)
2920 - Undesignated/Re. Earnings Totals		\$433,633.87	\$731,089.33	(\$297,455.46)	(40.69%)
2965	P/Y Encumbrance Control				
2965.000	P/Y Encumbrance Control	(7,603.80)	(7,603.80)	.00	.00
2965 - P/Y Encumbrance Control Totals		(\$7,603.80)	(\$7,603.80)	\$0.00	0.00%
FUND EQUITY TOTALS Prior to Current Year Changes		\$433,633.87	\$731,089.33	(\$297,455.46)	(40.69%)
Prior Year Fund Equity Adjustment		.00			
Fund Revenues		(1,814,954.91)			
Fund Expenses		1,835,613.82			
FUND EQUITY TOTALS		\$412,974.96	\$731,089.33	(\$318,114.37)	(43.51%)
LIABILITIES AND FUND EQUITY TOTALS		\$501,637.46	\$731,089.33	(\$229,451.87)	(31.38%)
Fund 780 - Capital Project-GPIP Totals		\$0.00	(\$8,688.03)	\$8,688.03	100.00%
Fund Type Capital Projects Funds Totals		\$0.00	(\$8,688.03)	\$8,688.03	100.00%



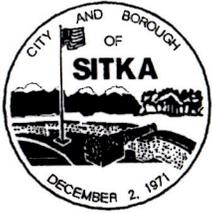
Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category Proprietary Funds							
Fund Type Enterprise Funds							
Fund 270 - Gary Paxton Industrial Complex							
REVENUE							
Division 300 - Revenue							
Department 310 - State Revenue							
3101	Grant Revenue						
3101.005	Grant Revenue	7,000,000.00	.00	.00	7,000,000.00	0	.00
3101 - Grant Revenue Totals		\$7,000,000.00	\$0.00	\$0.00	\$7,000,000.00	0%	\$0.00
Department 310 - State Revenue Totals		\$7,000,000.00	\$0.00	\$0.00	\$7,000,000.00	0%	\$0.00
Department 360 - Uses of Prop & Investment							
3601	Rent - Land						
3601.000	Rent - Land	70,000.00	9,275.19	90,133.04	(20,133.04)	129	60,885.39
3601 - Rent - Land Totals		\$70,000.00	\$9,275.19	\$90,133.04	(\$20,133.04)	129%	\$60,885.39
3602	Rent - Building						
3602.000	Rent - Building	79,200.00	4,014.50	34,650.77	44,549.23	44	53,566.71
3602 - Rent - Building Totals		\$79,200.00	\$4,014.50	\$34,650.77	\$44,549.23	44%	\$53,566.71
3610	Interest Income						
3610.000	Interest Income	20,700.00	1,422.08	14,626.50	6,073.50	71	17,570.87
3610 - Interest Income Totals		\$20,700.00	\$1,422.08	\$14,626.50	\$6,073.50	71%	\$17,570.87
Department 360 - Uses of Prop & Investment Totals		\$169,900.00	\$14,711.77	\$139,410.31	\$30,489.69	82%	\$132,022.97
Department 390 - Cash Basis Receipts							
3950	Transfer in from fund 540						
3950.173	Transfer In SCIP Conting	269,000.00	1,361.23	13,111.12	255,888.88	5	15,358.42
3950.540	Transfer in from fund 540	.00	.00	.00	.00	+++	37,654.00
3950 - Transfer in from fund 540 Totals		\$269,000.00	\$1,361.23	\$13,111.12	\$255,888.88	5%	\$53,012.42
Department 390 - Cash Basis Receipts Totals		\$269,000.00	\$1,361.23	\$13,111.12	\$255,888.88	5%	\$53,012.42
Division 300 - Revenue Totals		\$7,438,900.00	\$16,073.00	\$152,521.43	\$7,286,378.57	2%	\$185,035.39
REVENUE TOTALS		\$7,438,900.00	\$16,073.00	\$152,521.43	\$7,286,378.57	2%	\$185,035.39
EXPENSE							
Division 600 - Operations							
Department 630 - Operations							
5203	Heating Fuel						
5203.001	Electric	23,000.00	4,024.80	17,085.25	5,914.75	74	17,500.19
5203.005	Heating Fuel	23,000.00	1,280.58	12,057.37	10,942.63	52	14,388.62
5203 - Heating Fuel Totals		\$46,000.00	\$5,305.38	\$29,142.62	\$16,857.38	63%	\$31,888.81
5204	Telephone						
5204.000	Telephone	5,000.00	102.00	814.38	4,185.62	16	3,616.76
5204 - Telephone Totals		\$5,000.00	\$102.00	\$814.38	\$4,185.62	16%	\$3,616.76



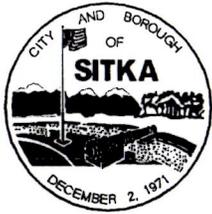
Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category Proprietary Funds							
Fund Type Enterprise Funds							
Fund 270 - Gary Paxton Industrial Complex							
EXPENSE							
Division 600 - Operations							
Department 630 - Operations							
5205	Insurance						
5205.000	Insurance	21,000.00	892.01	4,725.45	16,274.55	23	4,311.38
	5205 - Insurance Totals	\$21,000.00	\$892.01	\$4,725.45	\$16,274.55	23%	\$4,311.38
5206	Supplies						
5206.000	Supplies	2,000.00	.00	5,657.32	(3,657.32)	283	.00
	5206 - Supplies Totals	\$2,000.00	\$0.00	\$5,657.32	(\$3,657.32)	283%	\$0.00
5207	Repairs & Maintenance						
5207.000	Repairs & Maintenance	5,000.00	.00	.00	5,000.00	0	.00
	5207 - Repairs & Maintenance Totals	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0%	\$0.00
5208	Bldg Repair & Maint						
5208.000	Bldg Repair & Maint	20,000.00	883.96	3,753.20	16,246.80	19	10,697.18
	5208 - Bldg Repair & Maint Totals	\$20,000.00	\$883.96	\$3,753.20	\$16,246.80	19%	\$10,697.18
5211	Data Processing Fees						
5211.000	Data Processing Fees	.00	.00	.00	.00	+++	2,799.00
	5211 - Data Processing Fees Totals	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$2,799.00
5212	Contracted/Purchased Serv						
5212.000	Contracted/Purchased Serv	148,981.59	650.95	123,573.65	25,407.94	83	83,841.50
	5212 - Contracted/Purchased Serv Totals	\$148,981.59	\$650.95	\$123,573.65	\$25,407.94	83%	\$83,841.50
5214	Interdepartment Services						
5214.000	Interdepartment Services	37,874.00	6,897.55	33,394.65	4,479.35	88	27,487.85
	5214 - Interdepartment Services Totals	\$37,874.00	\$6,897.55	\$33,394.65	\$4,479.35	88%	\$27,487.85
5223	Tools & Small Equipment						
5223.000	Tools & Small Equipment	750.00	.00	.00	750.00	0	.00
	5223 - Tools & Small Equipment Totals	\$750.00	\$0.00	\$0.00	\$750.00	0%	\$0.00
5226	Advertising						
5226.000	Advertising	1,000.00	.00	.00	1,000.00	0	2,186.90
	5226 - Advertising Totals	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0%	\$2,186.90
5230	Bad Debts						
5230.000	Bad Debts	.00	.00	810.34	(810.34)	+++	.00
	5230 - Bad Debts Totals	\$0.00	\$0.00	\$810.34	(\$810.34)	+++	\$0.00
5231	Credit Card Expense						
5231.000	Credit Card Expense	600.00	25.14	358.18	241.82	60	424.41
	5231 - Credit Card Expense Totals	\$600.00	\$25.14	\$358.18	\$241.82	60%	\$424.41



Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category Proprietary Funds							
Fund Type Enterprise Funds							
Fund 270 - Gary Paxton Industrial Complex							
EXPENSE							
Division 600 - Operations							
Department 630 - Operations							
5290	Other Expenses						
5290.000	Other Expenses	1,000.00	.00	.00	1,000.00	0	.00
5290 - Other Expenses Totals		\$1,000.00	\$0.00	\$0.00	\$1,000.00	0%	\$0.00
Department 630 - Operations Totals		\$289,205.59	\$14,756.99	\$202,229.79	\$86,975.80	70%	\$167,253.79
Department 640 - Depreciation/Amortization							
6201	Depreciation-Land Improve						
6201.000	Depreciation-Land Improve	.00	.00	.00	.00	+++	102,559.05
6201 - Depreciation-Land Improve Totals		\$0.00	\$0.00	\$0.00	\$0.00	+++	\$102,559.05
6202	Depreciation-Plants						
6202.000	Depreciation-Plants	.00	.00	.00	.00	+++	46,890.09
6202 - Depreciation-Plants Totals		\$0.00	\$0.00	\$0.00	\$0.00	+++	\$46,890.09
6205	Depreciation-Buildings						
6205.000	Depreciation-Buildings	.00	.00	.00	.00	+++	80,998.83
6205 - Depreciation-Buildings Totals		\$0.00	\$0.00	\$0.00	\$0.00	+++	\$80,998.83
Department 640 - Depreciation/Amortization Totals		\$0.00	\$0.00	\$0.00	\$0.00	+++	\$230,447.97
Division 600 - Operations Totals		\$289,205.59	\$14,756.99	\$202,229.79	\$86,975.80	70%	\$397,701.76
Division 640 - Depreciation/Amortization							
6201	Depreciation-Land Improve						
6201.000	Depreciation-Land Improve	.00	11,395.45	102,559.05	(102,559.05)	+++	.00
6201 - Depreciation-Land Improve Totals		\$0.00	\$11,395.45	\$102,559.05	(\$102,559.05)	+++	\$0.00
6202	Depreciation-Plants						
6202.000	Depreciation-Plants	.00	5,210.01	46,890.09	(46,890.09)	+++	.00
6202 - Depreciation-Plants Totals		\$0.00	\$5,210.01	\$46,890.09	(\$46,890.09)	+++	\$0.00
6205	Depreciation-Buildings						
6205.000	Depreciation-Buildings	.00	9,693.25	87,239.25	(87,239.25)	+++	.00
6205 - Depreciation-Buildings Totals		\$0.00	\$9,693.25	\$87,239.25	(\$87,239.25)	+++	\$0.00
Division 640 - Depreciation/Amortization Totals		\$0.00	\$26,298.71	\$236,688.39	(\$236,688.39)	+++	\$0.00
Division 650 - Debt Payments							
5295	Interest Expense						
5295.000	Interest Expense	8,090.00	.00	.00	8,090.00	0	.00
5295 - Interest Expense Totals		\$8,090.00	\$0.00	\$0.00	\$8,090.00	0%	\$0.00



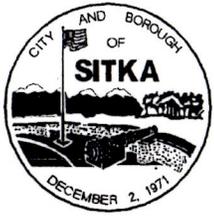
Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category Proprietary Funds							
Fund Type Enterprise Funds							
Fund 270 - Gary Paxton Industrial Complex							
EXPENSE							
Division 650 - Debt Payments							
7301	Note Principal Payments						
7301.000	Note Principal Payments	49,783.00	.00	.00	49,783.00	0	.00
	7301 - Note Principal Payments Totals	\$49,783.00	\$0.00	\$0.00	\$49,783.00	0%	\$0.00
	Division 650 - Debt Payments Totals	\$57,873.00	\$0.00	\$0.00	\$57,873.00	0%	\$0.00
Division 680 - Transfers Between Funds							
7200	Interfund Transfers Out						
7200.000	Interfund Transfers Out	375,000.00	.00	125,000.00	250,000.00	33	.00
	7200 - Interfund Transfers Out Totals	\$375,000.00	\$0.00	\$125,000.00	\$250,000.00	33%	\$0.00
	Division 680 - Transfers Between Funds Totals	\$375,000.00	\$0.00	\$125,000.00	\$250,000.00	33%	\$0.00
	EXPENSE TOTALS	\$722,078.59	\$41,055.70	\$563,918.18	\$158,160.41	78%	\$397,701.76
Fund 270 - Gary Paxton Industrial Complex Totals							
	REVENUE TOTALS	7,438,900.00	16,073.00	152,521.43	7,286,378.57	2%	185,035.39
	EXPENSE TOTALS	722,078.59	41,055.70	563,918.18	158,160.41	78%	397,701.76
Fund 270 - Gary Paxton Industrial Complex	Net Gain (Loss)	\$6,716,821.41	(\$24,982.70)	(\$411,396.75)	(\$7,128,218.16)	(6%)	(\$212,666.37)
Fund Type Enterprise Funds Totals							
	REVENUE TOTALS	7,438,900.00	16,073.00	152,521.43	7,286,378.57	2%	185,035.39
	EXPENSE TOTALS	722,078.59	41,055.70	563,918.18	158,160.41	78%	397,701.76
Fund Type Enterprise Funds	Net Gain (Loss)	\$6,716,821.41	(\$24,982.70)	(\$411,396.75)	(\$7,128,218.16)	(6%)	(\$212,666.37)
Fund Category Proprietary Funds Totals							
	REVENUE TOTALS	15,438,900.00	16,073.00	1,967,476.34	13,471,423.66	13%	217,921.10
	EXPENSE TOTALS	8,752,925.59	133,640.90	2,399,532.00	6,353,393.59	27%	439,275.50
Fund Category Proprietary Funds	Net Gain (Loss)	\$6,685,974.41	(\$117,567.90)	(\$432,055.66)	(\$7,118,030.07)	(6%)	(\$221,354.40)
Grand Totals							
	REVENUE TOTALS	15,438,900.00	16,073.00	1,967,476.34	13,471,423.66	13%	217,921.10
	EXPENSE TOTALS	8,752,925.59	133,640.90	2,399,532.00	6,353,393.59	27%	439,275.50
	Grand Total Net Gain (Loss)	\$6,685,974.41	(\$117,567.90)	(\$432,055.66)	(\$7,118,030.07)	(6%)	(\$221,354.40)



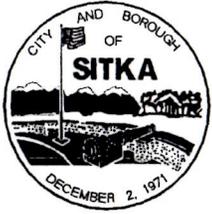
Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category Proprietary Funds							
Fund Type Capital Projects Funds							
Fund 780 - Capital Project-GPIP							
REVENUE							
Division 300 - Revenue							
Department 310 - State Revenue							
3101	Grant Revenue						
3101.005	Grant Revenue	7,500,000.00	.00	1,564,954.91	5,935,045.09	21	32,885.71
3101 - Grant Revenue Totals		\$7,500,000.00	\$0.00	\$1,564,954.91	\$5,935,045.09	21%	\$32,885.71
Department 310 - State Revenue Totals		\$7,500,000.00	\$0.00	\$1,564,954.91	\$5,935,045.09	21%	\$32,885.71
Department 390 - Cash Basis Receipts							
3950	Transfer in from fund 540						
3950.270	Transfer In SCIP	375,000.00	.00	125,000.00	250,000.00	33	.00
3950.540	Transfer in from fund 540	125,000.00	.00	125,000.00	.00	100	.00
3950 - Transfer in from fund 540 Totals		\$500,000.00	\$0.00	\$250,000.00	\$250,000.00	50%	\$0.00
Department 390 - Cash Basis Receipts Totals		\$500,000.00	\$0.00	\$250,000.00	\$250,000.00	50%	\$0.00
Division 300 - Revenue Totals		\$8,000,000.00	\$0.00	\$1,814,954.91	\$6,185,045.09	23%	\$32,885.71
REVENUE TOTALS		\$8,000,000.00	\$0.00	\$1,814,954.91	\$6,185,045.09	23%	\$32,885.71
EXPENSE							
Division 600 - Operations							
Department 630 - Operations							
5212	Contracted/Purchased Serv						
5212.000	Contracted/Purchased Serv	8,030,847.00	83,766.01	1,813,007.86	6,217,839.14	23	37,868.02
5212 - Contracted/Purchased Serv Totals		\$8,030,847.00	\$83,766.01	\$1,813,007.86	\$6,217,839.14	23%	\$37,868.02
5214	Interdepartment Services						
5214.000	Interdepartment Services	.00	8,819.19	22,605.96	(22,605.96)	+++	3,705.72
5214 - Interdepartment Services Totals		\$0.00	\$8,819.19	\$22,605.96	(\$22,605.96)	+++	\$3,705.72
Department 630 - Operations Totals		\$8,030,847.00	\$92,585.20	\$1,835,613.82	\$6,195,233.18	23%	\$41,573.74
Division 600 - Operations Totals		\$8,030,847.00	\$92,585.20	\$1,835,613.82	\$6,195,233.18	23%	\$41,573.74
EXPENSE TOTALS		\$8,030,847.00	\$92,585.20	\$1,835,613.82	\$6,195,233.18	23%	\$41,573.74
Fund 780 - Capital Project-GPIP Totals							
REVENUE TOTALS		8,000,000.00	.00	1,814,954.91	6,185,045.09	23%	32,885.71
EXPENSE TOTALS		8,030,847.00	92,585.20	1,835,613.82	6,195,233.18	23%	41,573.74
Fund 780 - Capital Project-GPIP Net Gain (Loss)		(\$30,847.00)	(\$92,585.20)	(\$20,658.91)	\$10,188.09	67%	(\$8,688.03)
Fund Type Capital Projects Funds Totals							
REVENUE TOTALS		8,000,000.00	.00	1,814,954.91	6,185,045.09	23%	32,885.71
EXPENSE TOTALS		8,030,847.00	92,585.20	1,835,613.82	6,195,233.18	23%	41,573.74



Income Statement

Through 03/31/17

Detail Listing

Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year YTD Total
Fund Category	Proprietary Funds						
Fund Type	Capital Projects Funds						
	Net Gain (Loss)	(\$30,847.00)	(\$92,585.20)	(\$20,658.91)	\$10,188.09	67%	(\$8,688.03)



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

Monday, June 5, 2017

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: ABWI Equipment Purchase/Removal

Introduction

Alaska Bulk Water Inc. (ABWI) has modified its offer to have the CBS purchase water loading equipment (attached). Additionally, ABWI is requesting an extension to the time it has to remove its equipment from CBS property.

Background

ABWI installed a mooring buoy system in the CBS tidelands seaward of the CBS's bulk water pipeline during the summer of 2015. Additionally, ABWI installed a manifold on the end of the CBS bulk water pipeline that reduced the pipe sized from 36" to 20". ABWI also purchased roughly 1800 feet of 24" HDME pipe and floats that supported the water based pipe.

ABWI's water purchase agreement with the CBS was terminated in 2016 due to failure to meet terms of the agreement. The CBS presented a License Agreement to ABWI to allow ABWI to keep its water loading system on CBS uplands and tidelands. ABWI never executed the license agreement with the CBS.

ABWI removed the mooring buoy system the week of March 13th and is now inquiring if the CBS wishes to purchase its equipment and/or additional time to remove the remaining upland equipment.

The GPIP Board addressed ABWI request to have the CBS purchase its water loading equipment for \$400k at its May 2017 Board meeting. The Board declined to purchase the equipment at that time.

Action

- Board discussion regarding potential purchase or equipment and/or additional time to remove equipment.

Alaska Bulk Water Inc.
2211 Elliott Ave, Seattle, Washington Suite 200 98121

June 5, 2017

sent by email

Mr. Garry White, Executive Director
GPIP Board Memebers
329 Harbor Drive Suite 212
Sitka, Alaska 99835

Dear Garry and Board Members:

This letter is a further proposal to the letter sent to the Board on April 17, 2017. At that time ABWI was offering the entire bulk water loading station for \$400k. ABWI is now asking \$100k for the pipeline, floats, couplers and miscellaneous parts. An advertisement was placed in the Alaska Equipment Trader in their June issue (see attached ad). We anticipate that it may take as much as 90 days to conclude a deal and move that portion of the pipeline that is on the CBS lot next to the bottling plant. ABWI requested additional time on May 7 to advertise and sell this material. Since the mooring buoys were removed in March per the request from the City Administrator, there is no conflict with the contractor for the general purpose dock. Hence, if the Board decides not to purchase the pipeline and floats, we ask that an extension of time be granted.

ABWI is also offering the two manifolds that were custom designed for the bulk water pipeline. These two manifolds will be required to sell any water from the bulk water pipeline. These manifolds were specifically designed for the bulk water pipeline. The manifold that is attached to the CBS bulk water pipeline accommodates a 24 inch pipeline. It also has a separate 12 inch valve that ABWI planned to use for additional business at the bottling plant. This line could be used to bring water directly to the general purpose dock to load bulk water in bags, barges, or smaller vessels. Also, this could be a supply line to provide fresh water to all vessels at the general purpose dock. A picture of this manifold is also attached.

The second manifold was designed to breakdown the 24 inch pipeline into multiple smaller ports for loading into ships holds. This manifold will be required for any loading into a ship. This could be done at the end of a floating pipeline as ABWI planned to do with the mooring buoys or it could be used dockside at the new general purpose dock to provide multiple fresh water lines for any size of vessel or general purpose.

ABWI is asking \$43k for these 2 manifolds. This is the amount that ABWI paid a marine contractor and contributed to the CBS in 2015 for the bathymetric studies. ABWI's cost for these pieces of equipment was certainly higher than this amount. ABWI is willing to negotiate for terms on this equipment as well on the pipeline and other equipment if the Board wishes to accept either or both of these proposals.

Supplying the purest water on earth...

Alaska Bulk Water Inc.

2211 Elliott Ave, Seattle, Washington Suite 200 98121

ABWI has invested a good deal of money, time and effort in attempting to sell bulk water for the CBS. After more than 10 years of working on this effort, I am still a believer that the sale of bulk water in Sitka, Alaska will become a reality. I would like to see this happen to know that my conviction in this belief was not in vain. I wish the CBS good luck in the future in becoming a major world player in water sales.

Yours truly,

Terry Trapp
CEO ABWI

Attachments

Supplying the purest water on earth...



24 INCH SDR11 HDPE

**1400 feet 24 inch SDR11 HDPE/ multiple fittings,couplers,adapters, also 30 Nautilus high vis. 24 inch floats in Sitka, AK.
\$100k or best offer call Terry 303 880 2232**







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

Monday, June 5, 2017

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: Sawmill Farm Lease Review

Introduction

The Sawmill Farm was/is out of lease compliance with a number of provisions in the lease. The GPIP Board met with Bobbie Daniels, Principle of the Farm, at its April 2017 meeting and requested that the Farm provide remedy to meet terms of the lease by May 2017.

Background

The CBS entered into a month-to-month lease agreement with the Sawmill Farm LLC for Lot 1, Block 4 at the GPIP in February 2016. The Sawmill Farm requested to lease the property for housing farm animals.

Lot 1, Block 4 is a 6.69 acre parcel of undeveloped property located adjacent to Sawmill Creek, across the creek from the GPIP proper. Lot1, Block 4 is the former location of the APC landfill. The landfill was capped in 1999 with crushed concrete and vegetation. Maintaining the integrity of the landfill cap (including soils and grasses) and existing surface water drainage around the landfill are required per the CBS agreement with the State of Alaska Department of Environmental Conservation. Please see attached information from 12/99 APC-Sitka Landfill Closure Improvement Project report.

The CBS is leasing 52,274 SF or 1.2 Acres of property of Lot 1, Block 4 for the use of a farm on a month-to-month term. The monthly lease rate is \$250/month.

Action

- GPIP Board discussion and recommendation on Sawmill Farm lease.



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

Monday, June 5, 2017

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: Eckert Sales and Marketing Proposal

Introduction

Eckert Sales and Marketing (<http://eckertsales.com/>) met with the GPIP Board at its March and April 2017 meetings.

Eckert Sales and Marketing is requesting to establish a water purchase agreement with the CBS to export water in bulk to be bottled at a facility in the lower 48.

Principal owners of the family run business from California attended the March meeting and presented information on the business vision for bottling Sitka water.

The GPIP Board and Eckert Sales were not able to come to terms on a water purchase agreement at either meeting.

Eckert Sales has submitted the updated attached proposal for the Board's consideration.

Additional information

Current Sitka General Code water rates for GPIP:

- The current rate for water exported in container sizes greater than 5 gallons is \$0.01/gallon
 - The current rate for water bottles in container size of 5 gallons or less is \$0.00196/gallon.
- *Note: Water rates could increase 3% in the near future.

Water loading area for containers

The GPIP Director and CBS staff have identified an area near the water meter building where a tap into the 42" bulk water pipeline could be installed to accommodate future water loading for container-sized loads. Funding will need to be identified to accomplish this work.

Action

- Board discussion regarding terms of a water purchase agreement.

Water Supply Term Sheet

May 30, 2017

This term sheet is intended to describe the general terms and conditions of an agreement for the supply of water (the “Supply Agreement”) by the City and Borough of Sitka, Alaska (“Sitka”) to Eckert Fine Beverages, LLC (“Eckert”), and is subject to the negotiation and execution of a definitive agreement. This term sheet is not a binding agreement, does not express an agreement of the parties or an offer to enter into an agreement, and is not intended to and does not create any legal or equitable obligations with respect to the Supply Agreement on the part of any party hereto.

1. **Supply:** During the term of the Supply Agreement, Sitka would allocate and supply up to 100,000,000 gallons of raw water annually from Blue Lake of Sitka, Alaska to Eckert (the “Water”).

Sitka would allow Eckert (or its designees) access to the Water through a metered tee off a mutually agreeable and actively utilized water pipeline from Blue Lake located in the Garry Paxton Industrial Park (“GPIP”). The location for a filling structure within GPIP is to be accessible by truck for IBC palletized totes and/or trailered ocean going 20’ freight container. The filling structure will be built by Sitka suitable for use with both 200-400 gallon IBC palletized totes and 20’ freight containers.

Sitka would be responsible for the construction, maintenance, and repair of the Water pipeline and container filling structure. Eckert would be responsible for all other costs of collecting, and shipping the Water from the metered tee valve.

2. **Price:** \$0.01 per gallon of Water. Eckert would pay Sitka for Water within 30 days following pickup from GPIP.

3. **Exclusivity:** During any 12 month period should Eckert purchase 5,000,000 gallons of water or more, Eckert will be granted global exclusivity (other than China) with respect to water drawn from Blue Lake for consumer bottled drinking water during the following 12 months.

Eckert, in its sole discretion exercised at any time during the term of the Supply Agreement, would have the right to pay Sitka \$50,000 in exchange for 12 months of global exclusivity (other than China) with respect to water drawn from Blue Lake for consumer bottled drinking water. Eckert would be able to exercise its right to exclusivity as many (or as few) times as it desires during the term of the Supply Agreement.

If Sitka is approached by a third party with respect to the supply of consumer bottled drinking water during a period in which Eckert’s

exclusivity rights apply, Sitka would promptly inform Eckert of such inquiry and disclose all material terms to Eckert.

If Sitka is approached by a third party with respect to the supply of consumer bottled drinking water during a period in which Eckert's exclusivity rights do not apply, Sitka would notify Eckert and grant Eckert a right of first refusal to match such third party's commitment for the purchase of water.

4. Term: The initial term of the Supply Agreement would be 40 years. Eckert has the option to renew at 10 year increments thereafter for 60 years.
5. Definitive Agreements: Following agreement on terms, Eckert and its counsel would be responsible for preparing the initial draft of the definitive Supply Agreement, which would be in a form customary for transactions of this type (including customary remedies in the event of breach), all subject to negotiation by the parties.
6. Costs and Expenses: Each party will pay all of its own costs and expenses incurred at any time in connection with the negotiation and execution of the Supply Agreement, including legal fees, broker's fees, finder's fees and fees of financial advisors and accountants.
7. Miscellaneous: The definitive agreements and this term sheet will be governed by and construed under the laws of the State of California without regard to conflicts of laws principles.

* * *

The board has been comparing our terms to past contracts for bulk water. I have summarized below why that could not create a logical comparison to exporting water for bottled drinking water.

	Total Gallons Available	Dollars Earned Per Year	\$ Per Gallon
Bulk Water	9,500,000,000	\$ 144,444.44	\$ 0.0000152
Bottled Water	726,000,000	\$ 50,000.00	\$ 0.0000689

This number is derived as an average from the \$1.3 million that GPIIP has accrued over the last 9 years of exporting water

What price is equal to the bulk water deals?	726,000,000	\$ 11,038.56	\$ 0.0000152
--	-------------	--------------	--------------

This number is taken from our terms as an offered amount to gain exclusivity of bottled

What is the difference?	453%	\$ 38,961.44	
-------------------------	------	--------------	--

This number is to show what should be paid for exclusivity if we were to match the \$ Per Gallon (\$0.0000152) paid for past bulk water on a yearly average

This number shows how much we are willing to pay as a surplus to what exclusivity on the amount of gallons is actually worth based on past bulk water deals



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

Monday, June 5, 2017

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: Strategic Planning

Introduction

The GPIP Board met on December 15, 2016, January 9, 2017, February 21, 2017, and May 4th, 2017 to discuss development of the industrial park and to create a new strategic plan for the industrial park. The addition of a multi-purpose dock at the park has potential to influence the development of the remaining park properties.

Board discussions are outlined in the minutes of the meeting dates listed above.

The Director has drafted the attached draft 2017 GPIP Strategic Plan for the Board's review.

Action

- Continued discussion on the future of the GPIP and the strategic plan.
- GPIP Board Approval of draft 2017 GPIP Strategic Plan



Gary Paxton Industrial Park (GPIP)

Strategic Plan

Adopted by the GPIP Board
2017

Introduction

The GPIP Board developed this Strategic Plan at a planning session held in Winter/Spring of 2017. The GPIP Board recognizes that multi-purpose dock and future infrastructure uses within the park will help determine 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 minimize negative 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.
- Lots 3, 7, 8, 9a, 9C, & 15 are designated as uplands to support marine services sector and multi-purpose dock.
 - These parcels will be kept in public ownership.
 - Parcels developed to support maritime industry
- Lot 6 is designated for future private or public development to support maritime industry.
- Lot 9b is designated to support management of port facility.
- Utility Dock and adjacent uplands to be further researched for 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 21.
- Release RFP for sale of the Administration Building lot.
- Remove area of GPIIP sign from Administration Building lot.
- Bring interested parties together to discuss remaining rock at GPIIP.

❖ **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 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 Strategic for existing GPIIP Development Board.**

- Research different management concepts and entities.



**Request for Proposals
Private Sector Development of
Portion of Lot 23 (Administration
Building)**



Request for Proposals
By the City and Borough of Sitka, Alaska and
The Gary Paxton Industrial Park Board of Directors
Selection of a private entity(s) to purchase a portion of Lot 23, otherwise known as the
Administration Building, located at the Gary Paxton Industrial Park.

Proposals will be received at the Office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 until 2:00 P.M., XXXX, 2017. The time of receipt will be determined by the Municipal Clerk's time stamp. Proposals received after the time fixed for the receipt of the bids may not be considered.

For Proposal Specifications and Evaluation Criteria contact:

City and Borough of Sitka
Gary Paxton Industrial Park Director
329 Harbor Drive, Suite 212
100 Lincoln Street, Sitka, Alaska 99835
(907) 747-2660
garrywhite@gci.net

The project consists of selecting an entity(s) to purchase a portion of Lot 23, otherwise known as the Administration Building, located at the Gary Paxton Industrial Park with the intent to develop business opportunities and provide jobs.

Please direct all questions regarding this project to:

Garry White
Gary Paxton Industrial Park Director
907-747-2660
garrywhite@gci.net

Additional information regarding the portion of Lot 23, otherwise known as the Administration Building is available upon request.

The City and Borough of Sitka reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.

Dated this ____ day of _____, 2017.

CITY AND BOROUGH OF SITKA

Michael Harmon, Public Works Director

GARY PAXTON INDUSTRIAL PARK

Sitka, Alaska is requesting proposals from qualified firms or individuals for the project described herein.

The following subjects are discussed in this RFP to assist you in preparing your proposal.

- I. Introduction
- II. Preferred Outcome
- III. Relationship with City and Borough of Sitka
- IV. Proposal Format and Content
- V. Evaluation Criteria and Selection Process
- VI. Schedule
- VII. Project Location Map
- VIII. Environmental Overview

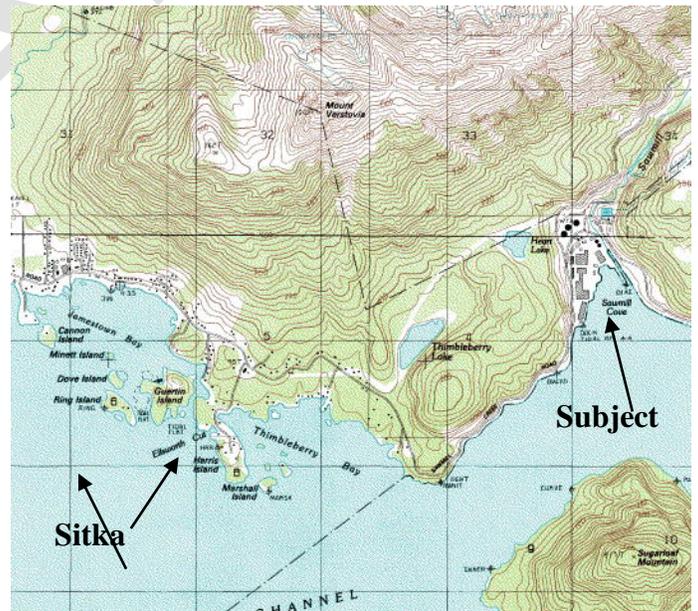
I. Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors, through the City and Borough of Sitka (CBS), desires to select a private entity(s) to purchase a portion of Lot 23, otherwise known as the Administration Building. The site is located at the Gary Paxton Industrial Park, the site of the former Alaska Pulp Company (APC) pulp mill located five miles southeast of downtown Sitka. The site is on the road system.

Gary Paxton Industrial Park is under development by a five-member board of directors appointed by the Sitka Assembly. The Board manages the day-to-day operations of the Park working with and through the Municipal Administrator and a Park Director. The Board serves in an advisory capacity to the Assembly, who has final authority on leases and sales at the Park.

Sitka needs family wage jobs and the Board has certain requirements to assure every effort is being made to secure tenants at the Park that will: 1) Create family wage jobs for Sitkans and; 2) Generate operating and capital funds for the Park.

The Alaska Pulp Corporation and CBS reached an agreement and transferred ownership of the site to CBS in 1999. Prior to that transfer, APC and CBS made agreements with EPA and the Alaska Department of Environmental Conservation (ADEC) regarding



future uses of the site. Attached to this RFP is an overview of the environmental restrictions and agreements between CBS and ADEC and the Park management plan.

Hazard Mitigation: On August 15, 2015, an intense rainstorm hit the Sitka, Alaska area dumping 2.5 inches or more of rain in a six-hour period. The landslide caused a debris flow that crossed Sawmill Mill Creek Road and stopped against the Administration Building. The debris caused limited architectural damage to the building.

The CBS hired Shannon & Wilson, Inc., a geotechnical and environmental firm, to conduct and evaluate the site for potential future landslide and debris flow hazards that could affect the Administration Building. The analysis was completed during the summer and fall of 2016. Shannon and Wilson completed its written report of findings and recommendations to the CBS on November 18, 2016. The report identifies potential debris flow risks, provides recommended hazard mitigations, and is available for viewing.

The CBS will require that hazard mitigations be implemented before the building can be used for commercial use.

II. Preferred Outcome:

The Gary Paxton Board of Director's preferred outcome from this RFP is the selection of an experienced and well-financed entity(s) to purchase the portion of Lot 23, otherwise known as the Administration Building, of the Gary Paxton Industrial Park to establish a business operation(s) and create jobs in Sitka. Once that selection is made, the Board may carry out further negotiations as might be necessary. The Gary Paxton Board will make its determination of the ideal business operation(s) and forward that recommendation to the City & Borough of Sitka Assembly who has final authority in these matters.

Retail Development: The City and Borough of Sitka has set guidelines for retail and business use for the Park. Please see attached Table.

Additional: The City and Borough of Sitka reserves the right to negotiate with the finalist(s). The City and Borough of Sitka retains the right to refuse or accept any and/or all proposals.

III. Relationship with City and Borough of Sitka / Gary Paxton Industrial Park

- a. Selected entity(s) and CBS shall enter into a Purchase and Sale agreement.
- b. CBS will charge Entity(s) property tax on the real property, the assessed value of facilities constructed by Entity(s) and upon the assessed value of the possessory interest.

c. Entity(s) shall collect and remit CBS sales tax for services or sales the Entity(s) provides at the Gary Paxton Industrial Park site.

d. Entity(s) will follow all CBS zoning and building codes.

IV. Proposal Format and Content

Direct questions regarding this proposal to Garry White, Director, Gary Paxton Industrial Park, (907) 747-2660.

Proposals, that do not address the items listed in this section, may be considered incomplete and may be deemed non-responsive by the City and Borough of Sitka.

PROPOSAL FORMAT

- A. Letter of Transmittal
- B. Narrative
 - 1. Brief description of the entity including its legal structure, experience, and the experience of its key individuals. Brief resumes of the managers.
 - 2. Provide a concept level operations plan for the facility. Describe the estimated number of employees and how operation(s) would benefit Sitka over the long term. At a minimum include:
 - A) Estimated number of new (net increase of) full-time equivalent jobs and describe how employment may fluctuate through the year.
 - B) Estimate net increase in sales tax, fish tax or similar taxes to the CBS. Net increase would be additional from sales not already taking place in Sitka.
 - C) Estimated amount of raw property adjacent to the building desired in square feet.
 - 3. Provide proposed purchase price offer and terms.
 - 4. Provide a schedule for start of business operation(s).

5. Provide a hazard mitigation plan, which materially satisfies the recommended hazard mitigations in the Shannon & Wilson, Inc., report.

Submit six (6) copies of the completed Proposal in a sealed, secure envelope marked as follows:

**GARY PAXTON INDUSTRIAL PARK
Proposals for Portion of Lot 23 (Administration Building)**

PROPOSAL DATED: _____, 20__

The Proposals shall be addressed to:

Municipal Clerk
City & Borough of Sitka
Office of the Municipal Clerk
City and Borough of Sitka
100 Lincoln Street; Sitka, Alaska 99835

Proposals shall be received at the office of the City Clerk before 2pm on XXX, 2017.

V. Evaluation Criteria and Selection Process

A selection committee consisting of the Gary Paxton Industrial Park Board of Directors and the CBS Public Works Department will evaluate the proposals and make a recommendation to the City and Borough Assembly.

The committee will use the following criteria in deriving a numerical score for each proposal:

- a. Qualifications & Experience of the Entity(s). From the proposal and from your own knowledge of this entity, give from 1 to 25 points with the best score as 20.
- b. Concept Plan. Does the concept plan express an understanding of the Request for Proposals? Does the plan accommodate other uses of the Gary Paxton Industrial Park waterfront and uplands? Does the plan provide or secure long term jobs to the community? How many? Does the plan increase net business activity in Sitka through sales, fish tax, etc.? Score from 1 to 35 points.
- c. Purchase or Lease Price. Do the proposal purchase or lease price and terms adequately compensate the CBS and/or help fulfill the mission of the GPIIP? Score from 1 to 10 points with higher purchase price receiving a higher score.

d. Start up Schedule. What is the time frame for business start up to provide jobs? Score from 1 to 10.

e. Hazard Mitigation Plan. Does the proposal address the hazard/environmental concerns with this project? Total of 20 points available.

f. Confidence in Developer(s). This is a judgment call based upon the subjective experience of the evaluator. Score from 1 to 5 points.

TOTAL POSSIBLE POINTS = 105

VI. SCHEDULE

GARY PAXTON INDUSTRIAL PARK SALE OR LEASE OF PORTION OF LOT 23

- Proposals due 2:00 PM Date: XXX/2017
- Gary Paxton Industrial Park Board Selection XXX 2017
- Assembly Approval of Development Agreement XXX 12'
- Operational Goal XXX 2017

VII. Project Location Map

**Alaska Department of Environmental Conservation
Contaminated Sites Program**

**Amendment to the April 1999 Record of Decision
Alaska Pulp Corporation
March 30, 2005**

Background

At the request of the Alaska Department of Environmental Conservation (DEC), Alaska Pulp Corporation, (APC), through restrictive covenants, created equitable servitudes running appurtenant to all land within U.S. Survey 2797 and Alaska Tidelands Patent No. 20, as described by Alaska Tidelands Survey No. 6. The restrictive covenants were recorded at Book 126, Pages 713 – 716, Sitka Recording District on September 4, 1997. The equitable servitudes prohibited certain uses on the property as follows:

The property shall not, at any time, be used, in whole or in part, for human habitation, schooling of children, hospital care, child care or any purpose necessitating around-the-clock residency by humans unless said property is first investigated for the presence of dioxins/furans and any such dioxins/furans are reduced to a concentration, or determined to be present at a concentration, which is at or below a site-specific, risk based, cleanup level established by ADEC, based upon actual or reasonably foreseeable exposure pathways for children.

In April 1999, DEC issued a Record of Decision (ROD) that summarized the history of the site and documented the environmental status of the site based on cleanup actions and institutional controls. The ownership of the former mill site property was then conveyed from APC to the City and Borough of Sitka (CBS).

A management plan (Management Plan for the Sawmill Cove Property) was drafted that incorporated the terms and conditions of the ROD and specified any cleanup work to be performed under a prospective purchaser agreement (PPA) between the State and CBS for the Property. The PPA limited CBS liability for existing contamination at the site in exchange for the cleanup work that was identified in the Management Plan and DEC's Record of Decision. The plan was signed by the DEC Commissioner (Michelle Brown) and the mayor of Sitka on April 28, 1999.

The CBS currently operates the site as the Sawmill Cove Industrial Park. In order to increase future development options (including housing for seasonal seafood industry workers), CBS hired an environmental consulting firm in late 2004 to review the 1999 human health risk assessment and determine if a residential use scenario could occur without posing human health risks. The 1999 Foster Wheeler assessment evaluated risk considering potential exposure across the entire site, but the more conservative residential exposure assumptions were not used. This resulted in the commercial/industrial land use restrictions commensurate with the site's use and borough zoning requirements.

The CBS consultant evaluated possible risk scenarios in 2004 based on length of residency and whether the occupants were adults or children. It was determined that future residents at the former mill site (either year-round or part of the year) would not be at risk from hazardous substance contamination at levels determined acceptable by DEC. Based on this analysis, DEC determined that chemicals of potential concern, including dioxins/furans, were not present on the property in concentrations exceeding DEC site-specific, risk based residential cleanup levels. For dioxins and furans combined, the site-specific residential cleanup level is 8×10^{-4} milligrams per kilogram (parts per million) using the toxic equivalent quotient methodology.

Public Comment Responsiveness Summary

In mid-February 2004, a 14-day public notice was issued in the Sitka Sentinel regarding the proposed modification to the commercial/industrial land use restriction. One verbal comment was received regarding alleged use of preservatives on the pulp rolls following manufacture. According to the commentor, chemicals were sprayed onto the pulp rolls in and around the vicinity of the warehouses, which are still standing. The commentor was concerned that residual chemicals could pose human health risk.

Response: The follow-up research indicated that small quantities of a chemical fluffing agent were added at the request of customers to certain grades of rayon pulp for use in high absorbent linings of personal hygiene products. The fluffing agent was added to the final sheets at the end of the manufacturing process at the pulp cutter adjacent to the roll storage. After adding the chemicals, bales were formed, wrapped in heavy paper, stacked and placed on pallets. From there they were taken into the warehouse area for storage prior to loading onto ships. The chemical fluffing agent did not come into contact with the concrete warehouse floors and it was concluded that human health risks from residual chemicals do not exist.

Amended Decision

DEC has evaluated the new information provided in the 2004 risk assessment regarding unrestricted land at this property. The proposed residential land use designation is the least restrictive use as it relates to contaminated site management but it has been determined that site specific conditions at the Property allow residential use and development of the property without posing an unacceptable health risk. This includes: human habitation; schools; health care facilities; and other uses that may be compatible with the management plan for this Property.

Based on the information provided to date, DEC approves of the change in land use restrictions at the Sawmill Cove Property from commercial/industrial to residential use. The contaminant levels do not pose an unacceptable health risk to human habitation at this property and the equitable servitude previously attached to the property should be rescinded. All other terms and conditions of the original Record of Decision shall remain in effect.

The rescission, applicable to U.S. Survey No. 2797 and Alaska Tidelands Patent No. 20, as described by Alaska Tideland Survey No. 6, will be recorded at the Sitka Recorders Office.

**Table [22.16.015-6](#)
Retail and Business Uses**

ZONES	Gary Paxton Industrial Park
RETAIL USES	
• Building, hardware and garden materials	P
• Bulk forest products sales	P
• Retail forest products sales	C
• Art galleries and sales of art	
• Department and variety stores	
• Food stores	C
• Agricultural product sales	P
• Motor vehicle and boat dealers	P
• Auto supply stores	P
• Gasoline service stations	C
• Apparel and accessory stores	
• Furniture and home furnishing stores	C
• Eating and drinking places	C
• Drug stores	
• Liquor stores	
• Used goods, secondhand stores	C
• Sporting goods	
• Book, stationery, video and art supply	
• Jewelry stores	
• Monuments, tombstones and gravestones	P
• Hobby, toy, game stores	
• Photographic and electronic stores	
• Fabric stores	
• Fuel dealers	C
• Florists	
• Medical supply stores	
• Pet shops	
• Sales of goods that are wholly manufactured at Gary Paxton Industrial Park GPIP	P
• Sales of gifts, souvenirs and promotional materials that bear the logo or trade name of an GPIP permitted use business	P
• Stand alone souvenir and gift shops	
• Bulk retail	
BUSINESS SERVICES	
• General business services	C
• Professional offices	P

• Communications services	P
• Research and development services	P

H. Retail and Business Uses Table [22.16.015-6](#) Footnotes.

1. Public facilities not otherwise identified may be permitted in the public zone subject to planning commission recommendation and assembly approval subject to findings of fact that show the use is in the public interest, all reasonable safeguards are to be employed to protect the surrounding area, and that there are no reasonable alternative locations for the use.
2. All uses in the waterfront district are intended to be water-related or water-dependent except that upland uses may be non-water-related.
3. No industrial use shall be of a nature which is noxious or injurious to nearby properties by reason of smoke, emission of dust, refuse matter, odor, gases, fumes, noise, vibration or similar conditions.
4. Uses listed as conditional uses in the GI and LI zones may be considered, but not necessarily approved, on a case-by-case basis.
5. When associated with a water-related principal use.
6. Small scale convenience stores subordinate to principal permitted uses.
7. Motor vehicles and boat dealers permitted on a short-term basis.
8. Kiosks, outdoor restaurants, portable structures such as food stands and other temporary structures that are clearly incidental to the primary use on the lot are permitted uses. Mobile food carts on wheels are permitted uses on private property. Kiosks, outdoor restaurants, portable structures such as food stands and other temporary structures that are not clearly incidental to the primary use on the lot are conditional uses.