



**Sawmill Cove Industrial Park  
Board of Directors Meeting  
August 24, 2006 – 9:00 AM  
SEDA Board Room  
329 Harbor Drive Suite 212, Sitka 99835**

**A. CALL TO ORDER**

Acting Chair Loiselle called the meeting to order at 9:00 am.

**B. ROLL CALL**

Board Members Present:      Bob Loiselle                              Trevor Harang  
   Charles Horan                              Grant Miller

Absent and excused:              Nancy Davis

Others Present:                      Hugh Bevan                              Maria Finkenbinder  
   Doris Bailey                              Rich Riggs  
   John Stein                              Theresa Hillhouse  
   John Holst                              Jim Corak  
   Fred Reeder                              - Southeast Stevedoring  
   Troy Denkinger                              - Stikine Holdings  
   Rob Zuanich                              - Stikine Holdings  
   Mike Read (teleconference)              – Transportation Engineering NW

**C. REVIEW OF MINUTES – Aug, 15<sup>th</sup>, 2006 Meeting**

**MOTION:**      **M/S Harang/Miller** moved to approve the minutes from the Aug. 15<sup>th</sup>, 2006 meeting as presented.

**ACTION:**      Motion **PASSED 3-0** on a voice vote. Mr. Horan came in after the motion was passed.

**D. CORRESPONDENCE & OTHER INFORMATION**

Mr. Bevan briefly mentioned the following correspondence which were included in the Board's packet:

- (1) Copy of SEDA Board President Roger Hames' thank you letter to Pat O'Neill;
- (2) Copy of Municipal Clerk Colleen Pellett's memo to Mr. Stein regarding establishing a records center at Sawmill Cove;
- (3) Copy of Mr. Bevan's letter to Jack Hinshaw of Northwest Direct regarding bulk water purchases.

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA**

With the members' consent, the Chair said that the Board will take up the Draft Transportation Study first to accommodate the schedule of TENW's Mike Read who will be calling in from Seattle, WA.

**F. REPORTS – DRAFT TRANSPORTATION STUDY**

In teleconference, Mr. Read briefly discussed the framework of the study, citing the comprehensive data collection they've conducted including traffic count; observing the traffic system and operating functions of the transportation system; establishing contacts with City Staff, cruise ship industry, and tour operators. He spoke about the study's assumptions for a worst-case trip generation:

- Existing 2006 traffic volumes to increase 1% annually until 2010, the selected build-out year;

- Wednesday as the peak day with up to 4 cruise ships in port;
- One cruise ship (with the highest number of passengers) at the proposed Sawmill Cove dock and up to 3 cruise ships that would continue using the current lightering system;
- All passengers and crewmembers would be transported using different types of vehicles: public transit buses, private tour buses, excursion trip buses, and taxis;
- 360 new residential homes to be constructed and occupied along Sawmill Creek Road;
- Additional 200 employees at Sawmill Cove (total of all businesses at the Industrial Park).

Mr. Read also talked about passenger transfer stations at key locations throughout town, including “dwell” and “destination” areas. The study recommends the Crescent Harbor Shelter as the best location with its existing load/unload area, parking area, pedestrian access, and close proximity to major destinations within downtown Sitka. He identified the following locations as other potential dwell areas: Sheldon College/Museum; Baranof Elementary School, and Japonski Island in the vicinity of UAS. He noted that these other sites present potential conflicts with existing schools such as safety for schoolchildren and college students; insufficient parking capacity, and accessibility.

Mr. Read drew the Board’s attention to Figures 5 and 6 in the study which shows 2010 Daily Traffic Volume Impacts and 2010 Intersection Level of Service (LOS) Impacts. He pointed out that with or without the project, level of service at the intersection of Halibut Point Rd/Sawmill Creek Rd/Lake St. would be F; at Sawmill Creek Rd/Park St. would be E at afternoon peak hour; Sawmill Creek Rd/Jeff Davis St. would be F at afternoon peak hour. **He summed up his presentation by saying that with the proposed Sawmill Cove dock project, there won’t be a significant impact that would occur in the traffic system; it won’t trigger major infrastructure changes other than turning radius improvements and site and pedestrian accessibility improvements.**

Further, he also explained that the 70 additional buses cited in the study is the estimated number of buses that’s needed to transport 2,130 passengers and crewmembers in the course of an hour from Sawmill Cove to various Sitka destinations. Transport vehicle trip distribution was assumed to follow these patterns from the proposed site:

- 4% to the northwest on HPR
- 15% to the Alaska Raptor Center
- 10% to Japonski Island
- 15% to the Sitka National Historical Park
- 1% to the southeast on Sawmill Creek Road to Green & Blue Lakes
- 55% to downtown Sitka passenger transfer stations at Crescent Harbor Visitor’s Dock (40%) and on Lincoln St. (15%)

On Mr. Miller’s concern about handling a mass number of passengers at peak hours, Mr. Read said that the intent of the Centennial Hall route is to have enough bus capacity for staging and not having many people waiting for buses. He added that the City might want to provide other amenities at the dwell areas.

*Board Comments*

Mr. Horan questioned the study’s recommendation for improvements of the Crescent Harbor Visitor’s Dock to accommodate a maximum of 25 buses. He thought that having 25 buses in the vicinity at one time is incorrect. He suggested eliminating the buses lined up around Centennial Hall in Figure 7. He said that rather than assuming an increase of 2,100 passengers, they should just assume an additional 800 passengers to the existing number. He noted that the study has enough factual objective data to support its findings that Sitka can handle the traffic displacement resulting from a cruise ship docked at Sawmill Cove and that it will not degenerate the lifestyle of the average Sitkan.

Mr. Miller expressed concern on how to deal with a large number of passengers trying to get back to the ship at the end of the day. He also pointed out the potential conflict that might arise between Crescent Harbor users and visitors. He noted that the study did not consider the fact that cruise ships are getting bigger and a dock at Sawmill Cove would make Sitka more attractive to bigger ships.

Mr. Stein commented on the proposed route around the Centennial Building to the Crescent Harbor Visitors Dock, saying that it would receive strong community opposition. On the other hand, he pointed out that the study shows the positive economic impact of a dock at Sawmill Cove in terms of providing additional jobs for bus drivers, security personnel, etc.

Regarding the other proposed dwell locations, Mr. Loiselle pointed out that there would be lesser potential conflicts with Sheldon Jackson College students than with Baranof Elementary School students. He also stressed the need for the study's executive summary to explain in simple terms how an increase in traffic resulting from a cruise ship docked at Sawmill Cove would affect Sitka residents' daily driving. He suggested that Figure 6 be translated into scenarios that people can understand and can make a judgment on.

In addition, Mr. Loiselle mentioned that the study commissioned for the proposed SJ dock indicated that a dock will stabilize the number of tourists, not increase it. He said that TENW should make the assumption clear that having a dock at Sawmill Cove would just displace one cruise ship lightering downtown.

Mr. Reeder remarked that the comments need to be painted in a positive light. He estimated that additional 10-12 45-passenger buses will be used to transport passengers and crewmembers from Sawmill Cove. He dismissed the idea of 70 additional buses coming to town. He also mentioned the possibility of discontinuing the use of the Crescent Harbor lightering facility and having all cruise ships lighter at the O'Connell Bridge.

Ms. Bailey expressed apprehension over the perception on the study's assumptions and analysis, explaining that it would be hard for the average Sitkan to comprehend that an additional 70 buses won't have a large impact on their daily lives/

#### *Recommendation*

Mr. Loiselle recommended that Mr. Read and his team rework some of the assumptions with City Staff and Mr. Bevan; make changes to the study based on the comments made by the members; make the assumptions more realistic, and explain in simple terms how it will affect the lifestyle of the average Sitkan.

Mr. Read summarized the things his team would work on:

- Include a statement relating increase in bus demand between existing and future conditions.
- Use "trips" instead of "new buses".
- Recommend improvement of pedestrian access at the marina and shelter.
- Revise drawing (Figure 5).
- Discuss the potential of changing the location of the tender facilities to O'Connell Bridge.
- Discuss the relative sizes of buses.
- Verify base assumptions.

Mr. Riggs suggested adding a one-page summary that would discuss the impact on the average local resident. He also said that the draft transportation study will be presented to the Assembly on Sept. 26<sup>th</sup>.

## **G. UNFINISHED BUSINESS**

### **1. Stikine Holdings lease terms**

Mr. Bevan reiterated the Board's goal which is to have the Stikine lease in the Assembly's agenda on Sept. 12. He pointed out that the Board still has to decide on the following items:

- Option to purchase subject property
- Employee housing
- Van loading facility

- Economic development grant

#### *Option to purchase subject property*

Mr. Horan thought that it would be more advantageous for Stikine to have first right of refusal instead of an option to purchase. He explained that there are several details that are vague and need to be straightened out such as the following:

- It gives Stikine an option to purchase an “unspecified property” at an “unspecified price.
- Conditions of appraisal
- Is the subject property going to be subdivided or partitioned?
- If subject property is sold as a condominium unit, who’s responsible for the common area? How is going to impact the City?

Mr. Zuanich explained that Stikine simply wants to have the ability to come in and enter into negotiations with the City since they will be making improvements on the property. Their preference is an option to buy the whole building. The City is not under the obligation to sell the subject property to Stikine. He said the City also has the option to sell the whole warehouse.

Mr. Denkinger stressed that they asked for an option to purchase from Day 1 when they submitted their proposal to the Board. He reiterated their plan to do value-added processing in the future and they would like a reassurance that the potential for a dialogue exists. Their intent is to own the property, excluding the dock. He pointed out another viable option for them is to set up their business in Wrangell but he prefers to have it here in Sitka, if possible.

Ms. Hillhouse said that Mr. Horan’s concerns can be addressed with a separate purchase and sale agreement to be negotiated at a time Stikine wants to exercise the option and with the Assembly’s approval. She also pointed out that the option to purchase may also have a caveat that it will be limited to future grant agreements.

#### *Van loading facility*

Mr. Harang expressed concern that Baranof Frozen Foods (BFF) plans to put up a van loading area in front of the building and it may impede access to Stikine’s lease area. He raised the possibility of a joint van loading area for Stikine and BFF. Mr. Denkinger stressed that Stikine would require 10 van loading slots and may not be able to accommodate BFF.

Mr. Bevan indicated that Stikine does not have enough road access. He said State DOT is now in the design stage of Phase 3, Sawmill Creek Road, from Whale Park to Sawmill Creek Bridge, and he would ask them to include new road access to the pulp dock warehouse area.

The following edit was mutually agreed upon on page 8 of 31, paragraph (a):

*(a) Lessee shall be financially responsible to provide engineering and surveying and construction services necessary to install van loading facilities. [Delete all succeeding sentences in the paragraph.]*

*Lessee shall be responsible for PAYING AND relocating existing utilities as necessary to accommodate the van loading facility. X X X*

#### *Employee Housing*

Mr. Bevan told the Board that Mr. Kearns is willing release a portion of TAB’s leasehold for employee housing at SCIP but the terms are still unknown at this point.

#### *Rent adjustments*

Mr. Horan suggested that Stikine’s rent schedule should be the same as BFF when Stikine starts to pay

full rent. Mr. Bevan explained that it is not possible since the timelines for BFF and Stikine are different.

Ms. Hillhouse brought up the following edits to the draft presented:

*On page 5 of 31, Section 2.5, second sentence, to read as: "...the Sawmill Cove Facility that is paid GROSS wages equal to or greater than \$36,000 PER CALENDAR YEAR as certified by Lessee employee records."*

*Schedule for the Board's final ratification*

The Chair said that the City Attorney will work out the language for the option to purchase and finalize the draft for Board's ratification on August 30<sup>th</sup>.

**G. NEW BUSINESS**

**1. Employee Housing**

Due to time constraints, discussion on this agenda item was deferred.

**H. OTHER BUSINESS**

**I. REPORTS**

**1. Sawmill Cove Management Report**

**J. ADJOURNMENT**

**MOTION:** M/S Miller/Harang moved to adjourn the meeting.

The meeting adjourned at 12:00 pm.