



**Sawmill Cove Industrial Park
Board of Directors Meeting
September 11, 2006 – 12:00 PM
SEDA Board Room
329 Harbor Drive Suite 212, Sitka 99835**

A. CALL TO ORDER

Chairperson Davis called the meeting to order at 12:00 pm.

B. ROLL CALL

Board Members Present: Nancy Davis Trevor Harang
 Bob Loiselle Charles Horan

Absent and excused: Grant Miller

Others Present: Hugh Bevan Maria Finkenbinder
 Dennis Ruschmann - Alaska Protein Recovery

C. REVIEW OF MINUTES – None

D. CORRESPONDENCE & OTHER INFORMATION – None

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

Mr. Bevan said he has updated information on item G.1 under New Business.

Mr. Horan requested to add a discussion on the multipurpose dock under New Business.

F. UNFINISHED BUSINESS

1. TAB lease area acquisition

Mr. Bevan told the Board that Stikine increased their request for employee housing from 7,000 square feet to 15,000 square feet. The Board has opened discussions with TAB regarding acquisition of a small portion of TAB's lease area that could be dedicated for that purpose. He said the original offer to TAB was to reduce their rent receivable by \$14,867, the amount they owe on the 0.721 acre parcel but Mr. Kearns indicated that TAB is willing to release the parcel to the City for a one-time \$25,000 credit. Mr. Bevan explained that the \$25,000 is within the range of leasehold values suggested by the City Assessor for this piece of property.

Furthermore, Mr. Bevan said that the City has to take down the old APC warehouse on that parcel and Stikine agrees to pay for the debris to be shipped out. There will be a separate agreement for the Economic Development Grant in the amount of \$350,000 which shall be used by Stikine to design and construct employee housing at the industrial park. He also stressed that the housing parcel is not part of the subject property under the option to purchase.

Mr. Loiselle remarked that the grant is in exchange for the electric rates concession that Stikine originally requested. Stikine will be paying rent on the footprint and it will also help in solving the problem of affordable housing in Sitka.

MOTION: **M/S Loiselle/Harang** moved to recommend to the Assembly to revise the TAB lease to acquire the 0.721 acre portion of their lease area and provide a \$25,000 lease rent credit for TAB.

DISCUSSION: On the Chair's query regarding the lease rate to be paid by Stikine for the employee housing property, Mr. Bevan said that the lease rate will be \$0.035/sq. ft./month. Stikine's monthly payment for the housing property would be \$520.00 or \$6,300/year.

ACTION: Motion **PASSED 4-0** on a voice vote.

G. NEW BUSINESS

1. TAB lease payments

Mr. Bevan gave an update on how much TAB owes the City which amounts to a total of \$217,085.29 (excluding property taxes) broken down as follows:

Rent – March – September 2006	\$169,613.60
Utilities – Electric, Water, Sewer, Garbage	39,602.26
Water Testing – Misc Billing	1,217.28
Miscellaneous Billing	6,552.15

Mr. Loiselle said that according to True–H2O Bottling, they got the documents from the City revising the purchase and sale agreement only recently.

MOTION: **M/S Loiselle/Harang** moved to recommend to the City Administration that a 45-day cure letter be sent to TAB with the expectation that amounts due are paid in full or enforcement action is taken according to the terms of the lease.

ACTION: Motion **PASSED 4-0** on a voice vote.

2. SMC Board presentation to Tourism Stakeholders

The Board briefly discussed the proposed handout for the presentation to tourism stakeholders scheduled that evening. The document summarizes the development activities at Sawmill Cove and includes the Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka regarding the Management Plan for the Sawmill Cove Property; the SCIP land use and tenants plat; the Sawmill Cove roster, and the Table of Retail and Business Uses for the Sawmill Cove district.

The members also addressed the issue on the lack of development plan for Sawmill Cove. Mr. Horan stressed that the Board responds to the market based on its mission statement. The Chair said the industrial park is a work in progress. Mr. Loiselle added that whether the Board has a plan or not is beyond the scope of the *Tourism Planning Stakeholder's* mission.

Mr. Bevan reminded the members that the Transportation Study will be submitted to the Assembly on September 26th.

H. OTHER BUSINESS

1. Multipurpose Dock

Mr. Horan stated that he wanted to stimulate more dialogue about this issue so the Board can come up with a plan on how to address the different scenarios such as termination of the negotiations with Survey Point and the City building the dock. He added that it behooves the Board to go on record to ask the City

to look at the other options in view of the fact that there is no confirmed agreement with any party and that there is a new revenue stream coming from the state head tax.

Mr. Loiselle remarked that if the state head tax stands, the City could use that money to build the dock. He shared Mr. Horan's view that the Board should take a serious look at what the options are for having the City build it. He said that is important to indicate that the project is self-sustaining. They have to establish the position that the citizens of Sitka don't have to pay for the project.

By unanimous consent, the Board agreed to direct Mr. Bevan to finalize the language of the Board's recommendation to the City Assembly and email it to the members for final approval. The draft language reads:

"Given the lack of progress with the private sector dock development dialogue, the Board recommends that the City study the feasibility of using a combination of dock user fees, wharfage fees, and grant money to build its own multipurpose dock."

The Chair clarified that the Board's recommendation does not imply that the City is closing its door to Survey Point's proposal. Survey Point still has the option to continue the negotiations.

2. Dennis Ruschmann – Alaska Protein Recovery

Mr. Ruschmann wanted to know what kind of support can Alaska Protein Recovery expect from the Board and if there is any reason for them to come to Sitka. He said that if they can't get support from Sitka, they will move to Cordova. He also briefly described the operations of their plant. He said they need to process 12 million pounds of fish waste a month to break even. He expressed concern that Sitka will soon reach the maximum limit allowed by DEC for dumping fish waste in the water.

Mr. Loiselle said that the fish waste issue is a concern that needs to be addressed at the Assembly level. It is outside the scope of the Sawmill Cove Board.

Mr. Horan told Mr. Ruschmann that the Sawmill Cove Board encourages businesses at the industrial park. He suggested that Alaska Protein Recovery come up with a proposal and state exactly what they need.

I. REPORTS

1. Sawmill Cove Management Report

Mr. Bevan mentioned the following dates as a reminder to the members:

September 12, Tuesday, 7:00 pm	- Assembly Meeting, Stikine Lease & TAB Bulk Water Contract
September 19, Tuesday, 7:00 pm	- Public Meeting on the Dock Issue, Swan Lake Senior Center
September 21, Thursday, 7:00 pm	- Raven Radio Call In on Ballot Proposition No. 5

Mr. Bevan said that TAB is requesting that the Bulk Water Contract be moved till Sept. 26th. The contract is contingent with TAB and H2O closing the purchase and sale agreement.

J. ADJOURNMENT

MOTION: M/S Loiselle/Horan moved to adjourn the meeting.

The meeting adjourned at 1:35 pm.