

**Gary Paxton Industrial Park - Board of Directors Meeting  
October 19, 2017 3pm at SEDA Conference Room**

**A. CALL TO ORDER:** The Chair called the meeting to order at 3:01 pm.

**B. ROLL CALL**

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

**Members Absent:** None

**City Representatives:** Keith Brady, Michael Harmon, Dan Tadic, Jay Sweeney. Shilo Williams, Robert Potrzuski, Richard Wein

**Others Present:** Garry White, Jim & Leslie Krantz, Sam Pointer, Robert Woolsey, Mary Suminski

**C. Review of Minutes- August 24th, 2017**

**MOTION:** M/S Bevan/Finkenbinder moved to accept the minutes August 24th, 2017

**ACTION:** Motion **PASSED 5/0** on a voice vote

**D. Correspondence & Other Information- None**

**E. Changes/Additions/Deletions to Agenda**

Flip New Business (Item I) and Unfinished Business (Item H)

**F. Reports**

**Executive Director**

**Dock**

Mr. White stated that the dock project was moving along fine and that the Army Corp Permit had been granted, allowing for demolition of structures and in-water work.

**Bulk Water**

Mr. White stated that the Assembly had granted Eckert Fine Beverages and Arctic Blue Waters contracts, he also mentioned that a 10K payment was received from Mr. Paley.

**Marine Services**

Mr. White commented that Tisher Construction removed most of the rock from the park; there was still some rock on lots 16B, 19 and 21. It was mentioned by board members that the rock needed to be cleaned up around the edges and that there was a fire hydrant partially covered in rock.

**Shoreline Stabilization**

Mr. Tadic informed the board that the contractor had started work today (October 19<sup>th</sup>).

**G. Persons to Be Heard**

**Jim and Leslie Krantz** introduced the board to their hydroponic basil business. They mentioned that they had some interest in the Administration Building; however, the fear of finding asbestos would prevent them from bidding due to the stigma of asbestos and the fact that they were growing produce.

**Sam Pointer** discussed his interest in cleaning up the Sawmill Farm and starting a commercial composting business, using the same area for his composting business.

## **H. New Business**

### **1. Administration Building RFP Results / Next Step**

Mr. White informed the board that there was no response from the Administration Building RFP and he felt there were three options 1.) Sell at an out-cry auction 2.) Invitation to bid 3.) Re-release the RFP.

#### **Discussion:**

- It was asked why RFP was used in the first place, Mr. White stated that the GPIIP mission is to create more jobs and the RFP process allowed for more control of that. It was commented that it is possible to modify the RFP to accept the best proposal, allow for negotiations and entertain proposals.
- Mr. White informed the board that the City is still heating the building and that it is costly.
- A board member asked why the lack of proposals if there were four interested parties, Mr. White stated that there were personal reasons, the building's inauspicious shape and the landslide mitigation is problematic.
- It was suggested to use the appraised value of the land as a starting bid in an out-cry auction. Board was reminded that an RFP does not require the GPIIP board to accept however, a bid does. Land was valued at 233K via a 2014 land appraisal that included small parcels of land that have since been removed from the lot square foot.
- It was stated that there was not much that could be changed in the RFP to entice proposals however, it could be advertised more.

**MOTION: M/S: Bevan/Jones** Move to recommend the City and Borough of Sitka Assembly put the Administration Building and associated land out for bid with the minimum bid the current appraised value of the land, with the condition that the building needs to be demolished or renovated for occupancy within 18 months.

- It was asked what would happen if the winning bidder did not occupy or demolish within the 18 months, City staff commented that GPIIP would take back the building and land and keep the money. Mr. Brady stated that it might be challenging if in order to get the loan you need the deed but to get the deed you need to occupy or demolish. A board member felt that the people that would bid would most likely not go through the loan process.
- An Assembly member asked why not go with the bid process. The board all agreed that renovation allows for business development and was more in line with the GPIIP mission.
- The price was questioned for being too high; board felt that if no one bids that would indicate what direction to go with the price.

**ACTION: Motion PASSED 5/0**

### **2. Sawmill Farm Lease Area**

Mr. White informed the board that Ms. Daniels received a letter from the City on August 20, 2017 stating that she needed to vacate the property and have it cleaned up. As of September 30<sup>th</sup> the City could have cleaned the lot and charged Ms. Daniels. Ms. Daniels is still paying her monthly lease and sent an email today (October 19<sup>th</sup>) that she had contracted someone to clean up the site and that the sale of the containers is being finalized.

**Discussion:**

- The board requested that Mr. White send her a letter and stay on top of the situation.
- City officials were concerned about potentially damaging the landfill cap when cleaning up the site.
- Board directed Mr. White to contact Ms. Daniels giving her 30 days to finish clean up and ensure that she or her contractor contact Shilo Williams to discuss the landfill cap.

**H. Unfinished Business**

**1. GPIP Port Planning / Tariff Schedule**

Mr. White invited board members to attend the Ports & Harbors meeting at 6pm on October 19<sup>th</sup>. He stated that the Harbor department would be assisting in the management and billing of GPIP dock users for a 50/50 split. Security cameras are needed for management (systems can start at 30K), and he is working with a local business to determine the best cameras to use.

Mr. White stated that developing a Tariff has proved to be more involved than first expected and he suggested that a marine service firm contract it out. The board asked for proposals from outside contractors, stating it need to be a solid document.

**Discussion:**

- It was asked what the process was once the GPIP develops a Tariff, it was mentioned that the City Administration had the power to sign off on the document without assembly approval.
- Board members discussed the one page fee structure asking what if the boat did not give the requested 24 hours, would they still be able to tie up. Mr. White stated they would. It was also asked if there would be different fee structure depending on the location on the dock, if the commercial fishing fleet would get a 25% discount like the one they get within the City harbor system and if there would be a one-day work permit.
- Board members also wanted to ensure that contractors that work on the dock are licensed and bonded, while making it as business friendly as possible.
- Mr. Tadic mentioned that the City harbors currently offer 30, 50 and 100 phase power and that the GPIP dock would provide all three as well.
- Mr. White stated that the container rates should mimic the local vendors although without a crane or forklift, warfare would not be a primary use.

**J. Adjournment: M/S Bevan/Horan moved to adjourn the meeting at 4:50 pm**