

**Gary Paxton Industrial Park - Board of Directors Meeting
December 13, 2017 3:00 pm SEDA Conference Room**

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

B. ROLL CALL

Members Present: Scott Wager, Hugh Bevan, Dan Jones, Sheila Finkenbinder, Charles Horan (3:20)

Members Absent: None

City Representatives: Keith Brady, Michael Harmon, Dan Tadic, Erin Clay, Andy Egan, Bob Potruzuski

Others Present: Garry White, Steve Reifentstuhel, Mary Suminski

C. Review of Minutes- November 22, 2017

MOTION: M/S Jones/Finkenbinder moved to accept the minutes November 22, 2017

ACTION: Motion PASSED 4/0 on a voice vote

D. Correspondence & Other Information

Mr. Bevan noted that the Sawmill Farm clean up activity went to zero.

E. Changes/Additions/Deletions to Agenda- None

F. Reports

Executive Director

Mr. White updated the Board on the Dock project, the current lawsuit, progress of Northline at GPIIP, bulk water contracts and that the shoreline project is complete.

Sawmill Farm

Mr. White stated that the City Assembly allocated 35K to clean-up the GPIIP. Staff envisions executing two separate contracts, one for \$25k for park clean-up and a separate \$10k for Sawmill Farm clean up. He also mentioned that a group of Sitkans offered to clean up the site, Ms. Daniels agreed to allow the clean-up. A termination letter was re-issued to Ms. Daniels on 12/8/17 and she would have 30days to vacate & clean site, if she did not comply, she could be charged for clean-up costs.

GPIIP Dock

Mr. White informed the Board that the Assembly approved the expansion of scope for the dock project to include; \$25k for security camera and \$15k for the development of a tariff schedule.

Mr. Protruszki asked how the billing for the GPIIP Dock was to be handled. Mr. White informed the board that the Harbor Department would collect the billing information and the Finance Department would collect payments, using existing systems. A camera feed would allow for dock monitoring from town.

G. Persons to Be Heard-None

H. Unfinished Business

1. Administration Building

Board discussed the details of selling the Administration Building

Comments:

- Mr. White discussed the idea of performance deed restrictions with the CBS Attorney and does not recommend moving forward with a deed restriction option.
- Lease to purchase with benchmarks for 2-3 years was discussed.
- A re-appraisal would cost more than the land is worth.
- Highest and best use would potentially have a different value, not negative.
- City Landslide Area Management Ordinance is very restrictive to the property.

Comments:

- A discussion was had about allowing negative bids; some members felt that a negative bid would indicate the public interest & mentioning that the City could reject any and all bids.
- The idea of 'mothballing' the building is also an option.

MOTION: M/S: Bevan/Horan A motion was made by Mr. Bevan to amend the motion to include "...and a requirement that the property be demolish or renovate to code within 24 months in order to obtain title."

ACTION: Motion PASSED 5/0

Yes: 5- Finkenbinder, Jones, Bevan, Horan, Wagner

MOTION: M/S: Horan/Bevan a motion was made by Mr. Horan to add, "Recommend the City and Borough of Sitka Assembly sell or option to sell..."

ACTION: Motion PASSED 3/2

Yes: 3- Bevan, Horan, Wagner

No: 2-Jones, Finkenbinder

MOTION: M/S: Finkenbinder/Jones Move to recommend that the City and Borough of Sitka Assembly approve to sell, or option to sell, lot 23 via the invitation to bid process, with no minimum bid, and with a requirement that the property be demolish or renovate to code within 24 months in order to obtain title. **AS AMENDED**

ACTION: Motion PASSED 5/0

Yes: 5- Finkenbinder, Jones, Bevan, Horan, Wagner

No: None

I. New Business

1. NSRAA Lot 3 Lease Proposal

Mr. Wagner recused himself & Mr. Jones acted as Chair

Mr. White stated that Northern Regional Aquaculture Association (NSRAA) is requesting to lease lot 3 of the GPIIP to expand its operation.

Mr. Reifentstahl of NSRAA gave a brief background of NSRAA and the project that would require lot 3. NSRAA wants to construct a 50x100 building for a raceway to incubate Chum salmon. NSRAA is asking for a 3 year lease for \$100, which would match their existing lease (market rate is \$578/mo.)

Mr. Egan of the City of Sitka Electric Department was concerned about what the flow would be and what that would mean for the city and other users.

Comments:

- It was suggested to separate the land lease from the water rights.
- It was asked why NSRAA was not interested in buying the land; Mr. Reifentstahl stated that was not part of NSRAA's mission.

MOTION: M/S: Bevan/Finkenbinder Moved to recommend the City and Borough of Sitka Assembly lease lot 3 to NSRAA for a 3-year term at market rate.

Comments:

- It was stated that NSRAA has a multiplier effect in the community, supporting one of Sitka's basic industries.

MOTION: M/S: Horan/Finkenbinder amended motion to read "...for 50% of market rate."

ACTION: Motion PASSED 4/0

Yes: 4- Horan, Finkenbinder Bevan, Jones

Recused: 1-Wagner

MOTION: M/S: Bevan/Horan amended motion to read "...lease lot 3, as is ..."

ACTION: Motion PASSED 4/0

Yes: 4- Bevan, Horan, Finkenbinder, Jones

Recused: 1-Wagner

MOTION: M/S: Jones/Finkenbinder amended motion to read "...at end of 3 year term to maintain lease at 50% of market value until May 2026 when lease is renewed."

ACTION: Motion PASSED 3/1

Yes: 3- Horan, Finkenbinder, Jones

No: 1- Bevan

Recused: 1-Wagner

Comments:

- It was recommended to have a future agenda item to discuss the water at GPIIP

MOTION: M/S: Bevan/Finkenbinder Moved to recommend the City and Borough of Sitka Assembly lease lot 3, as is, to NSRAA for a 3-year term at which time option to renew at terms concurrent with terms of lot 2 lease. Rent will remain at 50% of market value rental at renewal. **AS AMENDED**

ACTION: Motion PASSED 4/0

Yes: 4- Bevan, Jones, Horan, Finkenbinder

Recused: 1-Wagner

2. Northline Seafoods Lease Lot 8a Lease

Mr. White informed the board that Alaska Pacific & Packing (APP)'s lease of lot 8a and a 20,000 SF portion of the tidelands had expired. Pat Glaab, principal of both APP and Northline Seafoods (Northline) wishes to extend the lease and change the lease entity to Northline. Northline proposes to lease lot 8a, a 20,000 SF tidelands lease, and to continue to pay for a guaranteed access to waterfront via the access and utility easement located between lots 2 & 4, Northline will use this area for completing barge work.

Lot 8a rent will be \$1,147/mo., the 20,000 SF portion of tideland rent will be \$1,800/year and the access and utility easement will be \$3,000 annual user fee.

MOTION: M/S: Finkenbinder/Jones Move to recommend the City and Borough of Sitka Assembly enter into a month-to-month lease with Northline with the following terms:

- Lease lot 8a at a rate of \$1,147 per month
- Lease a 20,000 SF tidelands lease at a rate of \$1,800 per year
- Guarantee access to the waterfront via the access and utility easement located between lots 2 & 4 to Northline LLC for a \$3,000 annual fee. (access is non-exclusive)

ACTION: Motion PASSED 5/0

Yes: 5- Finkenbinder, Jones, Bevan, Horan, Wagner

3. Eagle Quest Ministries

Mr. White informed the board that Eagle Quest Ministries had been using 600 SF section of GPIIP for 4th of July booths, the booths seem to be abandoned and Eagle Quest Ministries is no longer operating the 4th of July booths.

MOTION: M/S: Bevan/Jones Moved that the GPIIP board approved to terminate Eagle Quest Ministries' month-to-month Lease on Block 4, Lot 4 and dispose of equipment.

ACTION: Motion PASSED 5/0

Yes: 5- Bevan, Horan, Wagner, Finkenbinder, Jones,

4. GPIIP FY19 Budget

Mr. White introduced the FY 2019 budget.

MOTION: M/S: Bevan/Jones Moved to present the FY2019 Gary Paxton Industrial Park budget to the Assembly as adjusted.

ACTION: Motion PASSED 5/0

Yes: 5- Horan, Finkenbinder, Jones, Bevan, Wagner

Comments:

- Review the allotted money for insurance on the Administration Building.
- Add 1K for tools
- Increase building maintenance to 15K to account for asbestos abatement
- It was mentioned that cell service at GPIIP is a priority and that past capital project budgets to fund cell towers be researched.

MOTION: M/S: Bevan/Finkenbinder Moved to recommend the FY2019 Capital Budget for the Gary Paxton Industrial Park as written, to roll over 40K for boat ramp design and engineering from FY18 and to add 20K for wash-down pad design and engineering.

ACTION: Motion PASSED 5/0

Yes: 5- Finkenbinder, Jones, Horan, Bevan, Wagner

J. Adjournment: M/S Bevan/Finkenbinder moved to adjourn the meeting at 5:21 pm