



**Sawmill Cove Industrial Park
Board of Directors Meeting
November 21, 2011.
3:00 PM
SEDA Office, 329 Harbor Drive, Suite 212
AMENDED MINUTES**

A. CALL TO ORDER: The Chair called the meeting to order at 3:03 pm.

B. ROLL CALL

Board Members Present: Grant Miller, Aaron Wilkinson, Charles Horan, Dan Jones, Chris Fondell

Board Members Absent: NONE

City Representatives: Jim Dinley, Pete Esquiro, Jay Sweeney, Stan Eliason

Others Present: Garry White, Linda Wilson
John Sherrod, Robert Woolsey (KCAW), Greg Reynolds (SCDC)

C. REVIEW OF MINUTES – September 19, 2011

MOTION: M/S Jones/Fondell moved to approve the minutes of October 20, 2011.

ACTION: Motion PASSED 5/0

D. CORRESPONDENCE AND OTHER INFORMATION – NONE

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

F. REPORTS

1. Sawmill Cove Management Report (included in packet)

Mr. White reviewed the report, making the following points:

- Still working with Alaska Department of Transportation to use a portion of the \$487k in Federal Highway Administration funds for a marine haulout/marine industry business feasibility study for SCIP.
- Next year's legislative session may be a good opportunity to get some funds for a SCIP bulkhead dock due to other dock related projects and the practice for legislators to disburse such funding throughout the state.
- Interest in bulk water export continues with calls received on a regular basis, but no new proposals have been received.
- Working with a telecommunications company to improve communications infrastructure and bring fiber optic cable to the Park.
- Initial contacts with the oil industry are underway to look at potential use of SCIP for off-shore drilling support. The oil companies need an ice free, deep-water port for off-season placement of barges, ships, and other equipment.
- A reminder will be sent to TAB that their bulk water contract payment of \$75k will be due.

G. PERSONS TO BE HEARD

Mr. Reynolds advised the Board that SCDC would be presenting a request to use property at SCIP to develop a building materials reuse center. This would be a fundraising activity for SCDC and involve re-selling salvaged and donated building materials one or two days per week. Besides raising funds for SCDC, the center would reduce the amount of waste being shipped out of town.

H. UNFINISHED BUSINESS - NONE

I. NEW BUSINESS

1. SCIP Enterprise Fund

Mr. Sweeney advised the Board of the following:

- The SCIP Enterprise Fund is losing money at a steady rate.
- Reserves of \$144k will be used up within 12 to 18 months.
- There is not enough revenue to support operating expenses.

Board discussion yielded the following:

- There has been a significant drop in lease revenues is due to sale of property to Silver Bay Seafoods.
- A percentage of the money the City received for SCIP property sales can go back into the SCIP Enterprise Fund. Need to confirm this has been done for the sale of the two properties to Stikine Holdings (Silver Bay Seafoods).
- The Administration Building is the largest cash drain. Right now the EDA grant prevents outright sale of the property for another ten years. However, a long-term lease with option to purchase at the end of ten years may be possible. This needs to be confirmed with the Municipal Attorney.
- Cost savings measures are being used; reduced electrical use, heat turned down, etc...
- Other City revenues generated by activities at SCIP, jobs created, and money brought into the community need to be considered when looking at the success/progress of development at SCIP. Not just the Enterprise Fund.
- The mission of the park is being met, to create jobs and business opportunities.
- Lease payments by contractors using the Park during the Blue Lake expansion project will go to the SCIP Enterprise Fund.
- Plans for development of marine industry at the Park should be moved forward during the two year period when SCIP is taken over for the Blue Lake project.

2. CBS Harbor Dept. Storage Request

MOTION: M/S Jones/Fondell moved to approve a month-to-month lease of 100 square feet within the Boat Company Building for storage use by the Harbor Department at a rate of \$0.50 per square foot per month.

ACTION: Motion PASSED 5/0 on a roll call vote:

Grant Miller – Yes, Chris Fondell – Yes, Aaron Wilkinson – Yes, Charles Horan – Yes, Dan Jones - Yes

3. Mooring Buoy Discussion

Removal of the mooring buoy has been on the list of SCIP projects for a few years and \$30k was budgeted for the removal. However, the Electric Department has expressed interest in using the buoy during the Blue Lake dam expansion project. Public Works wants the buoy removed due to known problems with its condition and liability issues. Options are to repair it or remove it (i.e. haul it to the beach). If left in place, it will eventually sink and the City will be responsible for its removal. One float has a hole in it and is already showing signs of sinking.

The Board directed the Director to get estimates on the costs to rehabilitate the buoy or beach the buoy.

4. **SCIP Board Officers**

The Chair opened the floor for the nomination of Board officers.

Aaron Wilkinson was nominated to the position of Board Chair.
Grant Miller was nominated to the position of Vice Chair.

MOTION: M/S Jones/Fondell moved to close nominations.

ACTION: Motion PASSED 5/0

MOTION: M/S Jones/Fondell moved elect Board officers as nominated.

ACTION: Motion PASSED 5/0

5. **Strategic Planning Discussion**

Efforts to solicit SCIP development ideas from the public include:

- A letter to the editor was published on October 28th.
- Mr. White will be presenting a status report on SCIP at a Chamber of Commerce luncheon in December. One or more Board members should be available to answer questions.
- Mr. White and a SCIP Board member will be scheduled for a radio interview with Robert Woolsey.
- Mr. White and/or a SCIP Board member will appear before the Assembly under persons to be heard.

A public forum will be scheduled for some time in February or March. It is important to get a lot of promotion for public participation.

- Have SCIP property promoted on the Multiple Listing Service.
- Have a value assessment done for the Administration Building.
- Start to build the FY2013 SCIP budget in January.

J. ADJOURNMENT

MOTION: M/S Fondell/Horan moved to adjourn the meeting at 4:28 pm.

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