



BOARD OF DIRECTOR'S MEETING AGENDA

THURSDAY, JUNE 18TH, 2026 - 3:00 PM

Harrigan Centennial Hall Room 6, 330 Harbor Drive

Regular Meeting

- | | |
|--|---------------------------|
| A. Call to Order | Acknowledge |
| B. Roll Call | Acknowledge |
| C. Approval of Minutes | Motion to Approve |
| May 21st, 2026 | |
| D. Correspondence & Other Information | Acknowledge/Questions |
| E. Changes/Deletions to Agenda | Change/Add/Delete |
| F. Reports | |
| G. Persons To Be Heard <i>(For items OFF the agenda - not to exceed 3 minutes)</i> | |
| H. Unfinished Business | |
| 1. GPIP Haul Out – Uninsured vessels | Discussion/Recommendation |
| 2. Lot 16B RFP Discussion | Discussion/Recommendation |
| 3. Lot 6 RFP Discussion | Discussion/Recommendation |
| I. New Business | |
| 1. | Discussion/Recommendation |
| J. Persons To Be Heard <i>(For items ON or OFF the agenda - not to exceed 3 minutes)</i> | |
| K. Adjournment | |

The Mission

It is the mission of the Gary Paxton Industrial Park Board and management, by direction of the Sitka Assembly, to strategically develop the park in a fiscally responsible manner that maximizes its economic benefit to the community through creation of meaningful jobs in conformance with established community plans and policies.

**Gary Paxton Industrial Park – Board of Directors Meeting
May 21, 2026 3:00 pm
Harrigan Centennial Hall Room 6**

A. CALL TO ORDER: Scott Wagner, called the meeting to order at 3:27 pm

B. ROLL CALL

Members Present: Scott Wagner, Casey Campbell, Chad Goeden, Lauren Howard, Mike Johnson (via Zoom until 3:45)

Members Absent:

Staff Present: Garry White

City Representatives: John Leach, Mark Seavey, Michael Harmon, Thor Christenson

Others Present: Jeremy Serka, members of the public

C. Review of Minutes – April 16, 2026

Motion: M/S Campbell/Howard to approve the minutes of April 16, 2026

Action: Motion Passed (4/0) on a voice vote

D. Correspondence & Other Information - None

E. Changes / Deletions to Agenda – None

F. Reports – Mr. White shared the CBS Planning Commission approved the GPIIP Board's proposed Zoning code changes at its May 6th meeting and it is scheduled to go to the Assembly for first reading at its June 9th meeting. RFPs for private sector development of properties at the GPIIP will go to the Assembly for release soon after. Additionally, Mr. White shared he is still attempting to work with DOT on Lot 16b right of way information.

G. Persons to Be Heard- None.

H. Unfinished Business –

I. New Business-

1. GPIIP Haul Out – Uninsured Vessels

The board shared options for uninsured vessels moving forward. Mrs. Howard shared a pool or fund concept via fee that uninsured individuals could pay into. Mr. Campbell shared concerns

about pollution and abandonment of vessels. Mr. Leach shared that a waiver with a \$5,000 refundable bond and a \$250 non-refundable fee for uninsured vessels has been drafted for further review after being fine-tuned. If this is a route the board wants to move forward to the assembly, CBS will have to discuss with Highmark who administers the waiver. Mrs. Howard suggested that perhaps a business or organization could help sponsor the \$5,000 bonds where needed.

Mr. White shared that at the next meeting the draft waiver will be presented for board approval.

2. Pacific Jewel Marine LLC Vessel Movement Permit

The board discussed Pacific Jewel Marine's application to move vessels from the haul-out to its facility, which requires approval from the GPIP board. Mr. Leach and Mr. Seavey shared the Public Works Department feels the proposal generally meets requirements, however two specific items are still required a load limit determination and a remediation plan to prevent damage from common area. CBS Public Works and Mr. Serka will discuss additional information required to insure the board has what is needed before the next meeting to be able to move this forward.

Motion: M/S Howard/Campbell to postpone the discussion of the Pacific Jewel Marine LLC Vessel Movement to the next meeting

Action: Passed (4/0) on a voice vote.

J. Adjournment

Motion: M/S Wagner/Howard move to adjourn the meeting at 4:24pm.

Action: Passed (4/0) on a voice vote.

Monday, June 15th, 2026

MEMORANDUM

TO: GPIP Board of Directors
FROM: Garry White, Director
SUBJECT: Gary Paxton Industrial Park (GPIP) Management Report

1. GPIP Dock

The GPIP Dock was open for business in 2018. GPIP Dock revenues have increased each fiscal year.

The 2025 GPIP dock successfully hosted 18 cruise ship ports of calls in 2025. The dock was additionally used by tour companies to onload and offload passengers. Commercial fishing vessels also have been using the dock to conduct in-water boat work and gear transfer. **(11/17/25)**

The 2026 GPIP Dock currently has 30 ports of calls scheduled. **(02/16/2026)**

2. Marine Services Industries at the GPIP.

On October 4, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP).

CBS and GPIP staff developed a GPIP Vessel Haul Out Development Project Charter (attached) that outlines the project goals, project scope, and timeline for moving the development forward.

Both the GPIP Board and Assembly approved a conceptual design for the haul out. **(09/01/2023)**

Final design for Phase 1 has been completed. A firm fixed bid with Western Marine has been agreed to with a fixed lumped sum of \$6,248,364. (Note: Construction costs came in roughly \$1,055,000 above estimated costs). **(8/21/2024)**

The GPIP Board and CBS Assembly approved additional funding of \$850k toward the haul out project, bringing total project cost to ~\$10.1 million. The GPIP Board reviewed and made recommendations on a scope of work package to operate the haul out including, a draft operator agreement and an invitation to bid on proposed services at its 1/16 meeting. **(01/08/25)**

The GPIIP Board met on January 16th, 2025, and recommended approval of the draft Operating Agreement for the Marine Vessel Haul Out and Shipyard Operations at the Gary Paxton Industrial Park, and the Invitation to Bid. The CBS Assembly approved the GPIIP Board recommendations at its January 28th, 2025.

A bid proposal from Highmark Marine Fabrication LLC (Highmark) was received on February 13th. The GPIIP Board met on February 20th to discuss the Highmark proposal and requested a work session to further discuss the proposal.

The GPIIP Board held a work session and regular meeting on March 13th to discuss the Highmark proposal. The Board recommended accepting Highmark's bid, without including a portion of the bid related to leasing warehouse space. The CBS Assembly met on March 25th and approved to accept the Highmark proposal as presented, including the warehouse space. **(04/07/2025)**

Haul out Phase 1 construction is nearly complete. The heated concrete pad construction is moving forward. The CBS and Highmark officials met and are working towards a final Operating Agreement for the Assembly review and approval. **(05/06/25)**

The CBS approved an additional \$715,250 toward the haul out development at their July 8, 2025 meeting. The additional funding will provide yard improvements, equipment, initial yard support materials, and annual operating expenses. The GPIIP Board is developing requests for proposals to allow for vendor spaces at the GPIIP. The GPIIP current zoning code is being reviewed for potential adjustments and modifications to allow for more defined use of the GPIIP properties. **(07/11/2025)**

The CBS Assembly at its August 12th meeting approved an operating agreement between the CBS and Highmark Marine Fabricators for the operations of the GPIIP Haul out and Shipyard. CBS Administration made the decision not to include heat in the permanent concrete washdown pad due to material delays which would have delayed the construction of the wash down pad and operations of the haul out. **(08/18/2025)**

The Haul Out is now operational. The CBS held a ribbon cutting ceremony on September 18th and the first vessel was hauled on September 23rd.

The GPIIP Board approved a Request for Proposals (RFP) for long-term leases of adjacent properties to marine vendors and other uses.

The GPIIP Board prioritized a Haul Out and Shipyard future capital improvement plan at its December 2025 meeting.

CBS administration and Highmark Marine are investigating various insurance options for vessels wishing to use the haul out and shipyard facilities. **(01/12/2026)**

3. Bulk Water

The Director continues to work with entities interested in the export of Sitka's water. **(05/06/2019)**

The CBS Assembly met on April 30th to discuss needed repairs to the Raw Water delivery infrastructure. No funding or repair plan was determined. The CBS's ability to

delivery water will need to be fixed before the bulk water export venture can move forward. The Assembly directed the GPIP Director to continue to work with potential investors and exports to find a funding solution to repair the system. The CBS does not believe that the infrastructure can be repaired until the penstock is shut down and dewatered. Estimate timeframe for penstock shut down is estimated to be the fall of 2021. **(06/03/2019)**

The CBS and Arctic Blue Waters Alaska entered into a water purchase agreement in the spring of 2021. Arctic has 5 years to export water. **(06/01/21)**

The Director continues to receive inquiries from entities wishes to export Sitka's water. **(02/07/2023)**

The GPIP Board has recommended approval of another water purchase agreement with Global Hydration LLC, A Florida Corporation. **(8/21/24)**

The GPIP Board has received an updated conceptual drawing from Arctic Alaska Blue Waters for its water loading infrastructure. **(12/12/24)**

The Assembly met on January 14th to discuss a water purchase agreement between the CBS and Global Hydration LLC and chose to postpone deciding until March 11th due to Arctic Alaska Blue Waters officially executing its first right of refusal to acquire additional water allocations as per its water purchase agreement. The additional water allocations will make it not possible to sign the agreement with Global Hydration. Arctic will need to provide a letter from a qualified purchaser of water and pay the CBS and an additional \$100,000. **(01/08/25)**

Arctic Blue Water Alaska failed to make its \$100,000 payment within the required timeframe to receive additional water rights per its water purchase agreement. The Assembly chose not to enter into another water purchase agreement with Global Hydration at its March 11th meeting. Arctic Blue Waters met with CBS officials and is still working towards its loading plan to export water. **(04/07/2025)**

The GPIP Board recommended approval of a contract extension for Arctic Blue Waters to have more time to develop its water loading facility. The CBS Assembly approved the extension at its July meeting. **(07/11/2025)**

The GPIP Director has been in contact with Arctic Blue Waters on its plans to construct a water loading facility at the GPIP to facilitate the export of water. The Director continues to receive calls from other groups interested in exporting Sitka's water. **(10/21/2025)**

4. Bottled Water

The Director continues to receive inquiries about bottled water. **(01/08/2025)**

5. Blue Lake Dam Expansion Project

The Assembly has approved a MOA between the GPIP and Electric Department to allow the GPIP to charge for use of Lots 16b and 20. Rock has been stored on these lots since the Blue Lake Dam Expansion project. **(06/03/2019)**

The GPIIP Director has met with the CBS Electric Director regarding leveling out the above lots for future leases or sales at the GPIIP. **(03/22/2021)**

The GPIIP Director has met with the new CBS Electric Director regarding a plan to deal with the remaining rock left on site from the Blue Lake Expansion project. **(01/08/25)**

The GPIIP Board did a walking tour of the GPIIP properties during its June 2025 meeting and reaffirmed its wishes to have the rock removed from Lot 16b, bringing the surface of the lot back to its original elevation consistent with the properties inside the park boundaries. The Board wishes to leave the elevation of Lots 19 and 20 at the elevations of Sawmill Creek to be leased in the future. **(07/11/2025)**

6. GPIIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIIP Dock. The fuel tanks will be relocated from the dock itself to the uplands above the dock. **(07/03/2019)**

Delta Western has completed its fuel delivery infrastructure on the GPIIP dock. **(11/12/2019)**

Delta Western is in the process of installing a second fuel tank at the GPIIP for fuel delivery off the GPIIP Dock. **(03/22/2021)**

The GPIIP has seen increases in dock fuel sales each year since the dock has become operational. **(12/12/24)**

The GPIIP Director and the CBS have been working with Delta Western on a proposal to expand its fuel tanks at the GPIIP for fuel delivery. The proposed expansion will not change the footprint of Delta's existing lease area. **(10/21/2025)**

7. The GPIIP Board recommended an update to the GPIIP Port Tariff at its June 2025 meeting. The CBS Assembly approved the tariff update at its July 2025 meeting. **(07/11/2025)**
8. The GPIIP Board recommended a non-competitive bid for a long-term lease of Lot 9b to Pacific Jewel Marine at its June 2025 meeting. The CBS Assembly approved the lease at its September 23rd meeting. **(11/17/2025)** The GPIIP recommended requested amendments to the Pacific Jewel Marine lease at its December 2025 meeting. **(01/12/2026)**. The Assembly approved the long-term lease at its 2/10/2026 meeting. **(02/16/2026)**
9. The Assembly approved both the Commercial Vessel Movement Operations Requirements and the GPIIP Traffic Management and Vehicle Operations Policy at its 01/20/2026 meeting. **(02/16/2026)**
10. Pacific Jewel Marine has submitted a Commercial Vessel Movement Operations request to the CBS to move vessels within the GPIIP properties. The plans have been sent to the CBS Municipal Engineer. The Municipal Engineer will review the plans and provide findings to the GPIIP Board in the near future. **(04/13/2026)**

- 11. GPIIP Zoning Code** - The GPIIP Zoning Code was reviewed to make changes to allow for more efficient operations at the GPIIP by the GPIIP Board over the fall and winter and finally approved in February 2026. The updated code was approved by the Planning and Zoning Commission at its May 6th meeting with the suggested changes approved by the GPIIP Board at its April meeting. The updated zoning code was approved by the Assembly on 6/9 under first reading. The Assembly will review the zoning code again on 6/23. **(6/15/2026)**
- 12. Lot 16b RFP** – The GPIIP Board review an RFP for Lot 16b at its April 2026 meeting, the Board postponed the RFP discussion until State of Alaska Right of Way (ROW) boundaries could be better understood. The GPIIP Director has contacted State DOT ROW office and a local surveyor to determine the boundaries, but no information is available currently. The Lot 16b RFP will be brought back for consideration at the GPIIP Board’s June 18th meeting. **(5/18/2026)**
- 13.**



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Monday, June 15th, 2026

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors
From: Garry White, Director
Subject: GPIIP Haul Out – Uninsured Vessels Discussion

Background

The City and Borough of Sitka (CBS) recently constructed a marine haul out facility at the GPIIP. The CBS entered into an Operating Agreement with Highmark Marine Fabricators LLC to operate the haul out and shipyard facilities at the GPIIP. The Operating Agreement outlines the facilities available for the operator's use, the scope of services provided, owner's responsibilities, insurance requirements, and many other provisions.

The CBS also created and implemented a Marine Vessel Haul Out and Shipyard Facility Use Agreement that outlines basic yard rules and regulations for vendors and vessel owners that wish to use the facility. The Facility Use Agreement requires "Facility Users other than Vendor to have a current marine insurance policy of a "named perils" or "all risks" type that fully insures the value of the vessel, plus liability. Hull and machinery coverage shall be sufficient to dispose of the vessel if abandoned, burned, or otherwise left on the Facility".

Uninsured Vessel Issue

Uninsured vessels that wish to use the haul out and shipyard facilities currently are not allowed to use the haul out of shipyard facilities. GPIIP Board members have requested to discuss this issue.

The GPIIP Board met on May 21st to hold a work session to take public input and then later discussed the issue at its regular meeting. The Board requested that a signature waiver document (attached) be developed for Board discussion.

Action

- GPIIP Board discussion and direction on uninsured vessels and GPIIP Haul Out and Shipyard facilities.

CITY AND BOROUGH OF SITKA, ALASKA UNINSURED VESSEL HAUL-OUT

Assumption of Risk, Waiver of Claims, Environmental Liability & Financial Responsibility Agreement

This Agreement is entered into by the undersigned vessel owner or authorized representative (“**Owner**”) in favor of the City and Borough of Sitka, Alaska (“**CBS**”) and Highmark Marine Fabrication, LLC, its contracted haul-out operator (“**Operator**”). This Agreement governs use of the marine haul-out, shipyard, and related facilities at the Gary Paxton Industrial Park (“**Facility**”) by vessels that do not meet the Operator’s insurance requirements.

VESSEL INFORMATION

Vessel Name:	AK/USCG Registration No.:
Length Overall (LOA):	Beam:
Hull Material:	Year Built:
Fuel Type & Capacity (gallons):	Approx. Fuel on Board:
Estimated Fair Market Value of Vessel:	

OWNER INFORMATION

Owner Name:	Phone:
Mailing Address:	Email:

Section 1. Purpose and Condition of Use

The Operator requires vessels utilizing the Facility to carry marine insurance meeting minimum coverage requirements established by the Operator. Owner represents that the Vessel identified above does not carry insurance meeting those requirements. CBS has agreed to permit uninsured or underinsured vessels to use the Facility, provided the Owner executes this Agreement and pays all required fees and deposits set forth herein. The Operator has agreed to haul uninsured or underinsured vessels under this arrangement provided that neither the Operator nor CBS is required to front costs for cleanup, repairs, or damage arising from the Vessel. This Agreement is a material condition of Facility access.

Section 2. Required Fees and Deposits

Owner shall pay the following before the Vessel is hauled. **No vessel will be lifted until all amounts are received.**

Item	Amount	Refundable?
Uninsured Vessel Surcharge (administrative)	\$250.00	No
Environmental/Fuel Spill Deposit	\$5,000.00	Yes *
Total Due Before Haul-Out	\$5,250.00	

- a. Uninsured Vessel Surcharge (\$250.00).** This nonrefundable surcharge compensates CBS for the additional administrative burden and financial risk associated with hauling uninsured vessels, including enhanced pre-haul inspection, waiver processing, environmental deposit administration, and increased risk management oversight. This surcharge is not insurance and does not provide coverage of any kind to the Owner, does not limit Owner’s liability under this Agreement, and does not create an insurer-insured relationship between CBS and Owner.
- b. Environmental/Fuel Spill Deposit (\$5,000.00).** This deposit secures Owner’s environmental obligations under Section 7. The deposit will be returned in full upon satisfactory completion of haul-out operations and removal of the Vessel from the Facility, provided no discharge, spill, or release of fuel, oil, or hazardous substances has occurred and no environmental cleanup costs have been incurred. If cleanup costs are incurred, CBS shall apply the deposit to those costs first. If costs exceed \$5,000, Owner remains liable for the full excess

under Section 7. CBS will return the deposit (or any unused remainder) within thirty (30) days of Vessel removal from the Facility.

- c. Haul-Out Service Fees.** Standard haul-out, storage, and launch fees are separate from and in addition to the amounts required by this Section and are governed by the Facility's published fee schedule.

Section 3. Acknowledgment – No Insurance Coverage

Owner expressly acknowledges and agrees that:

- a. The Vessel does not carry marine insurance meeting the Operator's requirements for haul-out and shipyard operations;
- b. Neither CBS nor Operator provides insurance coverage of any kind for the Vessel;
- c. Neither CBS nor Operator is acting as an insurer or guarantor of the Vessel;
- d. Any loss, damage, or liability associated with the Vessel is the sole responsibility of the Owner; and
- e. Public funds and the citizens of Sitka are not responsible for private vessel losses.

Section 4. Assumption of Risk

Owner acknowledges that haul-out, lifting, blocking, storage, pressure washing, maintenance, repair, and re-launch operations involve inherent and significant risks, including but not limited to: structural or hull failure; separation of planking or hull components; fastener or framing failure; tank rupture or leakage; fire or explosion; collapse during lifting or blocking; and failure due to latent defects or deterioration. Owner expressly acknowledges that older vessels and wooden vessels present elevated risks, represents that the Vessel is structurally capable of being hauled, and accepts all risks associated with the Vessel's age, design, construction, maintenance history, and condition, whether known or unknown.

Section 5. Release and Waiver of Claims

To the fullest extent permitted by law, Owner releases, waives, and discharges CBS and Operator, and their respective officers, employees, agents, contractors, and representatives, from any and all claims, demands, or causes of action arising out of or related to the Vessel's use of the Facility, including but not limited to: damage to or loss of the Vessel in whole or in part; loss of use, fishing time, fishing opportunity, income, revenue, or business interruption; consequential, incidental, or economic damages of any kind; and loss of seasons, catch, permits, crew wages, tendering opportunities, or economic expectancy.

This release applies regardless of cause, **except that nothing in this Agreement releases CBS or Operator from liability caused solely by their own gross negligence or willful misconduct, as determined by a court of competent jurisdiction.**

Section 6. Indemnification – Facility, Third-Party, and General Liability

Owner agrees to defend, indemnify, and hold harmless CBS and Operator from and against any and all claims, liabilities, damages, costs, and expenses arising from or related to the Vessel's presence at or use of the Facility, including but not limited to: damage to the Facility (including the travel lift, marine railway, blocking, cradles, piers, hard surfaces, utilities, and equipment); damage to other vessels present at the Facility whether on the hard, in the water, or in transit; personal injury or death arising from the condition or operation of the Vessel; any claim by the Operator against CBS arising from damage caused by the Vessel; and attorney's fees, court costs, and enforcement expenses. This indemnification applies regardless of whether CBS or Operator was concurrently negligent, except that Owner shall not be required to indemnify CBS or Operator for liability caused solely by their own gross negligence or willful misconduct.

Section 7. Environmental Responsibility and Indemnification

In addition to the general indemnification in Section 6, Owner agrees to defend, indemnify, and hold harmless CBS and Operator from and against any and all claims, liabilities, damages, costs, and expenses arising from or related to any discharge, spill, or release of oil, fuel, hazardous substances, pollutants, or contaminants originating from the Vessel, including but not limited to: emergency response and containment costs; cleanup and remediation costs; regulatory penalties, fines, or assessments; natural resource damages; third-party claims; and attorney's fees and enforcement costs. This obligation applies regardless of fault, is not limited by the environmental deposit under Section 2(b), and survives removal of the Vessel from the Facility. Nothing in this Agreement limits or waives liability imposed under 33 U.S.C. § 1321 (Clean Water Act), the Oil Pollution Act of 1990, or Title 46 of the Alaska Statutes.

Section 8. Fuel Management

Owner shall reduce fuel aboard the Vessel to the minimum quantity practicable before haul-out. Owner shall ensure all fuel tanks, fittings, and lines are secure and free of visible leaks. Owner shall immediately notify the Operator of any fuel discharge or suspected leak. Failure to comply with this Section may result in refusal of haul-out services or, if the Vessel is already on the hard, assessment of costs under Sections 6 and 7.

Section 9. Vessel Removal and Abandonment

- a. Owner shall remove the Vessel from the Facility by the date agreed upon at scheduling. Extensions require prior written approval from the Operator.
- b. If Owner fails to remove the Vessel within fourteen (14) days after the agreed removal date (or any approved extension), the Vessel shall be deemed abandoned. CBS may, at its sole discretion and without further notice, dispose of, sell, or remove the Vessel. **All costs of removal, disposal, storage, and environmental cleanup shall constitute a debt owed to CBS and shall be collected as provided in Section 10.**
- c. CBS shall have a possessory lien on the Vessel for all unpaid fees, deposits, charges, and costs arising under this Agreement. CBS may retain physical possession of the Vessel until all amounts owed are paid in full.

Section 10. Debt Recovery and Enforcement

Owner agrees that any costs, damages, fees, or liabilities incurred by CBS under this Agreement shall constitute a **personal financial obligation of the Owner and a debt owed to the City and Borough of Sitka**, collectible under the following provisions of the Sitka General Code and applicable law:

- a. **Municipal Collections Policy (SGC 4.20.030).** CBS may pursue all collection actions authorized under its municipal credit and collections policy, including referral to collection agencies, reporting to credit bureaus, and civil action.
- b. **Interest on Delinquent Accounts (SGC 4.95.010).** All unpaid debts owed to CBS are subject to a monthly finance charge of one percent (12% per year) from the date the account becomes delinquent.
- c. **Offset Authority (SGC 4.20.060).** CBS may offset amounts owed against any other payments, refunds, or credits due from CBS to Owner, after ten business days' written notice.
- d. **Utility Disconnection (SGC 4.20.030(B)(2)–(3)).** Under CBS collections policy, failure to resolve any debt owed to the municipality—including debts arising under this Agreement—may result in disconnection of municipal utility services (electric, water, wastewater) to any property serviced in Owner's name, following written notice. **Owner acknowledges this notice and understands that unpaid haul-out debts may affect Owner's municipal utility accounts.**
- e. **Legal Remedies.** CBS may file civil suit for recovery of amounts owed, assert maritime liens, statutory vessel liens, and possessory liens against the Vessel, and record liens against real property of the Owner within the Borough for unpaid debts.
- f. **Alaska Permanent Fund Dividend.** CBS may seek attachment of Owner's Alaska Permanent Fund Dividend as authorized by AS 43.23.065 / 43.23.140.
- g. **Subrogation.** If CBS's insurer pays a claim arising from the Vessel, the insurer shall be subrogated to CBS's rights under this Agreement and may pursue Owner directly for recovery. Owner expressly consents to this subrogation.

All remedies under this Section are cumulative and not exclusive. Owner expressly consents to jurisdiction and venue in the courts of the State of Alaska, First Judicial District at Sitka, for enforcement of this Agreement.

Section 11. No Limitation of Liability; No Third-Party Insurance Benefit

No fee, deposit, or payment made under this Agreement limits Owner's liability. If CBS maintains its own insurance coverage, such coverage does not insure or benefit the Owner in any way. CBS expressly reserves all rights of recovery, subrogation, and reimbursement against Owner.

Section 12. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions remain in full force and effect.

Section 13. Voluntary and Informed Execution

READ CAREFULLY BEFORE SIGNING

By signing below, Owner acknowledges and agrees that:

- 1. This Agreement has serious legal and financial consequences;
- 2. Owner has had the opportunity to consult with legal counsel before signing;
- 3. Owner understands the risks of proceeding without insurance;
- 4. Owner may be personally liable for damages far exceeding the fees and deposits paid; and
- 5. Owner executes this Agreement knowingly and voluntarily.

OWNER / AUTHORIZED REPRESENTATIVE

Owner / Authorized Representative Signature

Date

Printed Name

Phone / Email

CBS / FACILITY USE ONLY

Fees & Deposit Received: \$250 Surcharge \$5,000 Deposit Receipt No.: _____

CBS / Operator Authorized Representative

Date

* **Environmental Deposit Return:** The \$5,000 deposit will be returned within 30 days of vessel removal from the Facility, provided no environmental incident has occurred. Refunds will be issued to the Owner at the mailing address above unless otherwise directed in writing.



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Monday, June 15, 2026

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors

From: Garry White, Director

Subject: Lot 16B RFP Discussion

Introduction

The GPIIP Board has expressed interest in leasing out properties at the GPIIP via long term leases for development of the GPIIP properties. Lot 16b has been identified as a parcel of property that has interest from the public in being released for development for marine services related to the haul out facility and other potential non-marine services uses. The goal of this agenda item is to have a general discussion on the development of a future Request for Proposals (RFP) on potential uses of the property, specifically what uses the Board wishes for development on the lot.

The GPIIP Board has suggested at previous meetings that it wishes to see the lot removed of rock that has been stored on the lot since the Blue Lake Dam expansion project. Does the Board still wish to see the rock removed or does the potential future uses of the lot determine the rock removal request?

The GPIIP Board met on April 16th to discuss the Lot 16b RFP and directed the GPIIP Director to investigate the State of Alaska Right of Way (ROW) restrictions on lot 16b. The Draft RFP has been updated to include language related to State ROW requirements. Additionally, the CBS Attorney has included additional RFP language to better inform potential proposers of CBS standard lease terms.

Background

The GPIIP Board has held multiple meetings to discuss the yard space requirements for the haul-out and shipyard facility, including working yard space, long-term vessel storage, gear storage, and vendor operations. The Board's discussions have emphasized prioritizing the remaining property near the facility for lease to qualified organizations engaged in the repair, maintenance, modification, or construction of marine vessels and related services. Other lots within the GPIIP have not been defined.

The GPIIP Director was directed by the GPIIP Board in the past to not solicit or accept any long-term lease proposals at the GPIIP until the GPIIP Haul Out development was planned and completed. Conceptual plans for Phase 1 and Phase 2 have been developed and reviewed by the GPIIP Board and Assembly, and development is underway.

The GPIIP Board has been working to adjust the zoning code for the GPIIP properties. The zoning code allows for multiple different types of industrial use. The updated zoning code changes were approved by the CBS Planning Commission and it was approved on first reading by the Assembly.

Property

Lot 16b is 20,135 SF parcel of property, located on the western end of the GPIIP, adjacent to Sawmill Creek Rd. Lot 16B is valued at \$95,580 or ~\$4.75/SF.

Action

- GPIIP direction for development of a future RFP for Lot 16b of the GPIIP.

**REQUEST FOR PROPOSALS
ISSUED BY
THE CITY AND BOROUGH OF SITKA, ALASKA
FOR
PRIVATE SECTOR DEVELOPMENT OF LOT 16B**

XXXX 2026

A. Overview

The Gary Paxton Industrial Park (GPIP) Board of Directors, through the City and Borough of Sitka (CBS), intends to select a private entity(s) for a long-term lease of Lot 16B at the Gary Paxton Industrial Park (“the Property”) for activities XXXXX. The Gary Paxton Industrial Park is the site of the former Alaska Pulp Company (APC) pulp mill located approximately six miles southeast of downtown Sitka. The site is on the road system. An aerial vicinity map is provided to indicate the area of interest for lease.

Gary Paxton Industrial Park is under development by a five-member board of directors appointed by the Sitka Assembly. The Board serves in an advisory capacity to the Assembly, who have final authority on leases at the GPIP.

The GPIP and CBS, through this Request for Proposals (RFP), are seeking qualified organizations (“Proposers”) who are interested in leasing the Property for activities related to XXXXX. The CBS intends to select a Proposer to which a lease will be awarded subject to approval by the CBS Assembly.

The City and Borough of Sitka reserves the right to negotiate with the finalist(s). The CBS reserves the right to not select any proposals received from this RFP.

B. Property Characteristics

1. General Description & Surrounding Uses

The area of interest for the lease is Lot 16B of the GPIP. The Property is 20,135 SF, located on the western end of the GPIP, adjacent to Sawmill Creek Rd. Lot 16B is valued at \$95,580 or ~\$4.75/SF.

The selected Proposer(s) may be required to commission a survey of the lease area to be performed by a surveyor licensed in the State of Alaska which will be agreed upon between the selected Proposer(s) and CBS prior to execution of the lease documentation. If required, the survey shall be completed at the sole expense of the selected Proposer(s).

The GPIIP includes a deep-water dock and upland land available for lease, positioning it as a strategic location for maritime and industrial activities or other activities. As part of its commitment to enhancing the maritime capabilities of the region, the CBS is currently developing a state-of-the-art vessel haul out and shipyard facility within the GPIIP, poised to significantly bolster Sitka's maritime services by incorporating a 150-ton vessel hoist, a pile-supported pier for the lift vehicle, a wash-down pad, and a graded gravel vessel laydown area.

2. Utilities & Construction

Municipal water, sewer, and electric services (together, “utility services”) are available in the vicinity; the selected Proposer(s) will need to install utility service connections to the leased property as necessary to support their proposed development. Proposers should include the expected size of utility services required for their development in their response.

Development of this land may increase stormwater runoff onto properties downstream. The Proposer(s) for this property may be required to adhere to CBS Stormwater Design Standards and complete a comprehensive hydrology study completed by a State of Alaska licensed Civil Engineer and accepted by the CBS Department of Public Works. The selected Proposer(s) for this property may also be required to complete a Storm Water Pollution Prevention Plan and/or Storm Water Treatment Plan.

Obtaining all necessary geotechnical information and applicable permits during planning, design, and construction shall be the sole responsibility of the selected Proposer(s).

3. Access & Right-of-Way

Lot 16B fronts Sawmill Creek Road, which through the GPIIP is a State-maintained highway administered by the Alaska Department of Transportation & Public Facilities (DOT&PF), Southcoast Region. Per the recorded plats of record (Sawmill Cove Industrial Park Resubdivision No. 1, recorded plat 2008-14-137-00; and DOT&PF Project 68216 survey plat), the State right-of-way (ROW) line along this frontage lies approximately forty-three (43) feet from the road centerline. The selected Proposer(s) should not assume the ROW line coincides with the edge of pavement and should verify the ROW dimension at the actual frontage from the plats of record and with DOT&PF.

Direct vehicular access from Lot 16B onto Sawmill Creek Road is not guaranteed and may not be available. Any new or modified access onto Sawmill Creek Road requires a State Driveway/Approach Road Permit issued by DOT&PF under AS 19.25.200 and 17 AAC 10.020–10.080. The selected Proposer(s) shall be solely responsible, at their sole expense, for applying for and obtaining any required DOT&PF driveway/approach-road permit, including any traffic impact analysis, engineered site plan, sight-distance demonstration, and any required traffic control or lane closure permitting. CBS, as landowner, will provide reasonable landowner authorization necessary to support a complete application, but CBS makes no representation or warranty that a driveway permit will be granted, or that direct access onto Sawmill Creek Road will be approved at any particular location.

DOT&PF driveway standards (Highway Preconstruction Manual §1190) impose minimum requirements for sight distance, corner clearance from intersections, spacing between driveways,

driveway width and angle, and access grade, scaled to the roadway's posted/design speed and functional classification. Because Lot 16B lies on a curved segment of Sawmill Creek Road, sight distance and corner clearance are expected to be the controlling constraints on whether, and where, a driveway may be located. Proposers are advised that DOT&PF may, in its discretion, direct that access be taken from the interior GPIP road network rather than directly from Sawmill Creek Road. Proposers should account for this access uncertainty in their development plan and cost estimates.

4. Zoning

The property is zoned as GP – Gary Paxton special zone. Excerpts of applicable sections of the zoning (Title 22 of the Sitka General Code) related to the Gary Paxton special zone are included in the appendices. Proposals are expected to conform to the requirements of Title 22.

Table 22.20-1 Development Standards lists the minimum setback distances and maximum height allowable in each zoning district, including the Gary Paxton special zone.

C. Lease Term Structure

CBS anticipates that the lease agreement, if awarded, will be structured with the following terms. Authorized/required activities are included as examples; they are not necessarily exhaustive or final.

1. Lease Term – The CBS is offering terms of up to 25 years, with any renewal option exercisable at the sole discretion of the CBS and subject to renegotiation of the lease rate to then-current fair market value at the time of renewal.
 - Proposers shall suggest preferred lease term for a long-term lease.
2. Lease Rate – The minimum annual lease rate will be set at 9% of the current appraised value of the raw property. The CBS intends to require annual Consumer Price Index (CPI) adjustments for “Urban Wage Earners and Clerical Workers” for Anchorage, provided that no annual adjustment shall reduce the lease rate below the rate in effect for the prior year. The CBS further intends to require periodic reappraisal of the raw property value, not less frequently than every five (5) years, with the lease rate reset to nine percent (9%) of the reappraised value whenever that amount exceeds the then-current rate.
 - Proposers shall propose preferred lease rate for a long-term lease.
3. Permitted Use (Restrictive Use Clause) - The leased property **shall be used exclusively** for activities directly related to:

XXXXXXXX

No other uses shall be permitted without prior written approval from the Lessor.

4. Development Requirements

Development Commencement: Lessee must commence development, permitting, and improvement of the property within **six (6) months** of the lease commencement date.

Completion Timeline: Lessee must achieve **substantial completion** of all required improvements and development activities within **twenty-four (24) months** of the lease commencement date.

Failure to meet these milestones may result in lease termination or enforcement of performance penalties, at the sole discretion of the Lessor. Substantial completion shall be determined by the Lessor in its reasonable discretion. The CBS intends to require the Lessee to post performance security, in a form and amount acceptable to the CBS, to secure timely completion of the required improvements. Any extension of these milestones may be granted only in the sole discretion of the Lessor and must be requested and approved in writing prior to the applicable deadline.

5. Ownership Structure Requirement (Owner-Operator Clause)

The CBS prefers proposals in which the applicant is an **owner-operator**, directly involved in and responsible for the management and operation of the project. The CBS reserves the right, in its sole discretion, to decline or assign reduced evaluation weight to proposals from passive investors, holding companies, or entities whose primary intent is to lease, sublease, license, or otherwise convey use of the property to third parties rather than to directly operate the proposed development.

6. Subleasing and Assignment Restriction

Subleasing of the leased property or any portion thereof is **prohibited without the prior written consent** of the Lessor, which consent may be granted or withheld in the Lessor's sole discretion. Assignment, mortgage, pledge, or other transfer of the lease or any interest therein, whether voluntary, involuntary, or by operation of law, including any change in control of the Lessee, is likewise prohibited without the prior written consent of the Lessor. Any unauthorized subleasing or assignment shall be considered a default under the lease.

7. Insurance and Indemnification

The Lessee shall, throughout the lease term and at its sole expense, maintain commercial general liability, property, and such other insurance as the CBS may require, in amounts acceptable to the CBS, naming the CBS as an additional insured and providing for notice to the CBS prior to cancellation. The Lessee shall indemnify, defend, and hold harmless the CBS and its officers, agents, and employees from and against all claims, damages, and liabilities arising out of the Lessee's use, development, or occupancy of the property, except to the extent caused by the sole negligence of the CBS.

8. Taxes, Assessments, and Utilities

The Lessee shall be responsible for all taxes, assessments, and charges of any kind levied against the leased property, the leasehold interest, or any improvements, including any possessory interest or similar tax, and for all utility service charges and connection costs. The lease rate is exclusive of, and shall not be reduced by, any such taxes, assessments, or charges.

9. Improvements and Surrender

Upon expiration or earlier termination of the lease, the CBS shall have the right, at its sole election, to require that the Lessee remove all or any portion of the improvements and restore the property to a condition acceptable to the CBS at the Lessee's sole expense, or that title to all or any portion of the improvements vest in the CBS at no cost. The Lessee shall surrender the property free of liens and in compliance with all applicable environmental and regulatory requirements.

10. Compliance with Laws and Environmental Responsibility

The Lessee shall, at its sole expense, comply with all applicable federal, state, and local laws, regulations, and permitting requirements in its development, use, and operation of the property. The Lessee shall be responsible for any environmental condition arising from its use or occupancy and shall not cause or contribute to any release of, or aggravate any existing, contamination. The Lessee shall indemnify, defend, and hold harmless the CBS from and against all claims, liabilities, costs, and remediation obligations arising from the Lessee's acts or omissions on the property. Nothing in the lease shall be construed as an assumption by the CBS of responsibility for any pre-existing environmental condition.

11. Reserved Rights and Easements

The lease will be subject to all existing easements, rights-of-way, and reservations of record. The CBS reserves the right to grant and use existing and future utility easements across the property and to continue operating and developing the adjacent marine vessel haul out and shipyard facility, the GPIIP deep-water dock, and the interior GPIIP road network. The Lessee's development shall not impair, obstruct, or interfere with these facilities, easements, or operations.

D. Requirements for Proposals

Proposers must include the following information arranged in this order in response to the RFP:

1. Cover Page (One page maximum)
 - a. Statement indicating response to CBS Request for Proposals for Private Sector Development of Raw Land for **XXXXXX**.
 - b. RFP due date and time
 - c. Proposer name (and logo(s) if desired)
 - d. Acknowledged receipt of all RFP addenda (if any)

- e. Signed certification that the proposal was prepared independently and without collusion, and that no prohibited contact was made in violation of the quiet period described in Section G
 - f. Other information/graphics as desired
2. Experience and Qualifications (Three page maximum)
 - a. Brief description of the entity, including its legal structure.
 - b. Narrative statement of qualifications of your firm(s) or organization(s) and key consultants/contractors to be engaged, if applicable.
 - c. Brief resumes of the owner/managers.
 3. Development Plan (Four page maximum)
 - a. Narrative description of the proposed development, including a concept level operations plan for the facility.
 - b. Development plan including project schedule with key tasks and milestones, estimated project cost, and availability/source(s) of funding.
 - c. Evidence of financial capacity to complete the proposed development, such as a financing commitment letter, proof of funds, or financial statements. CBS reserves the right to require additional financial documentation before scoring is finalized. Supporting financial documentation provided under this item is not subject to the page limits.
 - d. A detailed site plan including approximate dimensions of proposed lease lot and proposed layout of lease lot including buildings, other structures/improvements, fencing/gating, parking, signage, and any other notable features.
 - e. Provide estimated environmental impact to the location and surrounding community.
 4. Lease Terms and Rates
 - a. Provide proposed long term lease rate and lease terms.
 5. Operating Plan (Two page maximum)
 - a. Narrative description of operating plan and proposed management structure.
 6. Community Benefits (Two page maximum)
 - a. Narrative description of expected community benefits.
 - b. Describe the estimated number of employees and how operation(s) would benefit Sitka. At a minimum include:
 - (1) Estimated number of new (net increase of) full-time equivalent jobs and describe how employment may fluctuate throughout the year.
 - (2) Estimate net increase in sales tax or similar taxes to the CBS. Net increase would be additional from sales not already taking place in Sitka.

Responses are limited to the page maximums listed above. Margins will be one inch, all pages will be 8 ½" x 11", and font size shall be no less than 11 point. Page margin and size requirements are waived for the site plan required for submittal under section D(3)(d) above.

E. Evaluation and Scoring

Responses to this RFP will be evaluated and scored by a CBS appointed Selection Committee based on the following criteria (100 points total):

Scoring Criteria	Description	Maximum Points
Experience & Qualifications	Experience and qualifications to successfully complete and operate the project	20
Development Plan	Quality, clarity, comprehensiveness, and feasibility of development plan	20
Operating Plan	Quality, clarity, comprehensiveness, and feasibility of operating plan	20
Financial Viability	Demonstrated financial feasibility of development and operations	20
Community Benefit	Breadth and depth of community benefits, contribution towards supporting the marine vessel haul out facility and local economy	20

CBS reserves the right to conduct interviews, require the submittal of additional detailed information, and/or ask questions specific to individual proposers to assist in scoring responses to this RFP. The Selection Committee will make recommendations to the GPIIP Board of Directors that will make its recommendations to the Assembly based on its evaluation of the RFP responses.

CBS reserves the right to determine that no proposal is acceptable and to decline to advance any proposal that does not, in the judgment of the Selection Committee, demonstrate adequate qualifications, feasibility, and financial capacity. In the event of a tie in total score, the proposal receiving the higher score under the Community Benefit criterion will be ranked first; if a tie remains, the Selection Committee may conduct interviews or request additional information to break the tie.

F. Post Evaluation

CBS has not, as of the date of the preparation of this RFP, established a review timetable. Post evaluation, CBS anticipates the following review and approval process:

1. Preliminary proposal selection
2. Preliminary negotiation of lease terms
3. Presentation of GPIIP Board of Directors to the CBS Assembly, and CBS Assembly direction to proceed with preparation of a lease based on negotiated terms
4. Preparation of lease agreement and ordinance authorizing lease
5. Assembly passage of ordinance authorizing lease
6. Execution of lease agreement

G. Submissions and Inquiries

Proposals must be received by 2:00:00 P.M. AKST, Thursday, XXXX, 2026.

Proposals may be submitted:

- Through Bid Express (access via <https://www.cityofsitka.com/bids-rfps>)
- OR
- Hand delivered or mailed to:

City and Borough of Sitka
Attn: Municipal Clerk
100 Lincoln Street
Sitka, Alaska 99835

The exterior of packaging, containing the proposals, shall be clearly marked: **Private Sector Development of Lot 16B at the GPIIP for XXXXX.**

Proposers must acknowledge receipt of all addenda – see section D(1)(d). It is the responsibility of Proposers to regularly check the website for addenda to the RFP.

Prior to the submittal, inquiries may be directed to Garry White, Gary Paxton Industrial Park, Director, City and Borough of Sitka at garrywhite@gci.net. While phone inquiries can be made to (907) 747-2660, emails are requested to allow for tracking of potential questions.

Written questions concerning this RFP must be received by the GPIIP Director no later than 4:00 P.M. AKST, XXXX, 2026. CBS will respond to questions by written addendum posted to the website. No addendum will be issued within five (5) business days before the proposal deadline. Interested parties may arrange a site visit of the property by contacting the GPIIP Director in advance.

From the issuance of this RFP until the Assembly takes final action on the award, Proposers and their representatives shall not contact members of the Selection Committee, the GPIIP Board of Directors, or the Assembly concerning this RFP. All inquiries must be directed to the GPIIP Director as provided above. Any prohibited contact or attempt to improperly influence the selection may result in disqualification.

Proposals received after the deadline, and proposals that are incomplete or that fail to conform to the requirements of this RFP, may be rejected. Each proposal shall remain valid and irrevocable for one hundred twenty (120) days after the proposal deadline.

The CBS reserves the right to modify this RFP at any time. CBS further reserves the right to evaluate the proposals in any manner CBS deems appropriate.

CBS reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the proposer that best meets the selection criteria. Authorization of all municipal land disposals, including leases, are entirely at the discretion of the CBS Assembly. While it is the intent of CBS to proceed with a lease of the property, nothing in this RFP should be construed as a commitment, guarantee, or promise on the part of CBS. All expenses, whether financial or otherwise, borne by Proposers in developing a response to this RFP are taken at the sole risk and cost of the Proposer.

The materials provided in this RFP and appendices are provided for informational purposes only. Potential proposers shall take responsibility for independently verifying all information. Any lease of the land will be in the condition “as is”. Any lessee will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).

All Proposals received by CBS in response to this RFP are deemed property of CBS and are subject to the Public Records Acts following evaluation and preliminary proposal selection. CBS, or any of its agents, representatives, employees, or consultants shall not be liable to the Proposer or individual participating in a Proposal, as a result of the disclosure of all or a portion of a Proposal under this RFP. Any information contained in a Proposal which the Proposer believes constitutes proprietary or confidential, exempting the information from any Public Record disclosure, shall be clearly designated. Blanket designations shall not be accepted.

H. Appendices

- A. Aerial vicinity map
- B. Excerpts from Sitka General Code Title 22, Zoning



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Monday, June 15, 2026

MEMORANDUM

To: Gary Paxton Industrial Park Board of Directors
From: Garry White, Director
Subject: Lot 6 RFP Discussion

Introduction

The GPIIP Board approved a Draft RFP for Private Sector Development of a Portion of Lot 6 for Marine Vessel and Marine Services at its October 2025 meeting. The RFP has been waiting for the CBS Planning Commission and Assembly to approve the updated GPIIP Zoning Use tables before bringing the Lot 6 RFP to the Assembly for approval and release. The GPIIP Zoning Code changes have been approved by the Planning Commission, and it was approved on first reading by the Assembly at its June 9th meeting.

An updated draft Lot 6 RFP is being brought back to the GPIIP for review and approval as the CBS Attorney has included additional RFP language to better inform potential proposers of CBS standard lease terms.

Background

The GPIIP Board has held multiple meetings to discuss the yard space requirements for the haul-out and shipyard facility, including working yard space, long-term vessel storage, gear storage, and vendor operations. The Board's discussions have emphasized prioritizing the remaining property near the facility for lease to qualified organizations engaged in the repair, maintenance, modification, or construction of marine vessels and related services. Other lots within the GPIIP have not been defined.

The GPIIP Director was directed by the GPIIP Board in the past to not solicit or accept any long-term lease proposals at the GPIIP until the GPIIP Haul Out development was planned and completed. Conceptual plans for Phase 1 and Phase 2 have been developed and reviewed by the GPIIP Board and Assembly, and development is underway.

The GPIIP Board has been working to adjust the zoning code for the GPIIP properties. The zoning code allows for multiple different types of industrial use. The updated zoning code changes were approved by the CBS Planning Commission, and it was approved on first reading by the Assembly on June 9th.

Property

The remaining portion of Lot 6 available for development is approximately a 7,000 SF portion, located adjacent to the north end of the CBS Haul Out and Shipyard area. Lot 6 is valued at \$9.95/SF.

Action

- GPIP direction for development of a future RFP for Lot 6 of the GPIP.

**REQUEST FOR PROPOSALS
ISSUED BY
THE CITY AND BOROUGH OF SITKA, ALASKA
FOR
PRIVATE SECTOR DEVELOPMENT OF A PORTION OF LOT 6 FOR MARINE
VESSEL AND MARINE SERVICES**

XXXX 2026

A. Overview

The Gary Paxton Industrial Park (GPIP) Board of Directors, through the City and Borough of Sitka (CBS), intends to select a private entity(s) for a long-term lease of a portion of Lot 6 at the Gary Paxton Industrial Park (“the Property”) for activities related to the repair, maintenance, modification, or construction of marine vessels and/or marine services. The Gary Paxton Industrial Park is the site of the former Alaska Pulp Company (APC) pulp mill located approximately six miles southeast of downtown Sitka. The site is on the road system. An aerial vicinity map is provided to indicate the area of interest for lease.

Gary Paxton Industrial Park is under development by a five-member board of directors appointed by the Sitka Assembly. The Board serves in an advisory capacity to the Assembly, who have final authority on leases at the GPIP.

The GPIP and CBS, through this Request for Proposals (RFP), are seeking qualified organizations (“Proposers”) who are interested in leasing the Property for activities related to related to the repair, maintenance, modification, or construction of marine vessels and/or marine services. The CBS intends to select a Proposer to which a lease will be awarded subject to approval by the CBS Assembly.

The City and Borough of Sitka reserves the right to negotiate with the finalist(s). The CBS reserves the right to not select any proposals received from this RFP.

B. Property Characteristics

1. General Description & Surrounding Uses

The area of interest for the lease is Lot 6 of the GPIP. The Property is approximately a 7,000 SF portion of Lot 6, located adjacent to the north end of the CBS Haul Out and Shipyard area. Lot 6 is valued at \$9.95/SF.

The selected Proposer(s) may be required to commission a survey of the lease area to be performed by a surveyor licensed in the State of Alaska which will be agreed upon between the selected

Proposer(s) and CBS prior to execution of the lease documentation. If required, the survey shall be completed at the sole expense of the selected Proposer(s).

The GPIIP includes a deep-water dock and upland land available for lease, positioning it as a strategic location for maritime and industrial activities or other activities. As part of its commitment to enhancing the maritime capabilities of the region, the CBS is currently developing a state-of-the-art vessel haul out and shipyard facility within the GPIIP, poised to significantly bolster Sitka's maritime services by incorporating a 150-ton vessel hoist, a pile-supported pier for the lift vehicle, a wash-down pad, and a graded gravel vessel laydown area.

2. Utilities & Construction

Municipal water, sewer, and electric services (together, “utility services”) are available in the vicinity; the selected Proposer(s) will need to install utility service connections to the leased property as necessary to support their proposed development. Proposers should include the expected size of utility services required for their development in their response.

Development of this land may increase stormwater runoff onto properties downstream. The Proposer(s) for this property may be required to adhere to CBS Stormwater Design Standards and complete a comprehensive hydrology study completed by a State of Alaska licensed Civil Engineer and accepted by the CBS Department of Public Works. The selected Proposer(s) for this property may also be required to complete a Storm Water Pollution Prevention Plan and/or Storm Water Treatment Plan.

Obtaining all necessary geotechnical information and applicable permits during planning, design, and construction shall be the sole responsibility of the selected Proposer(s).

3. Zoning

The property is zoned as GP – Gary Paxton special zone. Excerpts of applicable sections of the zoning (Title 22 of the Sitka General Code) related to the Gary Paxton special zone are included in the appendices. Proposals are expected to conform to the requirements of Title 22.

Table 22.20-1 Development Standards lists the minimum setback distances and maximum height allowable in each zoning district, including the Gary Paxton special zone.

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 - Proposers shall suggest preferred lease term for a long-term lease.

2. Lease Rate – The minimum annual lease rate will be set at 9% of the current appraised value of the raw property. The CBS intends to require annual Consumer Price Index (CPI) adjustments for “Urban Wage Earners and Clerical Workers” for Anchorage, provided that no annual adjustment shall reduce the lease rate below the rate in effect for the prior year. The CBS further intends to require periodic reappraisal of the raw property value, not less frequently than every five (5) years, with the lease rate reset to nine percent (9%) of the reappraised value whenever that amount exceeds the then-current rate.

- Proposers shall propose preferred lease rate for a long-term lease.

3. Permitted Use (Restrictive Use Clause) - The leased property **shall be used exclusively** for activities directly related to:

The **repair, maintenance, modification, or construction of marine vessels, and/or Marine services and industries** that support or relate to commercial or industrial marine operations.

No other uses shall be permitted without prior written approval from the Lessor.

4. Development Requirements

Development Commencement: Lessee must commence development, permitting, and improvement of the property within **six (6) months** of the lease commencement date.

Completion Timeline: Lessee must achieve **substantial completion** of all required improvements and development activities within **twenty-four (24) months** of the lease commencement date.

Failure to meet these milestones may result in lease termination or enforcement of performance penalties, at the sole discretion of the Lessor. Substantial completion shall be determined by the Lessor in its reasonable discretion. The CBS intends to require the Lessee to post performance security, in a form and amount acceptable to the CBS, to secure timely completion of the required improvements. Any extension of these milestones may be granted only in the sole discretion of the Lessor and must be requested and approved in writing prior to the applicable deadline.

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10. Compliance with Laws and Environmental Responsibility

The Lessee shall, at its sole expense, comply with all applicable federal, state, and local laws, regulations, and permitting requirements in its development, use, and operation of the property. The Lessee shall be responsible for any environmental condition arising from its use or occupancy and shall not cause or contribute to any release of, or aggravate any existing, contamination. The Lessee shall indemnify, defend, and hold harmless the CBS from and against all claims, liabilities, costs, and remediation obligations arising from the Lessee's acts or omissions on the property. Nothing in the lease shall be construed as an assumption by the CBS of responsibility for any pre-existing environmental condition.

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The lease will be subject to all existing easements, rights-of-way, and reservations of record. The CBS reserves the right to grant and use existing and future utility easements across the property and to continue operating and developing the adjacent marine vessel haul out and shipyard facility, the GPIP deep-water dock, and the interior GPIP road network. The Lessee's development shall not impair, obstruct, or interfere with these facilities, easements, or operations.

D. Requirements for Proposals

Proposers must include the following information arranged in this order in response to the RFP:

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 - b. RFP due date and time
 - c. Proposer name (and logo(s) if desired)
 - d. Acknowledged receipt of all RFP addenda (if any)
 - e. Signed certification that the proposal was prepared independently and without collusion, and that no prohibited contact was made in violation of the quiet period described in Section G
 - f. Other information/graphics as desired
2. Experience and Qualifications (Three page maximum)
 - a. Brief description of the entity, including its legal structure.
 - b. Narrative statement of qualifications of your firm(s) or organization(s) and key consultants/contractors to be engaged, if applicable.
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 - a. Narrative description of the proposed development, including a concept level operations plan for the facility.
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 - c. Evidence of financial capacity to complete the proposed development, such as a financing commitment letter, proof of funds, or financial statements. CBS reserves the right to require additional financial documentation before scoring is finalized. Supporting financial documentation provided under this item is not subject to the page limits.
 - d. A detailed site plan including approximate dimensions of proposed lease lot and proposed layout of lease lot including buildings, other structures/improvements, fencing/gating, parking, signage, and any other notable features.
 - e. Provide estimated environmental impact to the location and surrounding community.

4. Lease Terms and Rates
 - a. Provide proposed long term lease rate and lease terms.

5. Operating Plan (Two page maximum)
 - a. Narrative description of operating plan and proposed management structure.

6. Community Benefits (Two page maximum)
 - a. Narrative description of expected community benefits.
 - b. Describe the estimated number of employees and how operation(s) would benefit Sitka.

At a minimum include:

 - (1) Estimated number of new (net increase of) full-time equivalent jobs and describe how employment may fluctuate throughout the year.
 - (2) Estimate net increase in sales tax or similar taxes to the CBS. Net increase would be additional from sales not already taking place in Sitka.

Responses are limited to the page maximums listed above. Margins will be one inch, all pages will be 8 ½” x 11”, and font size shall be no less than 11 point. Page margin and size requirements are waived for the site plan required for submittal under section D(3)(d) above.

E. Evaluation and Scoring

Responses to this RFP will be evaluated and scored by a CBS appointed Selection Committee based on the following criteria (100 points total):

Scoring Criteria	Description	Maximum Points
Experience & Qualifications	Experience and qualifications to successfully complete and operate the project	20
Development Plan	Quality, clarity, comprehensiveness, and feasibility of development plan	20
Operating Plan	Quality, clarity, comprehensiveness, and feasibility of operating plan	20
Financial Viability	Demonstrated financial feasibility of development and operations	20
Community Benefit	Breadth and depth of community benefits, contribution towards supporting the marine vessel haul out facility and local economy	20

CBS reserves the right to conduct interviews, require the submittal of additional detailed information, and/or ask questions specific to individual proposers to assist in scoring responses to this RFP. The Selection Committee will make recommendations to the GPIIP Board of Directors that will make its recommendations to the Assembly based on its evaluation of the RFP responses.

CBS reserves the right to determine that no proposal is acceptable and to decline to advance any proposal that does not, in the judgment of the Selection Committee, demonstrate adequate qualifications, feasibility, and financial capacity. In the event of a tie in total score, the proposal

receiving the higher score under the Community Benefit criterion will be ranked first; if a tie remains, the Selection Committee may conduct interviews or request additional information to break the tie.

F. Post Evaluation

CBS has not, as of the date of the preparation of this RFP, established a review timetable. Post evaluation, CBS anticipates the following review and approval process:

1. Preliminary proposal selection
2. Preliminary negotiation of lease terms
3. Presentation of GPIIP Board of Directors to the CBS Assembly, and CBS Assembly direction to proceed with preparation of a lease based on negotiated terms
4. Preparation of lease agreement and ordinance authorizing lease
5. Assembly passage of ordinance authorizing lease
6. Execution of lease agreement

G. Submissions and Inquiries

Proposals must be received by 2:00:00 P.M. AKST, Thursday, XXXX, 2026.

Proposals may be submitted:

- Through Bid Express (access via <https://www.cityofsitka.com/bids-rfps>)
- OR
- Hand delivered or mailed to:

City and Borough of Sitka
Attn: Municipal Clerk
100 Lincoln Street
Sitka, Alaska 99835

The exterior of packaging, containing the proposals, shall be clearly marked: **Private Sector Development of a Portion of Lot 6 at the GPIIP for Marine Vessel and Marine Services.**

Proposers must acknowledge receipt of all addenda – see section D(1)(d). It is the responsibility of Proposers to regularly check the website for addenda to the RFP.

Prior to the submittal, inquiries may be directed to Garry White, Gary Paxton Industrial Park, Director, City and Borough of Sitka at garrywhite@gci.net. While phone inquiries can be made to (907) 747-2660, emails are requested to allow for tracking of potential questions.

Written questions concerning this RFP must be received by the GPIIP Director no later than 4:00 P.M. AKST, XXXX, 2026. CBS will respond to questions by written addendum posted to the website. No addendum will be issued within five (5) business days before the proposal deadline. Interested parties may arrange a site visit of the property by contacting the GPIIP Director in advance.

From the issuance of this RFP until the Assembly takes final action on the award, Proposers and their representatives shall not contact members of the Selection Committee, the GPIIP Board of Directors, or the Assembly concerning this RFP. All inquiries must be directed to the GPIIP Director as provided above. Any prohibited contact or attempt to improperly influence the selection may result in disqualification.

Proposals received after the deadline, and proposals that are incomplete or that fail to conform to the requirements of this RFP, may be rejected. Each proposal shall remain valid and irrevocable for one hundred twenty (120) days after the proposal deadline.

The CBS reserves the right to modify this RFP at any time. CBS further reserves the right to evaluate the proposals in any manner CBS deems appropriate.

CBS reserves the right to accept or reject any and/or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the proposer that best meets the selection criteria. Authorization of all municipal land disposals, including leases, are entirely at the discretion of the CBS Assembly. While it is the intent of CBS to proceed with a lease of the property, nothing in this RFP should be construed as a commitment, guarantee, or promise on the part of CBS. All expenses, whether financial or otherwise, borne by Proposers in developing a response to this RFP are taken at the sole risk and cost of the Proposer.

The materials provided in this RFP and appendices are provided for informational purposes only. Potential proposers shall take responsibility for independently verifying all information. Any lease of the land will be in the condition "as is". Any lessee will assume the entire risk as to the quality and suitability of the land for their intended purpose(s).

All Proposals received by CBS in response to this RFP are deemed property of CBS and are subject to the Public Records Acts following evaluation and preliminary proposal selection. CBS, or any of its agents, representatives, employees, or consultants shall not be liable to the Proposer or individual participating in a Proposal, as a result of the disclosure of all or a portion of a Proposal under this RFP. Any information contained in a Proposal which the Proposer believes constitutes proprietary or confidential, exempting the information from any Public Record disclosure, shall be clearly designated. Blanket designations shall not be accepted.

H. Appendices

- A. Aerial vicinity map
- B. Excerpts from Sitka General Code Title 22, Zoning