



**BOARD OF DIRECTOR'S MEETING**

**MONDAY, NOVEMBER 13TH, 2023 - AGENDA**

**3:00 PM**

**Room 6 Harrigan Centennial Hall**

**Regular Meeting**

**3:00 PM**

<b><u>Item</u></b>	<b><u>Action</u></b>
A. Call to Order	Acknowledge
B. Roll Call	Acknowledge
C. Review of Minutes	Motion to Approve
<b>JUNE 22ND, 2023</b>	
D. Correspondence & Other Information	Acknowledge/Questions
E. Changes/Additions/Deletions to Agenda	Change/Add/Delete
F. Reports	
G. Persons To Be Heard	
H. Unfinished Business	
1. GPIP Haul Out Development Discussion	Discussion/Recommendations
I. New Business	
1. GPIP Haul Out Operations Discussion	Discussion/Recommendations
2. Tourism Task Force Discussion	Discussion/Recommendations
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.**



329 Harbor Drive, Suite 202  
Sitka, AK 99835  
Phone: 907-747-2660

Monday, November 6, 2023

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors  
From: Garry White, GPIP Director  
Subject: GPIP Haul Out Development Discussion

**Introduction**

The GPIP Board has long recognized the importance of the fishing and maritime industry to the community of Sitka.

The Board and CBS have been working on vessel haul out development concepts since the GPIP properties were acquired. The CBS is now moving forward with the development of a haul out facility and shipyard at the GPIP with funding appropriated via a public vote on October 4th, 2022 in the amount of ~\$8.18 million dollars.

The Board held multiple public meetings since the October 2022 vote to discuss and develop a Project Charter that outlines the project goals and scope of work for Phase 1 of the haul out development. Phase 1 of the Project Charter scope addresses the steps needed for the waterfront development to allow vessels to be haul out of the water.

The Project Charter and a preferred conceptual design for the haul development was reviewed and approved by a Subject Matter Expert (SME) group, the GPIP Board, and Assembly during the summer of 2023. The conceptual design capped the budget at current available funds of ~\$8.18 million dollars. The design includes a 150-ton vessel lift and other various components for the haul out to operate. The conceptual design included an ability to expand the haul out facility to a 300-ton vessel lift in the future.

Since approval of the conceptual design and budget, the CBS has been awarded with a \$1 million dollar grant from the Denali Commission for the purchase of a boat hoist.

The GPIP Director is recommending the following additive alternative items be moved to the base bid items and included in the Phase 1 development:

*(Please see attached updated ROM budget)*

- Upgrading to a permanent concrete wash down pad - ~\$350,000 additional cost.
  - Current base bid calls for a temporary wash down pad.
- Update 150-ton boat hoist costs - ~\$200,000 additional cost.
  - Current base bid estimates a standard boat hoist will cost ~\$1,150,000. After investigating lifts purchased by different communities with similar yards and

looking at different pricing options it appears that \$1.35 is a more accurate budget cost for a 150-ton hoist, cost includes shipping and assembly of a hoist in Sitka.

(\*Actual cost will be determined by either sole sourcing contract or an RFP.)

- Investigation suggests that most standard 150-ton boat hoist are equipped with all-terrain tires and can operated on the GPIIP site with minimal yard upgrades.
- Variable option will cost at least ~\$350,000 more. A yard transporter can be considered later for an estimate cost of ~\$330,000.
- Include pile anodes to protect the steel pipe pilings to ensure the piles useful life is extended - ~\$132,000 additional cost.

Total additions to Phase 1 based bid would be ~\$682,000.

The GPIIP Director is recommending that additional additive alternatives be considered after 35% design is complete, so more accurate numbers can be determined.

### **Background**

The GPIIP Board and CBS have been working on vessel haul out development concepts since the GPIIP properties were acquired. The CBS has repeatedly included marine haul out infrastructure requests in both its Federal and State Legislative Priorities. The CBS recently applied for a USDOT Grant in 2020, 2021, 2022 and plan to apply for future grant opportunities.

The CBS has released multiple Request for Proposals (RFP) for private sector development of a haul out at the GPIIP since 2009. None of the private sector development proposals moved forward due to multiple reasons, including cost of construction.

On October 4th, 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 (GPIIP).

### **Fiscal Note**

Total funding allocated for this project is \$9,281,040 (\$8,181,040 from the proceeds of the sale of the Sitka Community Hospital property, \$100,000 appropriated towards the development in 2021, and \$1 million dollar grant from Denali Commission). The Assembly approved an appropriation for Phase I estimated costs of the based bid items in the amount of \$8,187,000 (see Attachment 3) at its July meeting. Recommended additive alternatives is 682,000.

To complete the additive alternative items remaining in phase 1 an estimated \$5.8 million will be needed. With no readily available municipal source of working capital to fund the additive, alternate items of Phase 1, grant-funding opportunities are the most likely funding source. It is important to note that if the funding source is federal, there may be some added cost related to federal funding restrictions. Cost estimates for Phase 2 of the project have not been fully developed, but estimated to be in the \$15 million dollar range.

### **Action**

- GPIIP Board discussion and selection of additive alternates for Phase 1 development.



November 8, 2023

MEMORANDUM

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

**1. GPIIP Dock**

The GPIIP Dock was open for business in 2018. GPIIP Dock revenues have increased each fiscal year. FY18 - \$689, FY19 - \$14,643, Fy20 - \$37,462, FY21- \$65,322, FY22 - \$87,340, FY23 – (11/30/22) \$27,753 **(2/7/2023)**

The GPIIP Dock received its first small cruise ship on May 17, 2022. The ship Ocean Victory had six ports of calls at the dock in the summer of 2022. The dock received 14 port of calls for the 2023 summer. Twenty-five ports of calls are scheduled for the 2024 summer season.

Recent discussion with Cruise Line Agency, which provided port security for the dock this past summer, suggests that a potable water line, a cell phone booster, and storage for their x-ray machine would be beneficial for operations in the future.  
**(11/08/23)**

**2. Marine Services Industries at the GPIIP.**

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 GPIIP staff developed a GPIIP Vessel Haul Out Development Project Charter (attached) that outlines the project goals, project scope, and timeline for moving the development forward. The GPIIP Board at its November 2022 meeting approved the Charter.

One of the first benchmarks in the key milestones of the project is the hiring of a project management team. The CBS has selected PND Engineering as the project management team to help the community formulate a basis of design of the project. Additionally, the team will designing, engineering the project, and working closely with a construction firm to build the project. **(02/07/2023)**

Both the GPIIP Board and Assembly have approved a conceptual design for the haul out. The environmental permit process has started. The goal is to have a contractor hired by

the end of January 2024, construction started in August 2024, with the haul out being operational by the end of 2024. **(09/01/2023)**

### **3. Lot 4 Purchase**

The CBS has entered into a purchase agreement with Sayak Logistics to repurchase the building and lot 4 of the GPIIP. The CBS and Northline Seafoods LLC (Sayak's previous business name) entered into a lease agreement on July 15, 2017 to use the property and building for activities related to the seafood and marine services industries. The term of the lease was 5 years and allowed Sayak to purchase the building after 5 years if they met certain employment criteria. The lease additionally allowed the CBS first right of repurchase if Sayak wished to sell the property in the future. Sayak purchased the property in August 2022 and has since gave notice that it wishes to sell the property. The purchase agreement allowed little time for the CBS to exercise its interest in repurchasing the property. CBS Administration and the Assembly moved immediately to execute a new purchase agreement.

The purchase price was \$1.3 million. Funding from the purchase came from the following funds: \$700k from the raw water fund, \$240k from the GPIIP Contingency Fund, \$10k from previous left over funds from a GPIIP capital project, and a \$350k loan from the CBS Economic Development fund.

The building has multiple benefits to the existing haul out development. **(11/08/2023)**

### **4. 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 30<sup>th</sup> 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 GPIIP 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)**

### **5. Bottled Water**

The Director continues to receive inquires for bottled water. **(02/07/2023)**

## **6. Blue Lake Dam Expansion Project**

The Assembly has approved a MOA between the GPIIP and Electric Department to allow the GPIIP 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)**

## **7. 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)**

## **8. GPIIP Overall Management**

CBS Administration and the GPIIP Director toured the park and have talked to tenants about cleaning up various lots at the park. **(05/03/2021)**

The GPIIP Director and CBS Administration has implemented a plan to remove the junk vehicle from the GPIIP site and ensure that future dumping activity does not continue. **(11/30/2021)**

The GPIIP Director is working on establishing a budget estimate for a GPIIP Dock Crane and additional security cameras at the GPIIP. **(01/25/2022)**

All junked cars have been removed from the GPIIP properties. The GPIIP Director is working on plans to provide additional site security and deterrents to future dumping of junk at the park. **(06/14/2022)**

A security structure has been built and rebuilt at the GPIIP to support cruise ships calling on the port. **(08/30/2022)**

GARY PAXTON INDUSTRIAL PARK VESSEL HAULOUT  
PHASE 1 IMPROVEMENTS  
CONCEPT NO. 4

PRELIMINARY ENGINEER'S ROM BUDGET  
Prepared By: PND Engineers, Inc. on November 8, 2023

BASE BID ITEMS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
<b>GENERAL CONTRACT ITEMS</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$467,000	
2702.1	Construction Surveying	LS	All Req'd	\$40,000	\$40,000	<b>\$507,000</b>
<b>150 TON HAULOUT PIER (300T RATED)</b>						
2882.1	UHMW Pile Rubstrips	LS	All Req'd	\$100,000	\$100,000	
2886.1	End Bollards & Fender Connections	LS	All Req'd	\$100,000	\$100,000	
2896.1	16" x 1/2" Fender Pile with HDPE Sleeve	EA	4	\$30,000	\$120,000	
2896.4	36" x 1/2" Vertical Steel Pipe Pile	EA	20	\$75,000	\$1,500,000	
2896.5	24" x 1/2" Battered Steel Pipe Pile	EA	4	\$50,000	\$200,000	
3420.1	Precast Concrete Deck Panels (9' W Lanes & 20' Shorter)	SF	2520	\$250	\$630,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$200,000	\$200,000	
5120.1	Steel Pile Caps, Pile Chutes, Handrails & Weldments	TON	45	\$8,000	\$360,000	
5120.2	Steel Angle Bullrail	LS	All Req'd	\$70,000	\$70,000	<b>\$3,280,000</b>
<b>UPLANDS EXPANSION @ PIER</b>						
2203.1	Shot Rock Borrow	CY	10,000	\$50	\$500,000	
2204.1	Base Course Grading C-1	CY	600	\$100	\$60,000	
2205.1	Armor Rock	CY	3,200	\$100	\$320,000	<b>\$880,000</b>
<b>STORMWATER TREATMENT w/ MINIMUM YARD &amp; STORMWATER COLLECTION</b>						
2202.1	Subgrade Preparation at WDP	LS	All Req'd	\$60,000	\$60,000	
2501.1	Storm Drain Pipe @ Uplands Expansion Area Only	LF	200	\$125	\$25,000	
2502.1	Storm Drain Manhole & Water Quality Unit	LS	All Req'd	\$60,000	\$60,000	<b>\$145,000</b>
<b>TEMPORARY WASHDOWN PAD &amp; PRETREATMENT FACILITIES</b>						
2401.1	Water Service to Wash Down Pad	LS	All Req'd	\$25,000	\$25,000	
2601.1	Sewer Service & Lift Station to Wash Down Pad	LS	All Req'd	\$125,000	\$125,000	
3301.1	Temporary Wash Down Curbed Membrane Liner	EA	1	\$50,000	\$50,000	
11170.1	Washwater Pretreatment Facilities	LS	All Req'd	\$125,000	\$125,000	<b>\$325,000</b>
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$5,137,000</b>
<b>10% CONTINGENCY</b>						<b>\$513,700</b>
<b>INDIRECT COSTS: PER CHARTER + GEOTECH INVESTIGATION OVERRUN</b>						<b>\$1,396,415</b>
<b>150T MARINE BOAT HOIST: PER CHARTER</b>						<b>\$1,150,000</b>
<b>TOTAL RECOMMENDED BASE BID BUDGET</b>						<b>\$8,197,115</b>

ADDITIVE ALTERNATE IMPROVEMENTS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
<b>AA1 BOAT HOIST UPGRADES</b>						
	4WD, Shipping & Installation	LS	All Req'd	\$200,000	\$200,000	
	Variable Width Beam	LS	All Req'd	\$350,000	\$350,000	
<b>ESTIMATED PRICE</b>						<b>\$550,000</b>
<b>10% CONTINGENCY</b>						<b>\$55,000</b>
<b>INDIRECT COSTS (5%)</b>						<b>\$27,500</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$632,500</b>

<b>AA2 PERMANENT CONCRETE WASHDOWN PAD</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$30,000	
3301.1	Delete Temporary Wash Down Membrane Liner	EA	1	\$50,000	(\$50,000)	
3301.2	Concrete Wash Down Pad w/ Hydronic Piping	EA	1	\$300,000	\$300,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$280,000</b>
<b>10% CONTINGENCY</b>						<b>\$28,000</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$42,000</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$350,000</b>

<b>AA3 PILE ANODES</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$9,600	
2996.1	Pile Anode	EA	80	\$1,200	\$96,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$105,600</b>
<b>10% CONTINGENCY</b>						<b>\$10,560</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$15,840</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$132,000</b>

<b>AA4 NORTH BOAT YARD SITE GRADING &amp; DRAINAGE</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$109,000	
2060.1	Demolition & Disposal	LS	All Req'd	\$100,000	\$100,000	
2202.1	Excavation, 1' Avg Depth	CY	4,000	\$20	\$80,000	
2202.2	Subbase, 2' Thick	CY	9,000	\$50	\$450,000	
2204.1	Base Course Grading C-1, 8" Thick	CY	2,500	\$100	\$250,000	
2501.1	Storm Drain Pipe	LF	800	\$125	\$100,000	
2502.1	Storm Drain Manholes	LS	All Req'd	\$60,000	\$60,000	
2600.1	Misc. Utility Lid and Grate Adjustments	LS	All Req'd	\$50,000	\$50,000	
2702.1	Construction Surveying	LS	All Req'd	\$15,000	\$15,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$1,214,000</b>
<b>10% CONTINGENCY</b>						<b>\$121,400</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$182,100</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$1,517,500</b>

<b>AA5 YARD TRANSPORTER</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$25,000	
11200.2	40 T Yard Transporter, Shipping & Assembly	LS	All Req'd	\$250,000	\$250,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$275,000</b>
<b>10% CONTINGENCY</b>						<b>\$27,500</b>
<b>INDIRECT COSTS (10%)</b>						<b>\$27,500</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$330,000</b>

<b>AA6 QUEUING FLOAT &amp; GANGWAY</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$45,550	
2894.1	5x80 Aluminum Gangway & Hinge Assembly	LS	All Req'd	\$125,000	\$125,000	
2895.1	10x80 Moorage Float	SF	800	\$300	\$240,000	
2896.3	Vertical Steel Pipe Piles	EA	3	\$18,000	\$54,000	
3420.1	Precast Concrete Deck Panels	CY	5	\$1,500	\$7,500	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$5,000	\$5,000	
5120.1	Steel Pile Cap & Misc. Weldments	TON	3	\$8,000	\$24,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$501,050</b>
<b>10% CONTINGENCY</b>						<b>\$50,105</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$75,158</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$626,313</b>

<b>AA7 GRAVEL HAULOUT RAMP</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$29,500	
2203.1	Shot Rock Borrow	CY	2,500	\$50	\$125,000	
2204.1	Base Course Grading C-1	CY	300	\$100	\$30,000	
2205.1	Armor Rock	CY	1,400	\$100	\$140,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$324,500</b>
<b>10% CONTINGENCY</b>						<b>\$32,450</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$48,675</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$405,625</b>

<b>AA8 300T PIER WIDENING FOR FUTURE 37' WIDTH EXPANSION</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$20,000	
3420.1	Precast Concrete Deck Panels	SF	800	\$250	\$200,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$50,000	\$50,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$270,000</b>
<b>10% CONTINGENCY</b>						<b>\$27,000</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$40,500</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$337,500</b>

<b>AA9 UTILITY BUILDING</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$77,000	
13000.1	Building, Hydronic Boiler, Restroom, Office	SF	960	\$750	\$720,000	
16000.1	Power to Utility Building	LS	All Req'd	\$50,000	\$50,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$847,000</b>
<b>10% CONTINGENCY</b>						<b>\$84,700</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$127,050</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$1,058,750</b>

<b>AA10 DECKOVER, 32X60</b>						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$107,000	
2886.2	Timber End Curb with Tire Fenders	LS	All Req'd	\$50,000	\$50,000	
2896.3	24" x 1/2" Vertical Steel Pipe Pile	EA	6	\$35,000	\$210,000	
2896.4	Battered Steel Pipe Piles	EA	2	\$35,000	\$70,000	
3420.1	Precast Concrete Deck Panels	SF	1920	\$250	\$480,000	
3601.1	Deck C.I.P Concrete and Grout	LS	All Req'd	\$100,000	\$100,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	20	\$8,000	\$160,000	
<b>ESTIMATED CONSTRUCTION BID PRICE</b>						<b>\$1,177,000</b>
<b>10% CONTINGENCY</b>						<b>\$117,700</b>
<b>INDIRECT COSTS (15%)</b>						<b>\$176,550</b>
<b>TOTAL RECOMMENDED BUDGET</b>						<b>\$1,471,250</b>

**TOTAL RECOMMENDED BUDGET: BASE BID + ALL ADDITIVE ALTERNATES** **\$15,058,553**