



BOARD OF DIRECTOR'S MEETING AGENDA

THURSDAY, JANUARY 15TH, 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 December 18th, 2025	Motion to Approve
D. Correspondence & Other Information	Acknowledge/Questions
E. Changes/Additions/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 Zoning Discussion	Discussion/Recommendation
I. New Business	
1. GPIP Fiscal Year 2027 Budget	Discussion/Recommendation
2. GPIP Traffic Management and Vehicle Policy	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
December 18, 2025 3:00 pm
Harrigan Centennial Hall Room 6

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 3:04 pm

B. ROLL CALL

Members Present: Scott Wagner, Mike Johnson (arrived 3:06), Chad Goeden, Lauren Howard, Casey Campbell (zoom)

Members Absent: None

Staff Present: Garry White

City Representatives: John Leach, Thor Christianson

Others Present: Jeremy Serka, Members of the Public

C. Review of Minutes – November 20, 2025

Motion: **M/S Howard/Goeden to approve the minutes of November 20, 2025.**

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

D. Correspondence & Other Information - None

E. Changes/Additions/ Deletions to Agenda – Note GPIP Zoning Discussion was pulled.

F. Reports – Mr. White shared the GPIP lot had been cleared of snow and boats were still being pulled. Mr. Wagner asked if there was an update on the sink hole out near the park. Mr. Leach shared that Public Works was aware.

G. Persons to Be Heard- None.

H. Unfinished Business –

1. ~~GPIP Zoning Discussion~~ – PULLED

2. Pacific Jewel Marine - Lot 9b Lease Amendment

Mr. White summarized that Pacific Jewel Marine (PJM) requested a non-competitive long-term lease of Lot 9b at the Gary Paxton Industrial Park (GPIP) to provide unobstructed access to a future boat house for marine services associated with its current tenants working in its building at 4500 Sawmill Creek Rd. In July, the GPIP

Board approved to proceed without competitive bid because the subject property has limited use, it allowed established business to continue to grow, if leased to another lessee would limit access and economic opportunity of the existing marine service tenants of lot 5, and it allowed access to the marine service tenants of lot 5 potentially creating more jobs. The GPIP board then approved to proceed with leasing Lot 9b to provide non-obstructed access to future boathouses for marine services provided by the tenant on Lot 5 by way of a 10-year lease to Pacific Jewel Marine with 4 – 10 year extensions available agreed upon by both parties for \$453.50/month with an annual CPI adjustment. The CBS Assembly approved this request in September 2025.

Mr. White continued that Pacific Jewel Marine requested that the terms of the lease be adjusted to allow for additional uses other than just unobstructed access.

Additionally, Pacific Jewel requested to modify the lease terms of the lease.

The GPIP Board at its November 20th meeting discussed the requested lease amendments. The Board requested the Pacific Jewel Marine to resubmit its intended use of the property and to have the item discussed at its today's meeting.

Mr. White needs a recommendation from the GPIP Board on the amendments. The board reviewed and discussed the proposal to review whether this updated lease does or does not need to go through the competitive bid process with these changes. Mr. Serka shared nothing has changed from the primary use, but the additional use would include storage for his equipment and the boats waiting to be worked on to support that primary use.

The board discussed that once zoning has been updated this will help a lot and this needs to be a priority. The board discussed the variety of uses at length and came to a suggestion for the assembly.

Motion: **M/S Howard/Goeden** recommended to lease Lot 9b in a non-competitive bid process to Pacific Jewel Marine (PJM). We intend in the first 3 years or until substantial progress has been made on the construction of a boat house that the lot will be used to support operations of PJM for their boat building and repair business. Once a boat house has been constructed or substantial progress made Lot 9b will be used to provide vessel access path to their proposed access location, as well as parking and storing their equipment and materials, as well as staging vessels that are being worked on in the boat house. Substantial progress can be measured in an annual review by the GPIP Director.

Action: **Passed (5/0)** on a roll call vote.

Motion: **M/S Howard/Goeden** move to proceed without a competitive bid process of Lot 9b with the following rationale: the subject property has limited use, it allows an established business to continue to grow, if the property was leased to another lessee it would limit access and economic opportunity to the existing marine service tenants of Lot 5 and allowing access to the marine service tenants of Lot 5 has the potential to create more jobs.

Action: **Passed (5/0)** on a roll call vote.

I. New Business-

1. GPIP Shipyard Future Capital Improvements

Mr. White shared an update on insurance options for vessels, legislative priorities, and phases to improve the yard. He shared the next phase (phase 2) could include north boat yard electrical, north boat yard grading and drainage, lighting and fencing. Phase 3 could include west boat yard electrical, west boat yard grading and drainage, second concrete washdown pad and later could include float and gangway, gravel haul out ramp and a pier widening. Mr. White was looking for direction from the board on priorities as he continues to refine this draft. The board shared moving pile anodes further up the wish list.

Public comments, especially those already working down there, shared the need for fencing, grading, and lighting would be helpful.

Mr. White asked for a recommendation to move forward with the shared plan amended with moving Pile Anodes to #1 and #12 is now #11

Motion: **M/S Howard/Johnson** move to approve the GPIP Shipyard Capital Improvement Plan as amended.

Action: **Passed (5/0)** on a voice vote.

Mrs. Howard shared many have been denied insurance for vessels and everything has been a dead end. Mr. White shared he is still further investigating. Mr. Leach shared the reasons for liability coverage specifically.

Highmark Marine shared the washdown pad could provide a service to clean the bottom of fuel trucks and they would like to discuss that at a future meeting.

Highmark Marine also shared insurance, and weather has slowed things down a bit, but lots of work is being done and boats are being hauled successfully.

J. Adjournment

Motion: **M/S Wagner/Johnson** move to adjourn the meeting at 4:08 pm.

Action: **Passed (5/0)** on a voice vote.

Monday, January 12th, 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)**

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. The GPIP 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 GPIP 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)**

A 150 ton Marine Travelift has been ordered from Kendrick Equipment for \$1,377,800 after a competitive bid process.

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).

A request for qualifications for GPIP Haul Out operations is being developed to determine what if any third party entity will run the haul out. **(8/21/2024)**

The CBS was not successful in obtaining a Denali Commission grant to fund electrical infrastructure for the haul out development.

Disaster Relief Payment from ADF&G as part of the 2020/21 Statewide Salmon disaster.

The RFQ was released to the public and the CBS chose and entity to start negotiating a scope of services for the haul out operations. **(10/30/24)**

A draft scope of service will be presented to the GPIP Board at its 12/17 meeting.

The CBS received its environmental permits to start the in-water construction on 11/20/24. The marine contractor starting driving pilings for the haul out piers on 11/21/24. **(12/12/24)**

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 will be reviewing and making 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 GPIP 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 GPIP Board recommendations at its January 28th, 2025.

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

The GPIP 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. Staff was directed to return to the Assembly with a finalized Operating Agreement between the CBS and Highmark for Assembly approval in the near future.

The 150-ton Travelift machine is delayed in shipping to Sitka. The estimated timeframe for delivery is early May. **(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 GPIP Board is developing requests for proposals to allow for vendor spaces at the GPIP. The GPIP current zoning code is being reviewed for potential adjustments and modifications to allow for more defined use of the GPIP 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 GPIP 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 GPIP Board approved a Request for Proposals (RFP) for long-term leases of adjacent properties to marine vendors and other uses.

The GPIP Zoning Code is being reviewed to make changes to allow for more efficient operations at the GPIP. **(11/17/2025)**

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

The GPIP 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 GPIP Board did a walking tour of the GPIP 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. GPIP Dock Fuel Sales

Delta Western has received its build permit to establish a fueling operation on the GPIP 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 GPIP dock. **(11/12/2019)**

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

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

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

7. The GPIP Board recommended an update to the GPIP Port Tariff at its June 2025 meeting. The CBS Assembly approved the tariff update at its July 2025 meeting. **(07/11/2025)**
8. The GPIP 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 GPIP recommended requested amendments to the Pacific Jewel Marine lease at its December 2025 meeting. **(01/12/2026)**



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

Monday, January 12th, 2026

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: FY2027 GPIP Enterprise Budget

Introduction

Section 2.100.150 of the Sitka General Code states the following:

2.100.150 Preparation and submission of a budget.

The director shall prepare the budget in accordance with approved city and borough procedure and format and shall submit it to the board of directors for approval and recommendation to the assembly. The board of directors shall modify the budget as it deems necessary and forward it to the municipal administrator for transmittal to the assembly. The board shall annually prepare and submit to the municipal administrator a proposed six-year capital improvements program for submittal to and consideration by the assembly. (Ord. 00-1568 § 4, 2000; S.G.C. § 2.38.150.)

Additional Information

Attached is the following:

- Draft FY2027 operational budget

Capital Budget Suggestions

The GPIP Director is recommending the following capital budget suggestions:

- \$10k for the installation of a second security camera in haul out yard area.
- \$5k for the installation of equipment to improve cell phone services.

A member of the GPIP Board discussed potentially adding a dock crane into the capital budget. This item was investigated in 2021/2022. An 8-ton crane with a 30' boom was estimated to cost \$550k, including design, engineering, and purchasing the crane. The estimate does not include electrical cost for power.

Action

- Board discussion and approval of FY2026 operational and capital budget.

Operating Revenue	FY2024	FY2025	FY2025	FY2026	FY2026	FY2027		
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Jan 9</u>	<u>Budget</u>		
GPIP Dock								
Moorage	\$66,369	\$95,000	\$56,828	\$65,000	\$58,882	\$65,000		
Dock Tariff Charges	\$24,732	\$40,000	\$46,194	\$27,000	\$39,565	\$45,000		
Freight Storage	\$0	\$0	\$0	\$0	\$0	\$1,000		
Fuel Flowage	\$27,496	\$25,000	\$27,600	\$29,000	\$22,481	\$30,000		
Other Revenue	\$0	\$2,200	\$0	\$0	\$150	\$0		
Dock Total	\$118,597	\$162,200	\$130,622	\$121,000	\$121,078	\$141,000		
Uplands								
Land Rent	\$109,955	\$15,000	\$99,723	\$91,232	\$48,275	\$133,000	Includes current lease payments & \$	
Building Rent	\$19,530	\$30,000	\$0	\$0	\$26,278	\$62,000		
Uplands Rent Total	\$129,485	\$45,000	\$99,723	\$91,232	\$74,553	\$195,000		
Interest Income	\$266,384	\$40,000	\$177,594	\$40,000	\$33,464	\$15,000		
Total Revenue	\$514,466	\$247,200	\$407,939	\$252,232	\$229,095	\$351,000		
Operating Budget								
Category	FY2024	FY2025	FY2025	FY2026	FY2026	FY2027		
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>		
Wages	\$0	\$0	\$0	\$41,924	\$0	\$45,000	GPIP Allocation of Port Director (pos	
Utilities	\$20,323	\$20,000	\$21,408	\$25,000	\$5,810	\$20,000		
Solid Waste	\$0	\$7,500	\$165	\$5,000	\$0	\$1,000		
Heating Fuel	\$5,445	\$7,200	\$7,550	\$8,000	\$376	\$0		
Insurance	\$30,917	\$25,000	\$17,161	\$16,900	\$14,028	\$25,000		
Lift & Equipment Insurance		\$20,000	\$0	\$20,000	\$0	\$10,000		
Office Supplies	\$0	\$2,500	\$923	\$2,500	\$760	\$1,500		
Lift Supplies	\$0	\$5,000	\$0	\$5,000	\$0	\$10,000		
Repair and maintenance	\$0	\$15,000	\$1,559	\$15,000	\$1,281	\$15,000	5K General/\$10K per Highmark Ope	
Building maintenance	\$0	\$10,000	\$4,041	\$2,500	\$0	\$5,000		
Contract services	\$101,119		\$98,729		\$74,500	\$110,000	SEDA Management/Lift Inspection/A	
Interdepartmental services	\$86,361	\$90,000	\$87,174	\$84,912	\$0	\$95,000		
Legal Fees	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000		
Bad Debts	\$0	\$0	\$8,143	\$15,000	\$0	\$0		
Vehicles	\$0	\$0	\$0	\$0	\$0	\$5,000	Central Garage Hoist Maintenance	

Advertising	\$0	\$1,500	\$1,160	\$2,500	\$0	\$2,500	Advertising for RFQ's	
Credit card expense	\$441	\$500	\$34	\$800	\$6	\$800		
Other Expense	\$0	\$1,000	\$0	\$1,000	\$0	\$0		
Total Operating Budget	\$244,606	\$210,200	\$248,047	\$209,112	\$96,761	\$350,800		



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

Monday, January 12th, 2026

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: GPIP Traffic Management and Vehicle Operations Policy

Introduction

Sitka General Code 2.100.100 – Adoption of Regulations states the following:

“The board of directors shall adopt regulations for the administration of the industrial park. The board shall submit regulations to the assembly for review prior to final adoption.”

The GPIP Board in November discussed and recommended requirements for Commercial Vessel Movement Operations within the GPIP. The Board recommended the CBS Assembly approve the requirements as presented with a caveat that pollution umbrella insurance policy be investigated to reduce the insurance levels. CBS risk managers and insurance providers have been consulted and a reduction in insurance levels has been amended (attached). Additionally, the Board requested that a policy be developed for when the requirements would be implemented.

Attached is a draft GPIP Traffic Management and Vehicle Operations Policy for the Board review and recommendations.

The draft policy addresses that the GPIP is an industrial park and not a public roadway. It allows for industrial vehicle activities, including vessel movement. The policy establishes a clear, enforceable framework for managing vehicle and equipment traffic to protect public safety, preserve municipal infrastructure, and support continued industrial activity.

Background

As the GPIP has been developed over the years, traffic management has started to become a concern with multiple different commercial and industrial activities, along with the public travel in the park. In the spring of 2024, the GPIP Board recommended a commercial bus and for-hire vehicle policy for the GPIP, which is included in the draft document.

Action

- GPIP Board discussion and recommendations on the GPIP Traffic Management and Vehicle Operations Policy

City and Borough of Sitka

Gary Paxton Industrial Park (GPIP)

Traffic Management and Vehicle Operations Policy

Executive Summary

The Gary Paxton Industrial Park (GPIP) is a mixed-use industrial facility supporting marine, logistics, and heavy industrial operations. Internal access routes within GPIP are engineered and paved but are not public roadways. This Policy establishes a clear, enforceable framework for managing vehicle and equipment traffic to protect public safety, preserve municipal infrastructure, and support continued industrial activity.

1. Purpose and Intent

The purpose of this Traffic Management and Vehicle Operations Policy (“Policy”) is to:

- Protect public safety within the Gary Paxton Industrial Park (GPIP);
- Preserve and extend the service life of City and Borough of Sitka (CBS) infrastructure assets;
- Provide clear operational expectations for tenants, contractors, and visitors;
- Support safe and efficient industrial operations, including marine vessel haul-out and shipyard activities.

This Policy establishes rules for vehicle traffic, industrial equipment, and non-routine movements within GPIP.

2. Applicability

This Policy applies to:

- All tenants, subtenants, contractors, vendors, and visitors;
- All vehicles, equipment, and conveyances operating within GPIP;
- All paved and unpaved access routes, easements, and corridors within GPIP boundaries.

Compliance with this Policy is a condition of access to GPIP.

3. Authority and Facility Classification

3.1 Industrial Travel Corridors

- Access roads, utility easements, and paved corridors within GPIP are designated as **Industrial Travel Corridors**.
- Industrial Travel Corridors are **not public roadways**, regardless of construction standard or appearance.
- Use of Industrial Travel Corridors is conditional and subject to CBS regulation.

3.2 Relationship to Public Road Standards

- State and municipal roadway standards may inform design and construction.
- Traffic operations within GPIP are governed by this Policy and related agreements, not public traffic code.

4. Vehicle and Equipment Classifications

Vehicles and equipment operating within GPIP are categorized as follows:

1. **Passenger and Light-Duty Vehicles**
 - Passenger cars, pickup trucks, vans, low speed vehicles, and commercial buses.
2. **Commercial Highway Vehicles**
 - Dump trucks and freight vehicles compliant with state and city roadway requirements.
3. **Industrial Vehicles**
 - Forklifts, yard trucks, loaders, and similar industrial equipment.
4. **Heavy and Specialized Equipment**
 - Marine travel lifts, cranes, heavy haul vehicles, and non-road mobile equipment.
5. **Oversize or Overweight Loads**
 - Any vehicle or load exceeding standard axle weights, dimensions, or operational norms.

**Different rules and permitting requirements apply to each category.*

5. General Traffic Rules

5.1 Speed Limits

- Maximum speed within GPIP: **15 mph**
- Designated industrial, shipyard, and pedestrian interaction areas: **10 mph**
- CBS may establish lower posted limits where conditions warrant.

5.2 Right-of-Way Hierarchy

Right-of-way within GPIP shall be observed in the following order:

1. Emergency response vehicles
2. Active vessel movements and heavy equipment under permit
3. Heavy industrial equipment
4. Forklifts and industrial vehicles
5. Passenger and light-duty vehicles

5.3 Pedestrian Safety

- Pedestrians shall remain alert and use designated walk areas where provided.
- Vehicles must yield to pedestrians in designated crossings and active work zones.

6. Forklift and Industrial Vehicle Operations

- Forklifts shall yield to all other vehicular traffic unless operating within controlled work zones.
- Maximum forklift speed: **10 mph**, or lower as conditions require.

7. Heavy Equipment and Non-Routine Operations

7.1 General Requirements

Heavy or specialized equipment movements are inherently higher risk and require additional oversight. No heavy or non-routine operation may occur when such movement:

- Crosses, occupies, or temporarily obstructs an Industrial Travel Corridor;
- Exceeds established load, axle, or ground pressure limits;
- Creates an elevated risk to infrastructure, utilities, or public safety.

Authorization by the City and Borough of Sitka (CBS) is required prior to execution.

7.2 Vessel Movement Permit (Existing Process)

All vessel movements within GPIP are subject to the City and Borough of Sitka's **GPIP Vessel Movement Permit Rules and Regulations**, as adopted and amended.

A Vessel Movement Permit is required for:

- Any vessel haul-out, transport, or repositioning within GPIP, other than standard road legal trailers;
- Any vessel movement that crosses or encroaches upon an Industrial Travel Corridor;
- Any non-routine vessel movement presenting elevated operational risk.

Compliance with the approved Vessel Movement Permit and associated Movement Plan is mandatory and enforceable under this Policy.

8. Stopping, standing and parking of buses and for-hire vehicles.

- It is unlawful for any **person** to park or stop any bus upon any part of the Gary Paxton Industrial Park (GPIP), except as follows:
 - When a cruise ship is in port, or in conjunction with an authorized tour operation at the GPIP Dock, buses may park in the GPIP Dock passenger loading zone as signed while actively loading or unloading passengers only.
- The driver of a bus shall enter the GPIP Dock passenger loading zone as signed in such a manner that the bus, when stopped to load or unload passengers, shall be in a position as not to unduly impede the movement of other vehicular traffic.
- No taxicab or for-hire **vehicle** shall be parked at the GPIP except when actively engaged in loading or unloading passengers.

9. Pavement and Infrastructure Protection

- Vehicles shall comply with posted axle load and weight limits.
- Pivot turns, jackknifing, or stationary turning of heavy vehicles on pavement is prohibited unless authorized.
- Seasonal or weather-based load restrictions may be imposed.
- Users causing damage to pavements, utilities, or structures shall be responsible for repair costs.

10. Permit System

The City and Borough of Sitka may require permits, approvals, or operating authorizations for activities within GPIP including, but not limited to:

- Oversize or overweight vehicle movements;
- Heavy equipment operations;
- Temporary deviations from standard traffic rules;
- Construction, staging, or material storage affecting Industrial Travel Corridors.

Permits may impose conditions related to timing, routing, traffic control, insurance, indemnification, cost recovery, and restoration.

11. Enforcement

Enforcement mechanisms may include:

- Verbal or written warnings;
- Suspension or revocation of permits;
- Restriction or revocation of access privileges;
- Recovery of infrastructure repair costs;
- Enforcement through lease or operating agreements.

12. Insurance and Indemnification

- All operators shall maintain insurance meeting CBS requirements.
- Permit holders shall indemnify and hold harmless the City and Borough of Sitka.

13. Administration and Amendments

- This Policy shall be administered by the City and Borough of Sitka or its designee.
- CBS may amend this Policy as operational needs evolve.

14. Effective Date

This Policy becomes effective upon adoption by the City and Borough of Sitka.

Adopted by the City and Borough of Sitka – Effective upon approval

DRAFT - Requirements for Commercial Vessel Movement Operations within the Gary Paxton Industrial Park (GPIP)

Commercial Operator proposal

The Commercial Operator must provide a **Vessel Movement Plan** that includes:

1. **Equipment Specifications:**
 - a. Equipment make and model
 - b. Equipment dimensions (length, width, height)
 - c. Load weights and tire pressures when fully loaded
 - d. Certification of operator competency for heavy equipment
2. **Movement Route and Work Area:**
 - a. A scaled **map** showing travel paths, turning radii, and staging areas
 - b. Identification of potential conflict points with other tenants or infrastructure
3. **Schedule and Coordination Plan:**
 - a. Proposed dates and times of vessel movements
 - b. Coordination plan with CBS staff to ensure safe access control
4. **Emergency Response Plan:**
 - a. Contact list and immediate spill response procedures

Use of GPIP Common Areas

The Operator shall, subject to compliance with rules and regulations which the CBS may adopt from time to time regarding use of the Common Areas within GPIP, as that term is defined below, have non-exclusive use to the GPIP Common Areas in common with other tenants of GPIP and the public. The CBS shall have the exclusive control and management of the Common Areas within the GPIP, and shall have exclusive right and authority to adopt, modify, and enforce reasonable rules and regulations for the management, safety, care and use of the Common Areas by tenants and owners of properties within GPIP. Use of Common Areas shall be by written authorization of the City and Borough of Sitka (CBS). The CBS may suspend or limit access during unsafe conditions, maintenance, or conflicting operations.

Common Areas

The term Common Areas means all areas and facilities outside the Shipyard Properties situated within the GPIP that are provided and designated for general use and convenience of other tenants and owners of GPIP properties, together with their respective agents, and employees, customers, and invitees. Common Areas include, but are not limited to, pedestrian sidewalks, roadways, access easements as designated on GPIP plats, buried and exposed utility lines, parking areas, ramps, retaining walls, lighting fixtures, signage, water filtration systems, docks, piers, piling, and restrooms. The CBS shall have the authority to change the location of or otherwise alter or modify

any and all of the improvements that comprise the Common Areas.

The Operator's Obligations

The Operator shall operate in compliance with all OSHA regulations, including fire safety and confined space requirements.

The Operator shall be responsible for all costs to repair and replace damage caused by the Operator's use of the Common Areas. Operator transporting and moving boats/vessels (Boats) across Common Areas, specifically access easements and roadways, the Operator shall submit to the Public Works Director for the CBS a detailed Load Limit and Remediation Plan prior to moving Boats to and from a designated location adjacent to the Shipyard on to Common Area roads, access easement or rights of way within GPIP.

The Load Limit and Remediation Plan shall provide the CBS with detailed information regarding the"

- (i) "Load bearing capacity" of the travel lift or other mechanical devices or means used by the Operator to move Boats across Common Areas,
- (ii) engineer's determination of the road limits of the Common Areas to be used by the Operator in moving Boats between Shipyard Properties,
- (iii) remediation plan proposed by the Operator to prevent damage to the Common Areas on which Boats are moved/transported between Shipyard Properties, and
- (iv) design plans of engineers to reinforce Common Areas sufficient to prevent damage to the Common Areas from moving/transporting Boats on the Common Areas.

The Operator shall be responsible for all costs that may be incurred to provide CBS with the information requested herein relating to the load bearing capacity of the Common Areas and plan to reinforce the Common Areas if necessary to prevent damage to the Common Areas from moving/transporting Boats across the Common Areas; and, the Operator shall be responsible for all costs incurred to repair, replace, and reconstruct Common Areas damaged from moving/transporting Boats across the Common Areas by the Operator. In addition, the Operator shall be responsible for the cost to maintain the roadways within the Common Area in a safe and good condition; and, shall maintain all utilities, whether exposed or above ground, that are located within the Common Areas, including water, sewer and electric utilities, in safe and good condition, ordinary wear and tear excepted.

Engineering reports and plans required under this section must be signed and stamped by a registered professional engineer licensed in Alaska.

The Operator shall provide and maintain appropriate traffic control, signage, and spotters during vessel movements.

INSURANCE

Operator are required to obtain the following insurance requirements.

A. Type of coverage (may include umbrella):

1. Minimum Scope of Insurance
 - a. Commercial Marine Liability
 - b. Commercial Automobile Liability Insurance
 - c. Umbrella Liability
 - d. Pollution Liability (if not covered by umbrella liability policy)
2. Minimum Limits of Insurance Operator shall maintain limits no less than:
 - a. Commercial Marine Liability: \$1,000,000 combined limit per occurrence for bodily injury and property damage claims. The general aggregate limit shall be \$2,000,000.
 - b. Commercial Auto Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - c. Umbrella Liability Insurance: The Operator shall procure and maintain during the life of this Agreement umbrella liability insurance, not less than \$5,000,000 combined single limit per occurrence and aggregate for bodily injury and property damage claims arising from all operations related to this Agreement
 - d. Pollution Insurance (if not covered by umbrella liability policy): \$2,000,000 combined single limit per loss applicable to bodily injury, property damage, cleanup costs and defense. Coverage shall apply only to sudden and accidental pollution conditions. The Operator shall not be required to maintain coverage for gradual pollution conditions. The Operator shall be responsible for securing an annual environmental survey of the Shipyard Facility by the Alaska Department of Environmental Conservation, or another qualified regulatory authority as agreed by the Parties, to identify any gradual pollution issues (e.g. primary blasting media, paint chips, etc.). Operator shall remediate any issues identified in such annual survey to the extent such issues are caused by the Operator, and such remediation shall be subject to the Operator's indemnity obligations.

B. Other Insurance Provisions

The policies are to contain, or be endorsed to contain the following provisions:

1. Commercial Marine Liability and Automobile Liability, Umbrella and Pollution (if applicable).

- a. The City and Borough of Sitka, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Operator, products and completed

operations of the Operator, premises owned, occupied or used by the Operator, or automobiles owned, leased, hired or borrowed by the Operator. The coverage shall contain no special limitation on the scope of protection afforded to the City and Borough of Sitka, its officers, officials, employees and volunteers.

b. The Operator's insurance coverage shall be primary insurance as respects the City and Borough of Sitka and its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City and Borough of Sitka, its administrators, officers, officials, employees and volunteers shall be excess of the Operator's insurance and shall not contribute to it.

c. The Operator's insurer shall agree to waive all rights of subrogation against the City and Borough of Sitka, its officers, officials, employees and volunteers for losses arising from work performed by the Operator or any subcontractor for the City and Borough of Sitka.

2. Employer's Liability. The Operator's insurer shall agree to waive all rights of subrogation against the City and Borough of Sitka, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Operator or any subcontractor for the City and Borough of Sitka.

3. All Insurance. Each insurance policy required by these requirements shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice for nonpayment of premium or fraud on the part of the Operator or sixty (60) days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City and Borough of Sitka. Such notice shall be mailed by the Operator's insurer(s) to the attention of the Municipal Administrator for the City and Borough of Sitka.

C. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A-: VII

D. Verification of Coverage. The Operator shall furnish the City and Borough of Sitka with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage.

INDEMNITY

The Operator shall agree to indemnify, defend, and hold the City and Borough of Sitka and its administrators, officers, agents, employees, volunteers and servants harmless from and against any and all claims, demands, actions, losses, expenses, and liabilities for, or related to, loss of or damage to property or injury to or death of any person relating to or arising or resulting in any way from the performance by the Operator or any of its subcontractors, or the work or services provided or the condition or use thereof, excepting

only such loss, damage, injury or death which results solely from the negligence or willful misconduct of the City and Borough of Sitka.

DRAFT