

BOARD OF DIRECTOR'S MEETING AGENDA

THURSDAY, JULY 17TH, 2025 - 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

June 19th, 2025

D. Correspondence & Other Information Acknowledge/Questions

E. Changes/Additions/Deletions to Agenda Change/Add/Delete

F. Reports

G. Persons To Be Heard (For items OFF the agenda - not to exceed 3 minutes)

H. Unfinished Business

GPIP Haul Out Development Discussion/Direction Discussion/Recommendations

I. New Business

1. GPIP Zoning Discussion Discussion/Recommendation

J. Persons To Be Heard (For items ON or OFF the agenda - not to exceed 3 minutes)

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 June 19, 2025 3:00 pm GPIP Haul Out Building

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, Chad Goeden, Lauren Howard

Members Absent: Casey Campbell

Staff Present: Garry White

City Representatives: Chris Ystad, Thor Christianson, Michael Harmon, John Leach,

Amy Ainslie

Others Present: Jeremy Serka (Pacific Jewel Marine), Members of Public

C. Review of Minutes – May 15, 2025

Motion: M/S Howard/Goeden to approve the minutes of May 15, 2025 as written.

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

- **D.** Correspondence & Other Information- None
- **E.** Changes/Additions/ Deletions to Agenda Move new business first to accommodate the tour.
- **F.** Reports None.
- **G.** Persons to Be Heard- None.
- H. New Business –

1. GPIP Strategic Plan Walking Tour

Mr. White gave a walking tour of the property and discussed execution of the space including offices, lift, washdown pad, restrooms, storage, lots and more. Members of the public asked about leasing lots, ideas for best use of space, and lot layout suggestions.

- I. Old Business-
 - 1. GPIP Haul Out Development

Mr. White explained project construction is pretty much complete, lift has been tested, and washdown pad construction is approved and waiting on rebar. A request for ~\$715,000 for electric, safety needs, and other enhancements. Attorneys are working on final touches on operating contract, hopefully including some lower rates and some money put back into the city. The contract will hopefully be wrapped up in July he shared.

Mr. White discussed future development and leases. He explained the park will have to hold a bid process for leases. He also discussed that most lending institutions want terms of 25 years for leases, especially if they are going to invest in a building. If there is no capitol that could be different. Additionally, these leases can be tailored and specific to include resricted use clauses to ensure the space is used for marine services. Specificieties such as a 6 month execution to begin building and completion by 18 months can be contracted to ensure no ones sits on properties, sublease restrictions, zoning, clauses prohibiting things like tourism and more. He concluded by sharing there is much for the board to discuss as we move into leasing lots and a work session could occur in the future but he wanted to begin discussion by sharing all that he had outlined.

Amy Ainslie discussed that the current zoning of the park and that her and Mr. White are working together to propose a new zoning policy that will uphold the marine service centric vision of the park. They hope to have this available for the board to review at the July or August meeting.

Mr. Leach suggested adding a failure to perform penality to ensure the space is being used and not being bought and sat on as well. Mr. White said the goal is for a draft RFP to be able for board review in July. Public comment was opened up and members reiterated the need to keep the area marine service focused, but also stated it may be slow starting due to financing and proof of concept.

2. Pacific Jewel Marine Lot 9b Long Term Lease Request

Pacific Jewel Marine (PJM) is requesting a long-term lease of Lot 9b 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. Pacific Jewel Marine proposes to lease the 7,583 SF parcel for 10 years with 4 – 10-year extension agreed upon by both parties. Lot 9b has a 2025 assessed value of \$60,465. \$60,465 @ 9% = \$5,442 per year or \$453.5/month. Mr. Serka explained his intentions with the space to the board.

Mr. White explained the GPIP Board will need to provide recommendations for the CBS Assembly to justify the non-competitive lease based on the following: the nature of the trust (property) to be leased, the nature of the business being sought for the lease or seeking a lease, or the number of jobs to be produced. The board agreed the land has limited use due to proximity of exisiting tenant and using this space in

this way will create more jobs and help an exisiting business grow which supports proceeding without competitive process.

The Board provided the following rationale for leasing the property without a competitive bid process:

- The subject property has limited use.
- Allows an established business to continue to grow.
- If property was leased to another lessee, it would limit access and economic opportunity to the existing marine service tenants of Lot 5.
- Allowing access to the marine service tenants of Lot 5 has the potential to create more jobs.

Motion: M/S Goeden/Howard move to proceed without a competitive process of Lot 9b.

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

Motion: M/S Howard/Goeden move 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.

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

J. Adjournment

Motion: M/S Wagner/Goeden move to adjourn the meeting at 4:29 pm.

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



Friday, July 11, 2025

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. FY18 - \$689, FY19 - \$14,643, Fy20 - \$37,462, FY21- \$65,322, FY22 - \$87,340, FY23 - (11/30/22) \$27,753 (2/7/2023)

The GPIP 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.

A temporary potable water system has been set up at the dock to allow cruise ships to load and pay for fresh water. Cruise Line Agency is providing port security for the dock this summer in lieu of the CBS. They have purchased and implemented an x-ray system to move passenger luggage more efficiently. (8/21/24)

The 2025 GPIP dock cruise ship schedule has been released. Ports of calls this year will be 18, down from 25 calls last year. (01/13/25)

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 shippard 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, 2025meeting. 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)

3. Lot 4 Purchase

The CBS has entered into a purchase agreement with Sayak Logistics to repurchase the building and lot 4 of the GPIP. 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 GPIP Contingency Fund, \$10k from previous left over funds from a GPIP 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 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)

5. Bottled Water

The Director continues to receive inquires for bottled water. (01/08/2025)

6. 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)

7. 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)

- 8. 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)
- 9. 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. A draft long term lease has been sent to the CBS Attorney for review, approval, and presentation to the CBS Assembly in the future. (07/11/2025)



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

Thursday, July 10, 2025

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors

From: Garry White, GPIP Director

Subject: GPIP Haul Out Development Discussion/Direction

Introduction

The GPIP Board and CBS are in the process of developing a vessel haul out and shipyard at the Gary Paxton Industrial Park. The CBS has been working on vessel haul out development concepts since the GPIP properties were acquired in 2000. The CBS obtained funding for the development of the haul out facility and shipyard via a public vote on October 4th, 2022, in the amount of ~\$8.18 million dollars. Further funding was obtained via a Denali Commission grant in July 2023 for \$1 million dollars for the purchase of equipment to lift vessels.

The Board held multiple public meetings since the October 2022 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 (attached) addresses the steps needed for the waterfront development to allow vessels to be hauled out of the water.

The design includes a 150-ton vessel lift and various other components for the haul out to operate. The design includes an ability to expand the haul out facility to a 300-ton vessel lift in the future.

More information about the GPIP Vessel Haul Out Development Project can be found at the following link:

https://www.cityofsitka.com/departments/PublicWorks/GPIPHaulOut

Background

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 plans 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 GPIP since 2009. None of the private sector development proposals moved forward due to multiple reasons, including the 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 (GPIP).

Fiscal Note

Total funding allocated for this project is \$10,846,290 (\$8,181,040 from the proceeds of the sale of the Sitka Community Hospital property, \$100,000 appropriated towards the development in 2021, \$1 million dollar grant from Denali Commission, an additional \$850,000 appropriated by the Assembly in 2024, and another \$715,250 appropriated by the Assembly in June 2025). The Assembly approved an appropriation for Phase I estimated costs of the based bid items in the amount of \$8,187,000 at its July meeting.

To complete the additive alternative items remaining in phase 1 an estimated ~\$6 million will be needed based on past estimates. New cost estimates are being researched due to increased cost of construction. 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 \$18 million dollar range.

Developmental Updates

Project Construction

The attached Project Cover Sheet outlines project scope of work, budget and key milestones.

Recent developments include the following:

- The marine piers have been completed and ready for use.
- The 150-tonTravelift machine has been erected, and a test lift was conducted on May15th.
- Construction of the permanent concrete wash down pad has been awarded.
- Other upland shipyard improvements are in the works.
- Funding for further shipward improvements are being investigated.

Additional yard improvements, equipment purchases, annual expense funding July 2025

The CBS Assembly approved \$715,250 in additional funding for the haul out and shipyard project in June 2025. The improvements are listed as follows:

- 1. Additional yard improvements
 - Installation of Power Pedestals \$50,000
 - Will provide 3-yard power pedestals. Operator suggests they will provide "spider boxes" to further disperse power for vessel work.
 - Pier Safety Improvements \$120,000
 - o Installation of outboard railing, cleats, and ladders.
- 2. Washdown pad improvements
 - Power and Controls for the Heated Washdown Pad \$223,000
 - Tideflex Valve for Washdown Pad Outflow \$60,000
- 3. Yard equipment and support materials
 - Used Telehandler Forklift \$76,500
 - Blocking \$15,750
 - Boat stands \$70,000
 - Cribbing \$20,000
 - Snow removal equipment \$10,000

- 4. Estimated annual CBS costs
 - Environmental Compliance \$15,000
 - Additional insurance coverage \$25,000
 - Maintenance Consumables \$10,000
 - CBS maintenance labor \$20,000

The \$715,250 in funding was provided by the following sources:

- Capital expenses \$645,250
 - o General Fund \$495,250
 - o Economic Development Fund \$150,000
- Estimated annual expense \$70,000
 - o GPIP working capital \$70,000

GPIP Haul Out Operations

The GPIP Board has been discussing the operations of a haul out and shipyard facility at the GPIP over the past few years. The GPIP Board chose to investigate a private sector operation for the haul out and shipyard. The GPIP Board met on July 18, 2024, and approved a Request for Qualifications (RFQ) for a Marine Vessel Haul Out and Shipyard Operations at the Gary Paxton Industrial Park.

The goal of the RFQ was to find qualified operators and work with them to develop a detailed scope of work to be incorporated into a Request for Proposals (RFP) or Invitation to Bid (ITB) for operations of the haul out and shipyard.

The RFQ was released on July 25, 2024, with a submittal deadline of September 17, 2024. A proposal from Highmark Marine Fabricators LLC (Highmark) was determined to have provided the Minimum Qualifications of Services. The GPIP Board met multiple times over the fall and winter discussing the operations and recommended approval of a draft Operating Agreement for the Marine Vessel Haul Out and Shipyard Operations at the Gary Paxton Industrial Park, and an Invitation to Bid. The CBS Assembly reviewed the documents and GPIP Board recommendations at its January 28th, 2025, meeting and approved the release of the ITB and related exhibits.

A bid proposal from Highmark Marine Fabrication LLC (Highmark) was received on February 13th and was presented to the GPIP Board for review and recommendations to the CBS Assembly.

The GPIP Board met on February 20^{th} to discuss the Highmark proposal and requested a work session to further discuss the proposal.

The GPIP Board held a work session on March 13th to discuss the Highmark proposal. A regular GPIP meeting was held immediately after the work session.

The GPIP Board discussed the Highmark proposal and a CBS operated facility in depth. The Board moved towards moving forward with the Highmark proposal and focused on the lack of funds paid to the CBS for operations. The discussion revolved around starting a separate competitive bid process for the warehouse space to investigate if the building could generate larger revenues and allow other potential tenants to utilize the building. The GPIP Board ultimately recommended the following motion:

Motion: M/S Campbell/Goeden to accept Highmark's bid, without including the

warehouse space.

Action: Motion Passed (3/2) on a roll call vote.

Highmark was contacted after the GPIP Board recommendation and stated that they could not reduce its proposal as presented as it was structured as conservatively as possible, with the lowest cost to consumers feasible while maintaining financially sustainable operations. Highmark stated that housing a retail marine and fabrication supplies and materials shop in the warehouse is essential for having supplies available on site for frequent maintenance items common in marine repair.

The CBS Assembly met on March 25th and approved to accept the Highmark proposal as presented, including the warehouse space. The CBS Administrator and other CBS staff met with Highmark in late April and are working towards finalizing an Operating Agreement between the CBS and Highmark for Marine Vesel Haul Out and Shipyard Operations for Assembly review and approval. The Operating Agreement is expected to be presented to the Assembly in August.

Future Haul Out and Shipyard Development

The GPIP Board in the past discussed the yard space needed for the haul out and shipyard facility at the GPIP, specifically the amount of space needed for a working yard, long term vessel storage, gear storage, and space available for vendor operations.

The GPIP Director has received multiple inquiries regarding future leases of property at the GPIP for marine services and other activities.

A discussion regarding future developments by the GPIP Board is needed to start the future development of properties to support the haul out and shipyard facility.

The attached GPIP Land Use Plan conceptual drawing outlines current property owners and current long-term leases.

Questions for a planning discussion on future haul out and shipyard development:

- 1. How much space does the Board wish to allocate for vendor operations in the park and which areas should be designated?
- 2. How does the Board recommend that property is allocated, via sales or long-term leases.
- 3. If long term leases, suggested lease terms and whether a bid process is needed to ensure fair and equitable opportunities. Sales are required to go through a competitive bid process or RFP process.
- 4. How much space will be allocated for long-term storage of vessels?
- 5. How much space will be allocated for gear storage?
- 6. Other potential uses of GPIP property?

DRAFT Shipyard Layout

• Please see the proposed haul out layout.

Potential Long-Term Lease RFP

The GPIP Board discussed long term leases for future vendor spaces at the GPIP at its May and June meetings. The discussion revolved around lease terms, restricted use clauses, development requirements, and other restrictive clauses.

Please see the attached Draft RFP for Private Sector Development of a Portion of Lot 6 for Marine Vessel and Marine Services for discussion and recommendations. This lease template could be used for additional lots in the future.

Additional Information

Upland Facilities Needed to Support Marine Trades

Sources of data: Review of Marine Trades Spatial Needs, BST Associates, 2010, Commercial Boat Launch Location Study, Anchor/KPF, 2008, plus Port staff review of existing Puget Sound facilities and input from local operators.

Boat Repair Yard

- *Upland Acreage*: Boat repair yards range from 1.5 to 3 acres. New yards tend to be larger.
- Upland Maneuver Space: 150 Ton lift requires 240' upland space.
- *Waterside Facilities*: Minimum 60'-110'; ideally 250'-300' in staging float plus 75'-130' waterside approach area; total water-side approach of 135'-240' depending on lift/vessel size.
- Water Depth: 12' to 18' adjacent to bulkhead, depending on vessel size.
- Zoning: Light Industrial, Marine Industrial or Waterfront Commercial zoning with height regulations to permit 50' to 60' tall buildings or paint tents.
- Building Size: Seaview North buildings are 26,000 square feet, 35' and 42' tall, which is too small. 50-60' foot height is needed.
- Stormwater Facilities: Paved yards with adequate stormwater collection and treatment facilities to meet Department of Ecology requirements for a Boatyard General Permit

Comparable Marine Service Centers

•	Halibut Point Marine	~2.5 acres of uplands (no vendor space)
•	Wrangell Marine Service Center	~7 acres of uplands (includes vendor space)
•	Hoonah Marine Industrial Center	~3.5 acres of uplands
•	Cordova Shipvard	~3 acres of unlands (no vendor space)

GPIP remaining property for development near waterfront

Phase 1 property available for haul out and shipyard

Lot 9a	~62,000 SF (not including road easement and dock)
Lot 4	~19,000 SF (not including the 6,900 SF Building
Lot 6	~20,000 SF (the remaining portion of the 41,028 SF available for leased area)

Lot 7 32,879 SF Lot 8 29,421 SF

Easements ~43,900 (Estimate of easement SF)

~207,200 SF or 4.75 Acres

Phase 2 property available for shipyard

Lot 15 113,369 SF Lot 9c 34,636 SF

148,005 SF or 3.40 Acres

Multipurpose Dock Support Space

The GPIP Dock has a multi-purpose, floating dock facility to serve a range of industries, including but not limited to fishing and container/cargo shipping. The primary floating dock is a repurposed double hull steel barge, 250 feet long and 74 feet wide, and is accessible by a drive-down ramp with a minimum width of 14 feet. The structure can accommodate the handling of loaded containers, truck and trailers, and vehicles intended to support vessels with a maximum draft of 40 feet.

When originally constructed the GPIP Board discussed yard space needed to support the GPIP Dock. The Board reviewed the following information.

The following information was sourced from the *Port Designer's Handbook (second edition) by Carl A Thoresen*

The Handbook suggests that primary and secondary yards combined should be \sim 985' deep behind the apron for a multi-purpose dock. Primary yards usually consist of 50-75% of total yard area.

GPIP potential yard requirement:

- Using Port Designer's Handbook suggested apron face and yard depths.
- 50% area needed for primary yard.

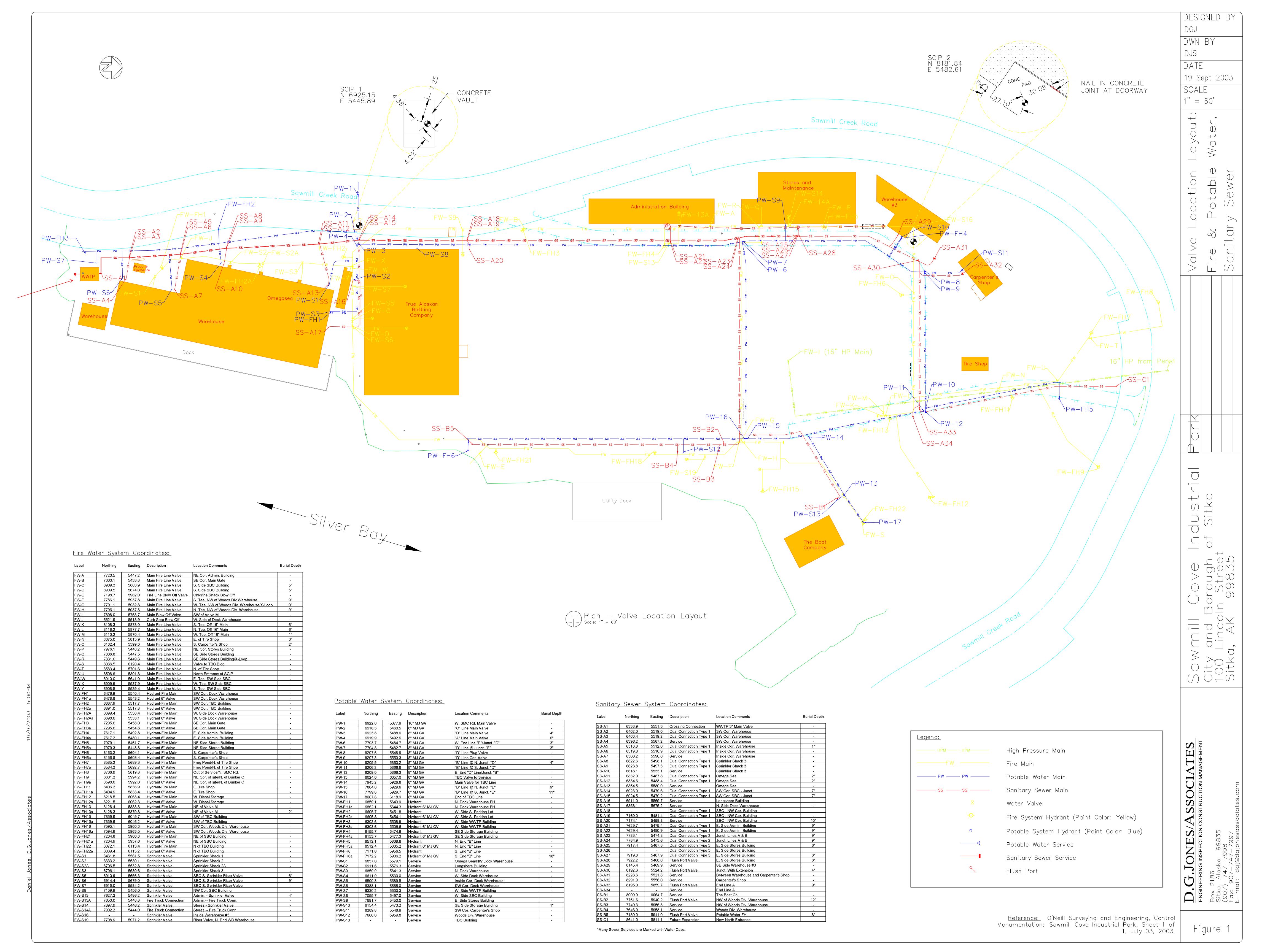
250' apron face x 985' yard depth = 5.65 acres * 50% = 2.82 acres suggested for primary yard area.

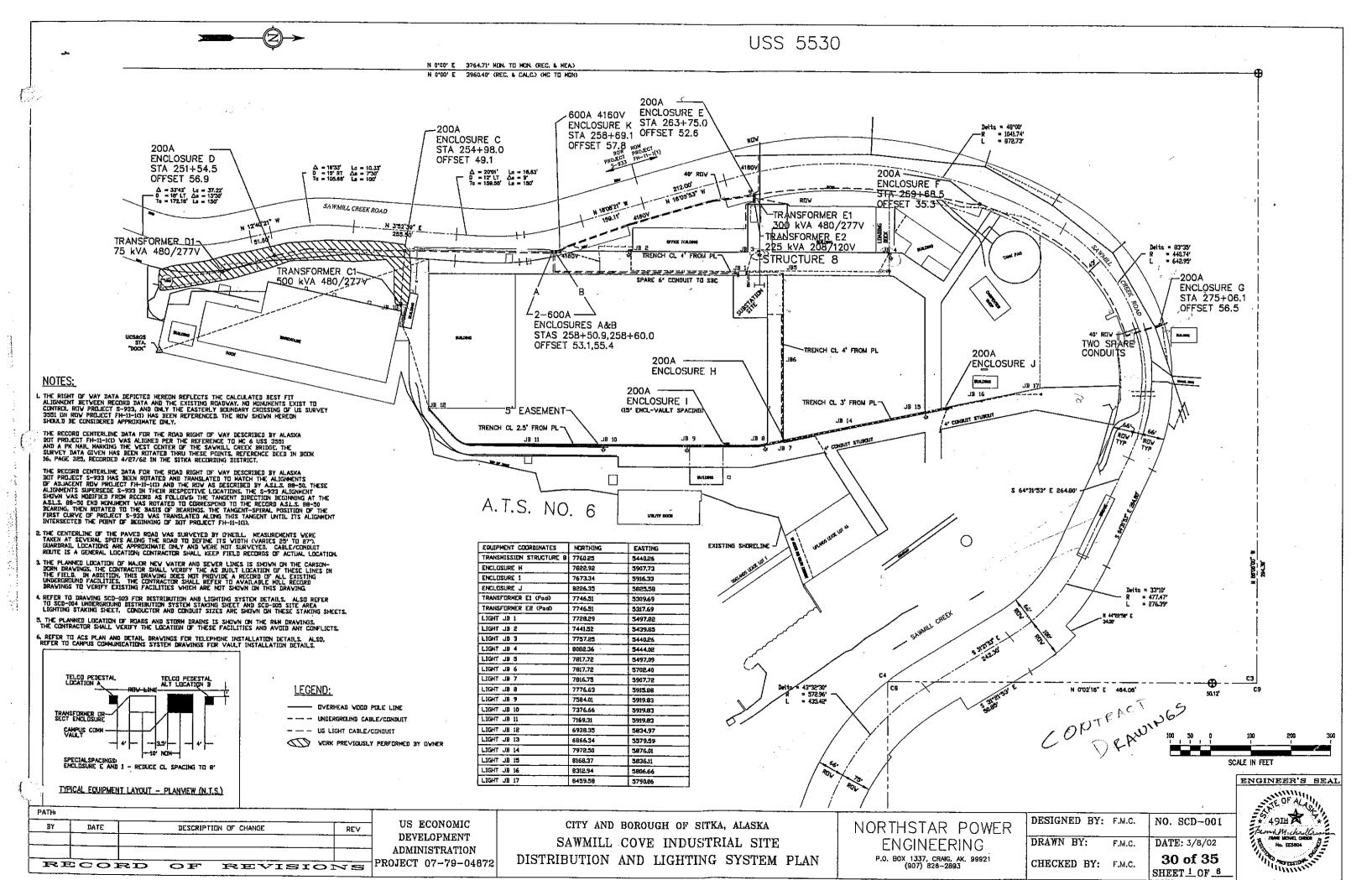
Comparable Terminal Yards in Sitka

•	Sampson Tug and Barge Uplands	1.92 acres
•	AML Uplands	3.42 acres
•	Old Northern Sales uplands	1.4 acres

Action

- GPIP Board discussion on vessel haul out development updates.
- GPIP Board discussion on future haul out and shipyard development.
- GPIP Board recommendations of the Draft





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 SERIVES

JULY 2025

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 has 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 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 located on a portion of Lot 6 of the GPIP. The Property is approximately a 7,000 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) will 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. The survey will be completed at the sole expense of the selected Proposer(s).

The GPIP includes a deep-water dock and upland land available for lease, positioning it as a strategic location for maritime and industrial 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 GPIP, 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 will 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.

*NOTE: To be updated before RFP release

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

- 2. <u>Lease Rate</u> The minimum lease term will be set at 9% of the current 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.
 - o Proposers shall propose preferred lease rate for a long-term lease.
- **3.** <u>Permitted Use (Restrictive Use Clause) The leased property **shall be used exclusively** for activities directly related to:</u>

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 substantial development 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 eighteen (18) 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.

5. Ownership Structure Requirement (Owner-Operator Clause)

Proposals must demonstrate that the applicant is an **owner-operator**, directly involved in and responsible for the management and operation of the project. Passive investors, holding companies, or entities intending to lease or license the property to third parties **will not be considered eligible**.

6. <u>Subleasing Restriction</u>

Subleasing of the leased property or any portion thereof is **prohibited without the prior written consent** of the Lessor. Any unauthorized subleasing shall be considered a default under the lease.

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 Marine Vessel and Marine Services
- b. RFP due date and time
- c. Proposer name (and logo(s) if desired)
- d. Acknowledged receipt of all RFP addenda (if any)
- e. 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.
- 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)

b. 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 $8 \frac{1}{2}$ " 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)(c) above.

E. Evaluation and Scoring

Responses to this RFP will be evaluated and scored by the GPIP Board of Directors 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 GPIP Board of Directors will make recommendations to the Assembly based on its evaluation of the RFP responses.

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 GPIP 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, August 22, 2025.

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 GPIP 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.

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

Draft Shipyard Layout



1 raft





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

Friday, July 11, 2025

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors

From: Garry White, GPIP Director

Subject: Adjusting GPIP Zoning Code

Introduction

The GPIP Director and CBS Planning Department has been reviewing the District Zoning Code Regulations for the GPIP properties to present potential adjustments or modifications to the code.

Chapter 22.16 of the Sitka General Code (SGC) defines the approved use of property via various land use tables. Nearly every land use table for the GPIP properties does not include defined uses, but rather uses are codified with the following footnote:

Any uses, except retail and business uses, and <u>natural resource extraction</u> and mining support facilities uses may be approved in accordance with Section 2.38.080.

Section 2.100.080 are the GPIP Board's General Powers. Past operating practices have been that if the GPIP Board approves the use, then that is the approved land use for the property.

This method of zoning for the GPIP properties was a sufficient zoning management tool when most of the property at the GPIP was owned by the CBS and leased. Now that a lot of the property is privately owned or will be dedicated to haul out operations for operations or leases, a updated code with specific uses should be implemented.

Additional Information

• Information will be provided at the meeting on potential changes. Current zoning code regulations can be found at the following website: https://sitka.municipal.codes/SGC/22.16.015

Action

• GPIP discussion and recommendation on suggested land use tables.