

BOARD OF DIRECTOR'S MEETING

MONDAY, APRIL 22, 2024 - AGENDA 3:00 PM Room 5 Harrigan Centennial Hall

Regular Meeting 3:00 PM

<u>Item</u> <u>Action</u>

A. Call to Order Acknowledge

B. Roll Call Acknowledge

C. Review of Minutes Motion to Approve

MARCH 18TH, 2024

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

Adventure Sitka LLC Dock Use Agreement
 GPIP Haul Out Development Discussion/Decision
 Discussion/Recommendations

I. New Business

1. GPIP Bus Policy 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.

Gary Paxton Industrial Park – Board of Directors Meeting March 18, 2023 3:00 pm Room 6, Centennial Hall

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

3:01 pm

B. ROLL CALL

Members Present: Scott Wagner, Chad Goeden, Casey Campbell, Lauren Howard

(arrival 3:45pm)

Members Absent: Mike Johnson

Staff Present: Garry White

City Representatives: Chris Ystad, John Leach, Michael Harmon

Others Present: Members of the public

C. Review of Minutes – December 14, 2023

Motion: M/S Campbell/Goeden to approve the minutes of December 14, 2023.

Action: Motion Passed 3/0 on a voice vote.

- D. Correspondence & Other Information- None
- E. Changes/Additions/ Deletions to Agenda- None
- F. **Reports** Mr. White and Mr. Wagner gave a brief report regarding CBS water infrastructure related to providing industrial and bulk water. Currently, the high-pressure water line related to the bulk water line is nonfunctional. There currently is no plan or funding to upgrade the water pipes and valves. NSRAA is working with the CBS to ensure industrial water can continue to flow to its hatchery in the GPIP, but future industrial water infrastructure has not been determined.
- G. Persons to Be Heard- None
- H. Unfinished Business -
 - 1. GPIP Haul Out Operations Discussion

Mr. White provided an overview of progress on the project.

Project Construction – Mr. Harmon gave an update on the planning for the haul out infrastructure. A 35% design has been completed by PND. A RFP for Construction Manager at Risk (CMAR) was released and scored. Western Marine Construction Inc. was selected as the contractor to work with PND to develop the 65% design.

Construction Grant Opportunities – Mr. White explained that there is currently a Denali Commission Grant opportunity to request funding for the development. Mr. White discussed the implications of adding federal funding to the waterfront development. He proposed that the CBS pursue a grant for electrical infrastructure for the shipyard as planning and funding has not been identified for that portion of the development and it is not attached to the waterfront development. The Board approved the following motion:

Motion: M/S Goeden/Campbell move that the Assembly apply for a Denali Commission grant for the development of electrical infrastructure for the GPIP Haul Out and Shipyard.

Action: Motion Passed 3/0 on a roll call vote

150-Ton Vessel Lift RFP – A Invitation to Bid (ITB) was released to purchase a vessel lift to meet the needs of the community. Mr. White worked with haul out facilities and operators around the regional to develop specification for the equipment to ensure it will meet the needs and tidal conditions of the site.

GPIP Operations – Mr. White has developed a RFP to request operational plans from private marine service operators. The goal of the RFP is to see what services, fees, and compensation private operators would be willing to provide. Discussion revolved around on adding additional language to the RFP to ensure that potential operators would be required to follow in a lease agreement. Mr. White will bring the final RFP to the Board at its next meeting.

I. New Business-

1. Adventure Sitka LLC Dock Use Agreement

Mr. White discussed past use of the dock from Adventure Sitka's tourism operation. Mr. White suggested adjusting the agreement to have moorage fees follow current and future posted moorage rates in the tariff as the Board has followed those rates in past agreements. Mr. White outlined that Adventure Sitka has asked for a reduced passenger fee of \$1/passenger. Current passenger fees in the tariff are \$5/passenger. The Board discussed moving that rate up, as \$1/passenger fee was initial given to help a new business in startup. The Board approved the following motion:

Motion: M/S Goeden/Howard move that the Adventure Sitka LLC dock use agreement be updated to have moorage fees follow current and future published

tariffs and that an increase in passenger fees be moved to \$2/passenger with the rate moving to \$5/passenger in 2025. Fees will apply to use of the GPIP Access Ramp as well.

Action: Motion Passed 4/0 on a roll call vote

Mr. Serka from the audience asked for public testimony as it was not offered in the deliberations. Mr. Serka suggested that fees should follow the tariff as the dock is starting to be congested.

Motion: Goeden/Howard moved to reconsider the previous motion.

Action: Motion Passed 4/0 on a roll call vote

Motion: Howard/Goeden move that the Adventure Sitka LLC dock use agreement be updated to have moorage fees follow current and future published tariffs and that passenger fees be moved to \$5/passenger. Fees will apply to use of the GPIP Access Ramp as well and that passenger to be escorted while loading and unloading to not impede other park activities.

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

2. Silver Bay Seafoods Lot 9c Lease Request

Mr. White discussed that the Silver Bay Seafoods would like to lease Lot 9c again to house employee trailers. This is a 35,000 square foot space. They are responsible for all utilities, this has worked smoothly the last few years. This is on a month to month basis. They attend to use it May through September. This should not affect haul out development.

Motion: Howard/Goeden moved to move forward with a month-to-month lease of Lot 9c to Silver Bay Seafoods as presented.

Action: Motion passed 3/0 on a roll call vote. Mr. Campbell recused his vote.

J. Adjournment

Motion: M/S Campbell/Goeden move to adjourn the meeting at 4:15pm.

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



Monday, April 9, 2024

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.

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 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)

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)

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 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)

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)

8. GPIP Overall Management

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

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

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

All junked cars have been removed from the GPIP properties. The GPIP 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 GPIP to support cruise ships calling on the port. (08/30/2022)

Adventure Sitka, LLC 4513 Halibut Point Road Sitka, AK 99835

March 20, 2024

Gary White Executive Director Sitka Economic Development Association 329 Harbor Drive, Suite 202 Sitka, Alaska 99835

Dear Mr. White,

I am writing to you on behalf of Adventure Sitka, regarding the recent decision made by the GPIP Board, which we have come to understand voted not to renew our agreement for the use of the GPIP dock facility. Under our previous agreement, Adventure Sitka was charged a fee of \$1 per passenger, a rate that was integral to our operational budgeting and pricing strategy.

It has come to our attention that this matter was discussed and decided upon in a meeting this last week. None of the Adventure Sitka staff or myself received communication that this item was on the agenda. I understand that notice of the meeting was likely in the newspaper last week, however I was traveling and was not aware that this meeting was taking place. Had we known about the meeting and that this significant agenda item was to be considered, we would have requested the opportunity to address the board on this topic. The decision to not renew the agreement and the subsequent fee increase to \$5 per passenger presents a considerable challenge to our operations. Adventure Sitka sets its rates with cruise lines 12-24 months in advance, making it impossible for us to adjust our pricing to reflect such a sudden and steep increase in operational costs.

This summer, we anticipate welcoming between 10,000 and 12,000 guests on our Silver Bay tour. The fee increase will result in an additional \$40,000 to \$50,000 in operating costs for our company. Unfortunately, this is an expense we cannot absorb. To mitigate the impact of these increased costs, we are considering the use of the Crescent Harbor float facilities, which are offered by the Harbor Department at no charge for loading and unloading of shore excursion guests. Although Crescent Harbor does not offer the same level of convenience as the GPIP dock, it presents a viable alternative to help minimize our increased operational expenses.

We understand the necessity of fee adjustments, but a 500% increase announced merely three weeks before the start of the season was an unforeseen challenge that significantly affects our operations. We would have greatly appreciated the opportunity to discuss a more gradual, stepped fee increase over a few years. This approach would have allowed us

to better manage the impact on our operations and, importantly, to adjust our pricing strategies accordingly to gradually pass these increased costs onto our customers.

We kindly request that the GPIP Board reconsider its approach to this fee increase, taking into account the significant impact it has on local businesses like ours. We are open to discussions on finding a mutually beneficial solution that supports both the economic development objectives of the Gary Paxton Industrial Park and the sustainability of local businesses.

If reconsideration by the board is an option and they choose to do so, please let me know as we would like the opportunity to address this important topic with them to provide our point of view.

Sincerely,

Chris McGraw Adventure Sitka



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

Thursday, April 18, 2024

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 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 (attached) addresses the steps needed for the waterfront development to allow vessels to be haul out of the water.

The conceptual 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.

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 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 \$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 at its July meeting.

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.

Development Updates

Project Construction

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

Recent work includes the following:

- 35% Preliminary Design The 35% design has been completed.
- Western Marine was selected as the contractor to build the Phase 1 based bid project. A CMAR process has begun with the engineers, contractors, and CBS.
 - The CMAR process will allow contractors to collaborate with planners and engineers to finalize the design of the project, estimated to be complete the end of June.

150-Ton Vessel Lift Purchase

An Invitation to Bid (ITB) has been developed and released for the purchase of a 150-ton vessel lift. The CBS opened bids on April 16th and received one bid from Kendrick Equipment, an authorized Marine Travelift distributor. The bid came in at \$1,412,800.

The GPIP Board had set a budget amount of \$1,350,000 for the purchase of the equipment.

<u>Action Item:</u> GPIP Board recommended approval of purchasing the lift from Kendrick Equipment for the bid amount.

CBS is in the process of working with Kendrick to determine if there are any cost savings for the purchase.

GPIP Haul Out Operations

A Request for Proposals (RFP) for GPIP haul out operations has been drafted and is currently being modified. The goal is to finalize the RFP for GPIP Board review at the next meeting.

The RFP is based a model used by the Kodiak Shipyard for their haul out operations. Instead of defining, what services, compensation, and fees the CBS wishes to have included in an operational agreement, it asks the potential operator to provide what services they would be willing to do and charge. The RFP is written to allow negotiations of the scope of services and compensation with a final agreement brought back to the Board and Assembly.

The CBS envisions a lease agreement with the potential operators.

Grant Opportunities

The CBS applied for another Denali Commission grant this year. The GPIP Board and CBS Assembly approved to apply for funding to add electrical infrastructure to the yard. An outside consultant provided a conceptual design and cost estimate for electrical work. Total electrical infrastructure is estimated at \$3,061,838. The electrical estimate was broken down into three separate locations: South, North, and West yards.

The grant requested was for \$510,251.50 to use as a 50/50 leverage/match for the North Boat Yard and to allow for the opportunity to apply for a FY 2023 EDA Public Works and Economic Adjustment Assistance grant for utility power service including area lighting and power pedestals to the North Boat Yard. The North Boat Yard cost estimate is \$1,020,503.

Action

• GPIP Board discussion and direction on vessel haul out development updates, specifically approval of additional funds for haul out equipment purchase.

PROJECT COVER SHEET - Updated April 18, 2024

Project Title/ Number: GPIP Vessel Haul-Out Development – Phase 1								
Project Manager:	Michae	el Harmon	Project Spo	onsor: Garry White	_			
Project Description: ✓ Design ✓ Construction □ Other	Planning, Environmental Permitting, Engineering Design and CMAR Construction of Phase 1 Improvements including a 150-Ton Boat Haul-Out Pier, Wash Down Pad, North Boat Yard and 150T Boat Hoist at Gary Paxton Industrial Park, Sitka, Alaska.							
Project Charter Available? ✓ Yes □ No								
Project Status: (highligh	aht areen vella	ow red)						
Project Status: (highlight green, yellow, red) Scope Schedule Budget				Budget				
•	_	_						
Milestones: Recently Completed Upcoming								
Project Budget:								
Estimated 1	Total Project Co	ost	\$	\$15,058,533				
Working Capital Loans Grants Other Total Funded			\$8,281,040.00 \$0.00 \$1,000,000.00 \$0.00 \$9,281,040					
	Funding Gap \$5,777,493							
Contract Management: (list all contracts anticipated on the project)								

Contract Management: (list all contracts anticipated on the project)						
Contractor/Function* PND – Preconstruction, Permitting and Design Services	Type** T&M	<u>Amount</u> \$1,480,340	% of Project 16%			
Western Marine Construction (WMC) & Project Contingency	CMAR	\$5,776,027	62%			
Travel Hoist Purchase	LS	\$1,375,000	15%			
Construction Management & CBS Indirect Cost	T&M	\$649,672	7%			

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General Comments:

The scope had to be reduced due to unexpected pile depths and the budget remains short for the full scope. Shipyard operations is not part of this project charter and are a separate development process.

Key Milestones: 3.12.24 UPDATE

Key Tasks & Milestones	Start Date	End Date
1. Project Charter Approval: The Project Charter is		11/21/22
brought to GPIP Board for approval.		
2. Project Budget Appropriation Assembly	11/8/22	11/22/22
3. Prepare RFQ for PM services Port Planner SME	11/17/22	12/8/22
4. Advertise PM/Port Planner RFQ	12/12/22	2/1/23
5. Selection of PM/Port Planner/Engineer- PND	2/2/23	3/6/23
6. Contract Execution/NTP for PM/Port Planner/Engineer	3/7/23	3/29/23
7. Planning, Surveying, Public Involvement Process,	4/3/23	7/31/23
Concepts, Costs, Preferred Alternative, Final Basis of		
Design & Charter Scope		
8. Geotechnical Invest Work Plan, Driller Contract,	5/22/23	01/31/24
Drilling Permits, Fieldwork, Analyses & Geo Report		
Concept Rescoping due to Geotech Findings	10/1/23	11/15/23
10. Biological Assessment, IHA & Environmental Permit	5/22/23	01/15/24
Applications		
11. Regulatory Consultations, Permit Reviews and	7/15/23	10/15/24*
Authorizations		
12. 35% Preliminary Design	11/15/23	3/1/24
13. Prepare CMAR RFP	11/15/23	2/06/24
14. CMAR Solicitation & Contract Execution	1/15/24	3/26/24
15. PND 65% Design and GMP	3/27/24	5/31/24*
16. Material Procurement	4/30/24	12/1/24
17. On Site Construction	10/15/24	3/15/25
18. Secure Operator for 2025 Season	3/15/24	3/15/25
19. Procure 150T Boat Hoist	12/1/23	2/15/25
20. Haul Out is Operational		3/15/25
* Critical Path Items		
Milestones for Phase 2 TBD once funding is secured:		
Need to masterplan uplands during the development of		
Phase 1 to apply for grants and position this phase to		
proceed.		
Environmental permitting will likely need to be redone		
once this phase is better defined through a masterplan		
and funding is available.		



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

Friday, April 19, 2024

MEMORANDUM

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

From: Garry White, Director

Subject: Gary Paxton Industrial Park - Stopping, standing and parking of buses and taxicabs.

Introduction

The GPIP Director has received multiple complaints from tenants of the park regarding bus parking at the GPIP. Buses have been staging on the GPIP easement roadways impeding traffic flow and causing potential safety issues.

Attached is a draft policy for management of bus and taxicab traffic in the GPIP.

Background

Per Sitka General Code 2.100 the GPIP Board has authority to recommend policies of the GPIP properties.

2.100.080General powers.

A. Subject to <u>state laws</u> and municipal <u>ordinances</u>, the <u>board of directors</u> shall generally exercise all powers necessary and incidental to operation of all Gary Paxton industrial park facilities in the public interest and in a sound business manner. In particular, and without limitation on the foregoing, the <u>board</u>:

1. Shall be responsible for the operation, maintenance, development, and marketing of the municipally owned and operated Gary Paxton industrial park, <u>including</u> such facilities as site development, docks, and facilities appurtenant thereto;

Action

• Board discussion and recommendation of Gary Paxton Industrial Park - Stopping, standing and parking of buses and taxicab policy.

Gary Paxton Industrial Park - Stopping, standing and parking of buses and taxicabs.

- A. It is unlawful for any <u>person</u> to park or stop any bus upon any part of the Gary Paxton Industrial Park (GPIP), except as follows:
 - 1. 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.
- B. 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.
- C. No taxicab or for-hire <u>vehicle</u> shall be parked at the GPIP except when actively engaged in loading or unloading passengers.