



BOARD OF DIRECTOR'S MEETING AGENDA

THURSDAY, JUNE 19TH, 2025 - 3:00 PM

Gary Paxton Industrial Park – Haul Out Building - 4690 SMC

Regular Meeting

- | | |
|--|----------------------------|
| A. Call to Order | Acknowledge |
| B. Roll Call | Acknowledge |
| C. Approval of Minutes | Motion to Approve |
| May 15th, 2025 | |
| 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 Haul Out Development Discussion/Direction | Discussion/Recommendations |
| 2. Pacific Jewel Marine Lot 9b Long Term Lease Request | Discussion/Recommendations |
| I. New Business | |
| 1. Strategic Planning – WALKING TOUR | Discussion/Recommendation |
| J. Persons To Be Heard <i>(For items ON or OFF the agenda - not to exceed 3 minutes)</i> | |
| K. Adjournment | |

The Mission

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

**Gary Paxton Industrial Park – Board of Directors Meeting
May 15, 2025 3:00 pm
Room 6, Centennial Hall**

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 3:33 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

Others Present: Cooper Curtis (High Mark Marine), Chris Hanson (Sitka Marine Trade Association), Fred Paley (Arctic Blue Waters), Adam Olson (NSRAA), Members of the public

C. Review of Minutes – April 15, 2025

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

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

D. Correspondence & Other Information- None

E. Changes/Additions/ Deletions to Agenda - None

F. Reports – Mr. White gave a brief update on progress of lease requests from the last meeting that are moving forward.

G. Persons to Be Heard- None

H. Unfinished Business –

1. GPIIP Haul Out Development

Mr. White gave an overview on haul out progress. He explained the travel lift was erected this week and they are currently pulling a vessel as a test. Plans for a temporary wash down pad are in the works, as well as some potential power sources and things are continuing to move forward, he stated. Cooper Curtis from Highmark Marine spoke about his excitement to begin to operate the yard and they are working to lower the cost and release that info soon.

2. GPIIP Port Tariff Discussion and Adjustments

Mr. White recommended a discussion and adjustments to the GPIIP Port Tariff #5 at the GPIIP Board's April 17th, 2025 meeting. The Board approved the following motion:

Motion: M/S Howard/Johnson to move forward with the Tariff as written with change of incidental dock fee left at \$35 per hour and the cruise passenger vessel fee at \$5 per hour and adding verbiage about storage of anything on the dock. **Action: Passed (5/0)** on a roll call vote.

Upon further review of the GPIIP Port Tariff #5, the GPIIP Director is recommending that Item 260 – Charges for Miscellaneous Services b) and c) be removed from the tariff. Item 260 b) and c) sets fees for the use of the Access Ramp (no longer available), and upland dry dock fees. The Access Ramp and Dry Dock Fee we set before the development of the haul out facilities and no longer applies with the haul out development being under way and the addition of a haul out operator with other established fees.

Motion: M/S Howard/Johnson to move forward with the Tariff update as written.

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

I. New Business-

1. Sitka Marine Trade Association

Chris Hanson introduced the Sitka Marine Trade Association to the board and detailed the breadth and skill of trades required to support a marine industry in Sitka that generates revenue. He explained their focus is to advance all marine trade businesses in Sitka, building a vibrant marine service sector that provides good and services to Sitka. Their goal is to help members prepare for the future (web presence, aid and compliance, business development), work with government entities to make sure legislation and policy will help build the industry, and get the word out that Sitka is open for maritime business to serve not only our home fleet but all of Southeast and beyond. There was a positive response from the board as the industry works as a unified front to move this forward for the collaborative good.

2. Arctic Blue Waters Purchase Agreement Extension

Fred Paley from Arctic Blue Waters (Alaska) Inc. (Arctic) joined the meeting and requested an extension to its current water purchase agreement with the City and Borough of Sitka executed on April 13th, 2021. Per section 10.2 of the water purchase agreement, Arctic was required to submit to Sitka all designs and construction documents for the loading of bulk water within 48 months of the

effective date of the agreement. The loading plan was required to be submitted by April 13th, 2025. Arctic has modified its loading plan and is working towards a permanent water loading facility construction design with an engineering firm. The scope of the loading plan with permits and construction timeline cannot be completed until the Spring of 2027. He presented a project budget water loading plan from PND Engineers. Arctic is requesting that section of 10.2 of the agreement be extended until September 30, 2026. Section 3.1 of the water purchase agreement requires Arctic to export at least 50 million gallons of water within 60 months of execution or April 13th, 2026. Arctic is additionally requesting that Section 3.1 be extended to October 31, 2027.

Motion: M/S Howard/Goeden to move forward with extension on section 10.2 to September 30, 2025 and section 3.1 to October 31, 2027 for Artic Blue Waters current contract.

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

3. NSRAA Tidelands Request

Adam Olson from The Northern Southeast Regional Aquaculture Association (NSRAA) wanted to make the GPIB Board aware they were requesting approval to furnish and install USCG approved aid to navigation markers in the vicinity of the NSRAA outfall lines within their tideland lease portion of Lot 1 Block 1 tidelands.

Section 3.2 of the lease discusses Lessor's Approval of Certain Alterations or Improvements. It states that the lessor must receive written consent to add structures to its lease area so they want to inform the board. The board was thankful for proactive movement here.

J. Adjournment

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

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



Gary Paxton Industrial Park (GPIP)

Strategic Plan

Adopted by the GPIP Board
July 31, 2017

Introduction

The GPIP Board developed this Strategic Plan at planning sessions held in Winter/Spring of 2017. The GPIP Board recognizes that multi-purpose dock and future infrastructure improvements within the park will influence the future development of the site.

Guiding principles

1. Preserve public access and marshalling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and create a positive cash flows to the City from the operation of the Park.

Plan Priority Items

The GPIP Board plans to address the following items. (Items are listed in random order)

❖ **Develop a Port Facility to accommodate the Maritime Industry.**

- Continue with development of multi-purpose dock.
- Develop a water access ramp in the northern portion of Lot 9A.
- Develop a tariff schedule to include fees for tideland and upland use.
- Designate and retain Lots 3, 7, 8, 9a, 9C, & 15 in public ownership, to be developed as uplands to support marine services sector and multi-purpose dock.
- Designate and promote Lot 6 for future private or public development to support maritime industry.
- Designate and utilize Lot 9b to support management of port facility.
- Research Utility Dock and adjacent uplands for further re-purpose or sale.
- Research additional development opportunities for tidelands seaward of GPIIP Uplands.
- Research if existing dolphins in the tidelands can be useful or need to be removed.
- Develop a marketing plan that presents the park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.
- Determine the MARSEC rules for fencing at the GPIIP.

❖ **Develop and Market remaining uplands outside of Port Facility**

- Advertise to sell or lease Lots 17, 16b, 19 and 20 in the industrial park.
- Establish access point for Lots 19 and 20.
- Release RFP for sale of the Administration Building lot.
- Remove area of GPIIP sign from Administration Building lot.
- Dispose of remaining rock at GPIIP by bringing interested parties together for discussion.

❖ **Market Sitka's Water Export Asset to the world**

- Continue to work with potential partners in exporting Sitka's water in Bulk.
- Continue to work with potential partners that wish to establish water bottling facilities in Sitka.
 - Identify property in vicinity of the park to locate water bottling facilities.
- Continue to research and track water export ventures around the globe.

- Investigate alternative methods of marketing water and water purchase agreements.
- Investigate additional infrastructure needed to transport, load, and off load water.

❖ **Research the development of a rock quarry in the Sawmill Cove vicinity.**

This quarry would generate revenue for the City as well as provide less expensive rock for use on Park projects.

- Market Lot 1 / blk 2 as a rock source and Lot 3 / blk3 as possible rock source.

❖ **Continue to pursue the development of a private marina in Herring Cove.**

❖ **Develop Exit Strategy for existing GPIIP Development Board.**

- Research different management concepts and entities.



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

Tuesday, May 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 \$10,131,040 (\$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, and an additional \$850,000 appropriated by the Assembly in 2024). 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-ton Travelift machine has been erected, and a test lift was conducted on May 15th.
- Construction of the permanent concrete wash down pad has been awarded.
- Other upland shipyard improvements are in the works.
- Funding for further shipyard improvements are being investigated.

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 GPIIP Board for review and recommendations to the CBS Assembly.

The GPIIP Board met on February 20th to discuss the Highmark proposal and requested a work session to further discuss the proposal.

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

The GPIIP 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 GPIIP 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 GPIIP 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.

Future Haul Out and Shipyard Development

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

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

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

The attached GPIIP 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 GPIIP property?

DRAFT Shipyard Layout

- Please see the proposed haul out layout.

Potential Long-Term Lease Terms

The GPIIP Board at its May 15th meeting requested potential lease terms for discussion in development of Request for Proposals (RFP) to allow for future vendor spaces at the GPIIP.

- Lease Term – The GPIIP Director investigated long-term lease terms of other haul out facilities. Additionally, local lending institutions were contacted regarding financing requirements for permanent facilities. Lending institutions have suggested terms of 25 years are preferred by most borrowers to keep loan payments lower.
- Lease Restricted Use Clauses – Clauses added to a RFP and leases that property shall only be used for activities related to the repair, maintenance, modification, or construction of marine vessels and/or marine services. Certain future lease areas could be further restricted to specific uses, sand blasting, painting, etc.
- Development Requirements Clauses – Clauses to a RFP and leases that requires that the lessee agrees to commence substantial development of the leased properties within six months of the commencement date and to achieve substantial completion of all required improvements and development activities within eighteen months of the commencement date.

Other potential lease clauses to consider:

- Other Use Restriction Clauses – Clause to require Owner-Operator versus Passive Investor property owner.
- Sublease restrictions???
- Zoning for Marine Work Activities Only???
- Prohibited Use Clauses???

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 Shipyard | ~3 acres of uplands (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
<u>Easements</u>	<u>~43,900 (Estimate of easement SF)</u>
	~207,200 SF or 4.75 Acres

Phase 2 property available for shipyard

Lot 15	113,369 SF
<u>Lot 9c</u>	<u>34,636 SF</u>
	148,005 SF or 3.40 Acres

Multipurpose Dock Support Space

The GPIIP 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 GPIIP Board discussed yard space needed to support the GPIIP 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 ~985' deep behind the apron for a multi-purpose dock. Primary yards usually consist of 50-75% of total yard area.

GPIIP 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

- GPIIP Board discussion on vessel haul out development updates.
- GPIIP Board discussion on future haul out and shipyard development.



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

Tuesday, June 10, 2025

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, Director
Subject: Pacific Jewel Marine - Lot 9b Long Term Lease Request

Introduction

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. Please see the attached letter of request.

Background

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

The GPIP Strategic Plan developed and approved in 2017 suggests that Lot 9b be designated to support management of a port facility.

The GPIP Board at its April 2025 meeting the Board directed the GPIP Director to bring long term lease terms for a lease of Lot 9b to the Board for its recommendations

Property

Lot 9b is 7,583 SF parcel of property located adjacent to Lot 5, otherwise known as 4500 Sawmill Creek Rd and across the access easement from the GPIP Dock.

Lease Terms

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 $\$453.5/\text{month}$

All other standard lease requirements will be included in the lease.

Additional Information

Sitka General Code 2.100.080 – discusses the GPIP Board General Powers, including leasing of property.

Section 7.b.ii – “Leases shall be granted to the highest responsible bidder unless the assembly determines that because of the nature of the trust 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, that competitive bidding is inappropriate and the terms of the proposed lease, including price, should be negotiated. Applications for non-bid dispositions shall be referred to the board for recommendations.”

The GPIIP 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.

Action

- GPIIP Board recommendations on terms for a long-term lease of Lot 9b to Pacific Jewel Marine.



Jeremy Serka

Pacific Jewel Marine
4500 Sawmill Crk
Sitka, Ak 99835



Gary White
Sitka Economic Development
Association

Dear Mr. White,

Pacific Jewel Marine manages the warehouse at 4500 Sawmill Creek Road within the Gary Paxton Industrial Park, we are looking for a long-term lease of lot 9b. Our building houses many contractors and vessel owners that are anticipating the opportunity to work on large vessels next to the building. Currently we are in the process of designing and funding a covered boat house that will be built along the waterside of the building. This new boat house will need access from the main yard for a travel lift or trailer to transport the boats. Unobstructed access through lot 9b is critical for maneuvering a large trailer with boat and towing vehicle. The towing vehicle and trailer could easily reach lengths of 80 feet or more and therefore requires a broad turning area, which only lot 9b can provide.

Beyond the boat house there are several other reasons we would like to lease lot 9b. The lot borders the warehouse's property on two sides, and the street makes up the other two sides of the lot. The proximity to our property and its isolation from the rest of the park make lot 9b difficult to distinguish from the rest of the park and hence we get a lot of pedestrian traffic thinking the lot belongs to us or vice versa; parking on our property while thinking that it is an extension of lot 9a.

I understand that the GPIIP board and the assembly may both need to approve this lease. I believe that our boat repair operation and plans for lot 9b are a perfect fit for the mission of the Gary Paxton Industrial Park. We are creating year-round living wage jobs that support other viable businesses here in Sitka. I ask that the board weigh in our current investment in the community while considering this lease.

Sincerely

Jeremy Serka
Pacific Jewel Marine

Pacific Jewel Marine request for long term lease of lot 9b at the Gary Paxton Industrial Park.

For us to make further investments in infrastructure, personnel and equipment in support of Sitka's marine trades we need to secure access from the haul-out to our facility for vessels at an affordable price (Attachment A)

Supporting documents.

. Letter to GPIIP board requesting a long-term lease of lot 9B (see attachment B)

. Gpip mission Statement and strategic plan (see attachment C)

- Prioritizing the marine trades and job creation in the leasing of lots
- Designation of lot 9b as an area of operations for managing park in 2017, which is now mute since the city purchased the old Northline building for this purpose.

. city code for GPIIP (See attachment D)

- Waiving the city's obligation for a competitive bid on lease lots given property boundaries, nature of lot and its uses, impediments to current businesses and promotion of Sitka base jobs.
- Lot 9b is a very small lot that borders the street on two sides and Starwest property on the other two sides. The lot is an impediment to the future operations of the Starwest marine trades facility and is also best suited for the uses of this facility in creating and maintaining jobs that provide support for the marine related industries in Sitka. Pacific Jewel Marine, manager and partner of the Starwest property, should be allowed the right to have a long-term lease or right to purchase lot 9b under the current lease rates of GPIIP properties.

. other low-cost leases in the Park

- Silver Bay has held a lease for lot 9 C for the previous decade.
- NSRAA has a long-term lease on lot 2 with 1.5 full time employees at ½ of the going rate for short term leases.
- The Fortress of the Bear has a low cost / long term lease
- Dec. 17, 2024 GPIIP meeting, lease request by Sitka sound science center for lot 9b. They rescinded their request. But the going rate is : 9% of the 2018

appraised value of \$43,500. Or \$3,915 / yr. (**see attachment E**) GPIIP meetings Dec. 17, 2024)

- The assembly just gave Highmark Marine Fabrication a noncompetitive bid on the Northline building for space that will be used for work other than what they were hired to do; The space will be used for fabrication and boat repair work, the same work that the businesses under Pacific Jewel Marine are currently invested in.

Pacific Jewel Marine: manages the building at 4500 Sawmill crk. Rd.

. We invested more than 1.5 million dollars in the rehabilitation of the building and property at 4500 sawmill creek road to become a marine trades center.

We employ 9 full-time people and are looking to hire more. We also employ seasonal workers who have other jobs in the summer, we provide good paying jobs in the winter when jobs are scarce, thus supporting the seasonal businesses by keeping local workers in Sitka for the busy summer season.

.We are currently the only company in town who is making capital investments in equipment and infrastructure that will support the work that can be done on vessels in the boatyard. The businesses in our facilities will attract boat owners to use Sitka's haul out due to our investment in the workforce and equipment. The potential revenues generated from the work done by our businesses will help fund the expansion of the yard and the services that can be provided in Sitka, thus increasing our attractiveness to boat owners as a place to haul out and do business.

. Currently we have the following shops and tenants:

Sitka Custom Marine: Designs, builds and repairs boats, sand blast and painting, and retail sales including metal, paint and other vessel repair products.

. **Stem to Stern Ship Repair;** Shipwright – wood boat repair

. **Sitka Machine Shop:** Only machine shop in town . builds and repairs equipment for both commercial and domestic.

. **Appleton Ventures LLC,** Diesel & small engine repair, full-stack software and DevOps engineering

. **Southeast Sparks,** Electronics lab and marine electrical installation.

. **Frank Schlias,** Diesel mechanic

- . Heavy equipment operators, forklifts and man lifts
- . short- and long-term shop space available for commercial and industrial work.

Storage, shop and staging space for many different companies including:

- . Pioneer Studios
- . CBC construction
- . Marble Construction
- . Island Marine
- . SKS Davis Construction
- . KMK Services LLC
- . Alcan Electric
- . Juan's Cuban Cuisine
- . Robert Reid's outhouse rental and septic pumping
- . F/V Pacific Dawn
- . F/V Shemya and F/V Pacific Star
- . F/V Tsiu
- . F/V Patriot
- . F/V Adylin L
- . F/V Stormbringer
- . F/V Diamond Lil
- . F/V Alaska
- . F/V Henliegh Faith
- . T/V Otter
- . F/V Madre Delorosa
- . F/V Mirage
- . F/V Shackleton
- . F/V Magia

- . F/V Garnett
- .F/V Leah
- . F/v Lorelli Bell
- . Alaska Premier Charters
- . Bad Sport Charters
- . Outbound Alaska Charters
- . Dove Island Lodge and Charters
- . Cast Alaska Charters

.

Attachment A : Location of Starwest property and lot 9b (4510)



**Attachment B: letter to Gpip
board requesting lease of
lot 9B**

Jeremy Serka



Pacific Jewel Marine
4500 Sawmill Crk
Sitka, Ak 99835



**Gary White
Sitka Economic Development
Association**

Dear Mr. White,

Pacific Jewel Marine manages the warehouse at 4500 Sawmill Creek Road within the Gary Paxton Industrial Park, we are looking for a long-term lease of lot 9b. Our building houses many contractors and vessel owners that are anticipating the opportunity to work on large vessels next to the building. Currently we are in the process of designing and funding a covered boat house that will be built along the waterside of the building. This new boat house will need access from the main yard for a travel lift or trailer to transport the boats. Unobstructed access through lot 9b is critical for maneuvering a large trailer with boat and towing vehicle. The towing vehicle and trailer could easily reach lengths of 80 feet or more and therefore requires a broad turning area, which only lot 9b can provide.

Beyond the boat house there are several other reasons we would like to lease lot 9b. The lot borders the warehouse's property on two sides, and the street makes up the other two sides of the lot. The proximity to our property and its isolation from the rest of the park make lot 9b difficult to

distinguish from the rest of the park and hence we get a lot of pedestrian traffic thinking the lot belongs to us or vice versa; parking on our property while thinking that it is an extension of lot 9a.

I understand that the GPIP board and the assembly may both need to approve this lease. I believe that our boat repair operation and plans for lot 9b are a perfect fit for the mission of the Gary Paxton Industrial Park. We are creating year-round living wage jobs that support other viable businesses here in Sitka. I ask that the board weigh in our current investment in the community while considering this lease.

Sincerely

Jeremy Serka
Pacific Jewel Marine

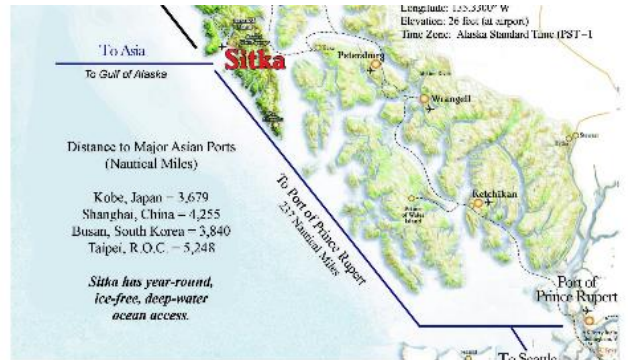
Attachment C: GPIP Mission Statement

Mission Statement

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 that conform with established community plans and policies.

Guiding Principles of GPIP

1. Preserve public access and marshaling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and minimize negative cash flows to the City from the operation of the Park.



Attachment D” City General Code for Non -competitive bid

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18.15.010 Real property disposal.



confirmed and ratified and voter ratification required under the former ordinance is waived. (Enactment date September 27, 1983.)

D. The lease of any municipal property on a temporary basis may be made by the administrator upon motion of the assembly without ordinance. Temporary shall be defined as any lease terminable at the will of the municipality where no more than 30 days’ prior notice of intent to terminate is required.

E. Sale or lease of municipal real property, including tidelands, shall be by competitive bid, unless the assembly finds that competitive bidding is inappropriate, due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party, or is waived by subsection C of this section. The assembly may also find that competitive bidding is inappropriate due to the nature of the property or the circumstances surrounding its disposal to include possible unjust results with regard to the existing lessee, or adjacent or neighboring property owners.

F. When it is deemed advantageous to the municipality, it may trade uplands or tidelands for other land of approximately equal size or value. Should the municipal property in question be of such value as to permit an advisory vote, an advisory vote may be authorized by the assembly, and the requirements and procedures concerning such election shall apply.

G. The administrator is authorized to sign all municipal lease and conveyance documents. (Ord. 18-29 § 4, 2018; Ord. 99-1545 § 4, 1999; Ord. 93-1141 § 4, 1993; Ord. 92-1110 § 4, 1992; Ord. 92-1026 § 4, 1992; Ord. 83-556 § 4, 1983; S.G.C. § 18.12.010.)

Attachment E: Lease of Lot 9B to Sitka Science Center 12/12/24



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

Thursday, December 12, 2024

MEMORANDUM

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

From: Garry White, Director

Subject: Sitka Sound Science Center Lot 9b Lease Request

Introduction

Sitka Sound Science Center (SSSC), a Sitka non-profit, requests a short-term lease of lot 9b to store and sort marine debris. Please see the attached lease proposal. The proposed lease will be on a month-to-month term.

Property

Lot 9 is a 7,583 SF parcel of property located adjacent to lot 5 (former bottling plant), across the road easement to the GPIP Dock.

Lot 9b was valued in 2018 at \$43,500 or \$5.74/SF. Traditionally, raw property in the GPIP has been leased at a 9% return of asset value.

Rent

\$43,500 @ 9% = \$3,915 annually or \$326.25/month

Action

- Board discussion and approval of Sitka Sound Science Center lease proposal.

JOHN R. CRONE
PARTNER
JCRONE@GRSM.COM
DIRECT: (907) 223-4316



ATTORNEYS AT LAW
721 DEPOT DRIVE
ANCHORAGE, AK 99501
WWW.GRSM.COM

May 22, 2025

VIA E-MAIL

Garry White
Director, Gary Paxton Industrial Park
garrywhite@gci.net

**Re: Pacific Jewel Marine, LLC's Future Operations in Gary Paxton
Industrial Park – Haul Out and Lot 9b**

Dear Mr. White:

My name is John Crone, and I represent Pacific Jewel Marine, LLC ("PJM") in connection with its business activities in Gary Paxton Industrial Park ("GPIP"). As you are aware, PJM manages the building and property located at 4500 Sawmill Creek Road (the "PJM Property"). Under PJM's management, more than \$1.5M has been invested in rehabilitating the PJM Property and transforming the area into a marine trades center. Currently, PJM employs nine (9) full-time individuals and is looking to hire additional. PJM also employs seasonal workers alongside its year-round employees, with an aim to enable seasonal workers to remain in Sitka beyond the season if they desire.

To the best of PJM's knowledge, PJM is the only business in Sitka currently making substantial capital investments in equipment and infrastructure necessary to support work that can be completed on vessels in the boatyard. Indeed, the PJM Property is currently home to the following shops and tenants:

- **Sitka Custom Marine** – specializes in the design, build, and repair of boats, including sand blasting and painting, as well as retail sales of metal, paint, and other vessel repair products
- **Stem to Stern Repair Shop** – shipwright (wood boat repair)

- **Sitka Machine Shop** – the only machine shop in town, builds and repairs equipment for both commercial and recreational operations
- **Appleton Ventures, LLC** – diesel and small engine repair, as well as full-stack software and DevOps engineering
- **Southeast Sparks** – electronics lab and marine electrical installation
- **Frank Schlias** – diesel mechanic

It is PJM's understanding that Sitka is currently working to finalize Phase I of the GPIIP Haul Out and Ship Yard Project (the "Project"). As such, I am sending this correspondence to raise two issues related to use of the PJM Property and for which PJM requests assistance: (1) PJM's use of the haul out facilities; and (2) PJM's potential lease of Lot 9b. PJM believes that raising these issues now aligns with timing of the various benchmarks left in completing Phase I of the Project.

PJM's Use of the Haul Out Facilities

PJM believes that the various commercial activities of the businesses located on the PJM Property will be a major driver of demand for use of the haul out facility once completed. The businesses currently located on the PJM Property, including future planned businesses, offer services that will require vessels to use the haul out and be stored on PJM Property for longer periods of time.

Thus, it is critical for PJM and GPIIP to come to an understanding regarding PJM's use of the haul out facilities, specifically, use of the travel lift to move vessels from the haul out to the PJM Property. It is PJM's understanding that while use of the travel lift from the haul out to the PJM Property would span a relatively short distance, various concerns would need to be addressed. Specifically, PJM desires to work collaboratively with GPIIP on any engineering concerns, the current location of lighting, and any other problems that may need to be addressed. Given the future volume of use of the haul out facilities by PJM's customers, it is financially beneficial for Sitka to resolve any such issues and facilitate PJM's use of the travel lift.

Further, allowing PJM's use of the travel lift to move vessels directly from the haul out to the PJM Property will allow Sitka to achieve many of its desired goals to be achieved

in Phase II of the Project.¹ PJM is willing to offer the following immediately upon and as part of reaching a deal regarding use of the travel lift:

- Public bathrooms, lockers, and showers
- Electrical connections for vessels
- Water and sewer for vessels
- Indoor workspaces
- Lighting and security
- Wifi
- Trash removal
- Vendors, tradesmen, and equipment for hire or rent
- Decreased insurance requirements for the City as all such amenities and activities, including longer term boat storage, will be located on the PJM Property

Given the status of PJM's investment in infrastructure within GPIIP, including the services currently offered by vendors at the PJM Property, PJM is presently prepared and well situated to assist in facilitating Sitka's ability to generate substantial revenue in connection with its use of the haul out facilities. Therefore, PJM requests that this issue be added to the agenda at GPIIP's next available work session or regular board meeting so that PJM and GPIIP may take concrete steps toward realizing the full economic value of Sitka's investment in the haul out and boat yard.

PJM's Potential Lease of Lot 9b

Related to PJM's use of the haul out facilities, many vessels transported from the haul out to the PJM Property may need to travel over or above Lot 9b.² Such is the nature of the path that will need to be utilized by the travel lift in conjunction with the size of the vessels that will be transported. I understand that PJM has already communicated a desire to enter into a long-term lease for Lot 9b at an affordable price. I further understand that at GPIIP's board meeting held on April 17, 2025, this issue was discussed, and you stated that you would work with Mr. Serka to present possible lease terms at the next meeting for the

¹ **Exhibit 1**, Project Charter GPIIP Boat Haul Out Development, at 4-5 (setting forth various goals for Phase II).

² Ex. 1, at 15 (depicting general path from haul out to the PJM Property labeled on the image as "Starwest Holdings").

board's review.³ As such, for the sake of efficiency, I will not repeat PJM's prior proposal, but will add some additional points for consideration.

Your Memorandum to the GPIP Board dated May 9, 2025 highlights a primary reason for the GPIP Board to grant PJM's proposal regarding Lot 9b.⁴ You attached a conceptual drawing for a GPIP Land Use Plan to your Memorandum.⁵ The conceptual drawing proposes to designate Lot 9b as a "Commercial Dock & Support Area." By leasing Lot 9b to PJM, GPIP would fulfill your proposed vision to utilize the land for commercial support. Given that the parcel is orphaned from any higher or more valuable use because it is bounded on two sides by streets and on its remaining sides by the PJM Property, Lot 9b would provide excellent commercial support by providing access to the numerous vessels that will be transported by travel lift from the haul out to the PJM Property.

PJM's proposal to lease Lot 9b at an affordable and noncompetitive rate is permitted by the Sitka General Code,⁶ and is consistent with GPIP's mission to maximize the economic benefit of the resource and to support the creation of meaningful jobs for Sitkans in a financially responsible manner. In this way, GPIP's interests and goals align with those of PJM, and PJM looks forward to working with you to advance the success of PJM, GPIP, and all Sitkans that support themselves, or will support themselves, through our joint efforts.

PJM appreciates your time in reviewing this correspondence and looks forward to discussing next steps to achieving agreement on (1) PJM's future use of the haul out facilities; and (2) PJM's potential lease of Lot 9b in. While PJM believes that advancing these issues may be most efficiently completed by adding the same to the agenda of GPIP's next work session or regular board meeting, PJM is open to any other reasonable paths.

³ **Exhibit 2**, GPIP Board Meeting Minutes for April 17, 2025, at 2 ¶ 2.

⁴ **Exhibit 3**, GPIP Director's Memorandum dated May 9, 2025.

⁵ *Id.*, at 4.

⁶ Sitka General Code § 18.15.010(E) (permitting lease of municipal real property, including tidelands, without competitive bid where the assembly finds that competitive bidding is inappropriate due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party and also allowing same when assembly finds competitive bidding inappropriate due to the nature of the property or the circumstances surrounding its disposal may include possible unjust results with regard to the existing lessee or adjacent or neighboring property owners).

Garry White, Director, GPIP
Re: Pacific Jewel Marine, LLC
May 22, 2025
Page 5

Please feel free to reach out directly by email or phone to discuss any questions, concerns, or proposals for next steps.

Best regards,

GORDON REES SCULLY MANSUKHANI,
LLP

/s/ John R. Crone

John R. Crone

JRC/dc

Cc: GPIP Board of Directors:
Scott Wagner, scott_wagner@nsraa.org
Mike Johnson, southeastmike@protonmail.com
Chad Goeden, chelly@gci.net
Lauren Howard, lmitchell22@gmail.com
Casey Campbell, caseyak@gmail.com
Enclosed: as stated.

PROJECT CHARTER

GPIP BOAT HAUL-OUT DEVELOPMENT

Problem:

Sitka's maritime industry is an important part of the community and economy that is currently being affected by lack of critical infrastructure in the community. Sitka is home to one of the largest fishing fleets in Alaska.

The existing public vessel haul out facility in Sitka, owned by Halibut Point Marine Services LLC (HPM), has been a haul out facility since the mid 1980's. The company ceased operations March 31, 2022, to pursue other business opportunities, leaving the community without an ability to haul vessels. The HPM haul out facility was a large economic driver in the community, many independent marine service providers have earned a living working on the various vessels that visit Sitka and the HPM yard. The lack of a haul out and shipyard facility in Sitka will cause the commercial vessel owners to travel to other communities for vessel work. The community will be underserved in the ability for vessels to get work done by local marine service providers, causing further job losses. Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint.

The City and Borough of Sitka (CBS) and community have been working on developing a haul out facility at the Gary Paxton Industrial Park (GPIP) since the property was acquired in 2000.

- 2000 –Present – legislative funding requested for development of a haul out at GPIP
- 2007 – PND Engineers provides a conceptual plan and cost estimates for haul out infrastructure between Lots 2 & 4.
- 2009 – RFP for private sector development of a haul out is released. The CBS received one proposal from a firm in Puget Sound for a 600-ton lift. Firm and the CBS could not come to terms on the proposal and investment, due to large capital requirement (~\$21 million) requested to be funded by the CBS.
- 2010 – HPM completes substantial improvements to their existing haul out facility, included the construction of 5 EPA approved wash down pads.
- 2014 – Silver Bay Seafoods proposes to construct a haul out at the GPIP properties. After months of negotiations the venture does not move forward due to multiple reasons, including lack of waterfront ownership, infrastructure funding, and having other key GPIP lots being leased to other ventures in GPIP.
- 2014 – The CBS commissions the Preliminary Screening-Level Feasibility Assessment and Planning for a Marine Center at the GPIP. Study concludes that if HPM would cease operations, the analysis indicates a moderate to strong opportunity for haul out operations at the GPIP.

- 2017 – The GPIB Board holds a public meeting to discuss haul out concepts and considers moving forward with development an access ramp to haul vessels. PND Engineers is hired to provide conceptual designs and cost estimates for ramp development
- 2019 – HPM announces that they will be ceasing haul out operations within the next two years.
- 2020 – The CBS releases another RFP for private sector development. The RFP was structured for long term leases only. Two firms respond, the CBS selects a firm. After considering all available information, listening to public stakeholder comments, and investigating more in-depth on the financial costs to move forward with a proposal; the firm concluded that the associated costs to complete a haul would require a larger financial subsidy from the CBS. The CBS Assembly rejects the modified proposal.
- 2021 – The CBS releases another RFP for private sector development. The RFP considers selling lots to a qualified developer. A local group responds to RFP and is selected to move forward. The group suggested that it has determined that development of a haul out facility is more expensive than they originally estimated and withdraws its proposal.
- 2022 - 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). The proposition was approved by 80.9% of citizens voting in the 2022 municipal election.
- 2023 – GPIB Vessel Haul out development begins
 - March - The CBS contracts with PND Engineers to develop the GPIB Vessel Haul out Project Design.
 - April - The GPIB Board selects a waterfront portion on the northern section of Lot 9a as the haul out pier location.
 - June - The GPIB Board selects conceptual design #4 for Phase 1 development of the haul out.

Project Goal:

- Develop a 150-ton haul out facility, which has the capacity of hauling out a majority of the vessel in the Sitka Fleet.
- Plan future haul out infrastructure to haul vessels greater than 150-tons.
- Provide relocated access ramp to haul smaller vessels for repair and refurbishment and provide barge and landing craft loading/unloading.
- Develop the GPIB uplands into a working shipyard to support the marine services industry.
- Coordinate with private industry to aid in the retainage and growth of local marine service sector jobs.
- Provide critical infrastructure for emergency vessel repairs.
- Reduce travel costs and emissions for vessels having to travel to other regional shipyards.

Project Scope:

The project scope is outlined in Phases and alternates due to the lack of funding to fully develop a complete haul out facility:

Phase 1: Waterfront Development (Completed December 2024):

See attachment 1 - Phase 1 Concept Design Site Plan.

Phase 1 is not presently fully funded, See Attachment 3 - Preliminary Engineer's ROM Budget for a line-item breakdown of Phase I work items presently funded work vs. optional/additive work items. Also, reference the Project Funding Breakdown below. The initial scope of work for Phase I will be dependent on funding secured at the time of construction. Phase I work items may be added as additional funding becomes available. Attachment-1 will be used as the funding priority guidelines for the project.

NOTE: A limited construction contingency of approximately 10% is included in the current scope/budget. Note, this is less than the recommended construction contingency for preliminary design, typically 20%. The contingency has been reduced in lieu of additional scope reductions to ensure the proposed project meets minimum operational criteria while aligning with the total currently available funding. Risks are associated with reducing estimated contingency. Further reduction of project scope may be required should project costs exceed available funding resulting in reduced operational capability.

As outlined in Attachment 3- Preliminary Engineer's ROM Budget many work items identified for Phase 1 are currently unfunded. The following scope items are included in Phase 1 objectives as funding comes available.

1. Planning, Public Engagement and Concept Development (Funded)

A rigorous planning and public engagement process has been completed. CBS, the GPIB board and public stakeholders have reviewed multiple pier locations, pier configurations and uplands layouts and preliminary cost estimates. A preferred conceptual design has been developed based on input from local subject matter experts, stakeholders and the public to ensure the preferred concept services the greatest amount of the Sitka fleet. Planning efforts have included site master planning for additional larger haul out infrastructure and relocated access ramp.

2. Investigations, Environmental Permitting and CMGC Contract (Funded)

Preliminary site investigations have been conducted including site reconnaissance by the design team and stakeholders, and topographic and bathymetric surveys to support the preferred concept. Additional investigations and environmental permitting are ongoing to support the design and construction of the vessel haul out facility including geotechnical investigations.

Following completion of site investigations and preliminary design, PND will develop a solicitation for a Construction Manager/ General Contractor. The selected firm will support final design and ultimately construct the Phase 1 infrastructure.

3. Vessel Haul Out Piers (Funded)

Under a CMGC contract, design and construct a 150-ton vessel haul out pier to accommodate the majority of the Sitka fleet.

4. Wash Water Collection and Wash Down Facilities (Funded w/ Temporary Washdown Pad)

Under a CMGC contract, design and construct all-season wash water collection and wash down facilities. Provide a minimum of one wash down location, include planning to allow for additional washdown facilities to be installed in future phases, to prevent bottle necks in haul out operations and to allow for quick repair options. *The Washdown Pad may be initially constructed utilizing a temporary membrane liner pending full Phase I project funding.*

5. Wash Water On-site Pre-Treatment Facility (Funded)

Under a CMGC contract, design and construct a wash water on-site pre-treatment facility. Facility will accommodate one washdown collection site include planning to allow for additional washdown sites to be installed in future phases.

6. Queuing Float (Not Funded)

Under a CMGC contract, Design and Construct a queuing float with gangway. Float will accommodate the greatest amount of the Sitka fleet.

7. Boat Work and Storage Area (Partial Funding)

Under a CMGC contract, Design and Construct a yard with environmentally compliant drainage systems for the maintenance and storage of 10 to 25 vessels of varying size. Include space for yard user and staff parking. *The size of the Boat Work and Storage Area (Boat Yard) will be dependent on the level of funding available at the time of construction.*

8. Gravel Haulout Ramp (Not Funded)

Under a CMGC contract, Design and Construct a haul out ramp to replace the existing ramp which will be removed to facilitate Phase I haul out piers.

9. Haul Out Equipment (Funded)

Haul out and shipyard operation options need to be investigated to determine if boat hoist equipment will be purchased by the CBS or required via a private haul out operational agreement. *Current budget considers CBS purchased equipment.*

Phase 2: Expansion of Upland Shipyard

(Start 2025 – Completed 2027 – Not Funded):

See Attachment 2 - GPIIP Boat Yard General Development Plan.

1. Planning and Cost Estimates

The CBS has investigated multiple different locations on the GPIIP properties for the location of shipyard infrastructure. Planning efforts should include public use space, leased space for marine service providers, sheltered work areas, and

vessel storage. Additionally, planning should consider the movement of vessel within the GPIIP and existing and needed utilities.

2. Upland Improvements and Expansion

Design and Construction of upland facilities including additional vessel maintenance and storage areas, lease spaces, sheltered work areas and other improvements as determined through Phase 2 planning efforts. Include improvements necessary to reinforce roadways to facilitate boat hoist traffic loads. Include site improvements on Phase 1 and Phase 2 areas such as sitewide paving and associated drainage improvements.

3. Installation of Utilities

Design and Construction of upland power and lighting system, vessel power, and other site improvements to service the greatest amount of the Sitka fleet, marine service providers and other services as determined through Phase 2 planning efforts.

Additional Scope Items for Phase 2 could include but are not limited to:

- Boat short term storage yard
- Long term storage yard
- Vendor lease space
- Security Fencing and Gates.
- 300 Ton Vessel Haul Out Pier
- 300 Ton Boat Hoist
- Electrical and Lighting
- Outbuilding with restrooms and utilities
- Pavement

Budget

Project Cost Breakdown

Expense Description	Amount
Planning, Permitting and Preliminary Design (Phase I)	\$366,955
Investigations, Final Design and Construction Phase Engineering	\$929,460
CMGC/Construction and Contingency (Phase I), Funded*	\$5,733,585
CMGC/Construction and Contingency (Phase 1), Not Currently Funded	\$5,986,308
Other (Boat Hoist - Phase I)	\$1,150,000
Phase II (ROM)	\$15,000,000
Total	\$29,166,308

*It is important to note that Phase-1 currently has significant scope reductions as outlined in Attachment 3 and Phase-2 scope has not yet been defined or funded.

Phase I Project Funding Breakdown

Expense Description	Amount
Estimated Total Ph 1 Project Cost	\$14,166,308
Working Capital	\$8,180,000
Loans	\$0.00
Grants	\$0.00
Other	\$0.00
Total Funded	\$8,281,040
Funding Gap	\$5,885,298
Encumbrances to Date	\$366,955
Unencumbered Funds	\$7,914,085

Phase I Funding Gap (if applicable)

Funding Description	Amount
Unfunded Balance	\$5,885,298

Contract Management

Contract Management – Phase I

Expense Description	Amount
Planning, Permitting and Preliminary Design (Phase I)	\$366,955
Investigations, Final Design and Construction Phase Engineering	\$929,460
CMGC/Construction and Contingency (Phase I), Funded*	\$5,733,585
CMGC/Construction and Contingency (Phase 1), Not Currently Funded	\$5,986,308
Other (Boat Hoist - Phase I)	\$1,150,000
Total	\$14,166,308

Project Success Metrics:

✓ Cost Variance: $CV(\%) = \frac{(Budgeted\ Work\ Cost) - (Actual\ Work\ Cost)}{(Budgeted\ Work\ Cost)} \times 100$

✓ Schedule Variance: $SV(\%) = \frac{(Budgeted\ Work\ Days) - (Actual\ Work\ Days)}{(Budgeted\ Work\ Days)} \times 100$

✓ Customer Satisfaction: $CS(\%) = \frac{(Total\ Customer\ Satisfaction\ Survey\ Points)}{(Total\ Customer\ Service\ Survey\ Questions)} \times 100$

✓ Alignment with Strategic Plan:

Goal(s) and/or Objective(s): _Aligns with the Strategic Goals to improve the economy, job creation, and making Sitka more livable community.

✓ Alignment with other policy, strategy, plan, procedure:

Document(s) and Goal(s)/Objective(s): This project is our top legislative priority, and the funding was a ballot proposition that passed by over 80%.

✓ Other Metric(s):

Due to the overwhelming community support of this project, it is considered the top priority project within CBS.

Project Team:

Project Sponsor:	Garry White
Contact Information:	907-747-2660
Organization:	Sitka Economic Development Association (SEDA)
Key Responsibilities:	GPIP Board management and liaison

Project Manager:	Michael Harmon
Contact Information:	907-747-1807
Organization:	CBS Public Works - Engineering
Key Responsibilities:	Overall Project Manager

Contract Manager:	Vacant
Contact Information:	907-747-1803
Organization:	CBS Public Works - Contracts
Key Responsibilities:	Contract Management/Compliance

Other Project Participants		
Participant Name	Contact Information	Key Responsibilities
PND	907-586-2093	Project Design Team
Stan Eliason	907-747-4011	CBS Harbor Master

Risk Management

Risk issue statement

Issue Statement:	A significant safety concern exists with vessels traveling to other communities for haul out options and no ability to haul vessel in emergency situations. Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint. The CBS recently had an economic Benefit Cost Analysis developed. The analysis shows that not having a local haul out option in Sitka will cost the commercial fleet almost \$15 million in increased travel costs, roughly \$2.5 million in opportunity cost of time, and over \$11 million in emissions avoided over 20 years for a total analysis of \$29 million impact when using the 3 percent discount rate for emissions.
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Initial Consequence (CoF₁) Assessment – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Assuming if a vessel goes down, multiple lives will be lost.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Initial Likelihood (LoF₁) Assessment Results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 1 years	6	Likely to happen within 5 years

Initial Risk (R₁) – Based on equation $LoF_1 \times CoF_1 = R_1$

Initial Risk Score (R ₁):	42
---------------------------------------	----

Risk mitigation method(s) to be applied

- | | | |
|---|---|--|
| <input type="checkbox"/> Accept | <input checked="" type="checkbox"/> Modify Operations | <input type="checkbox"/> Repair |
| <input checked="" type="checkbox"/> Avoid | <input type="checkbox"/> Modify Maintenance | <input checked="" type="checkbox"/> Replace |
| <input type="checkbox"/> Transfer/Share | <input type="checkbox"/> Monitor | <input type="checkbox"/> Develop Contingency |

Residual consequence (CoF₂) assessment results – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Vessels over 150 tons will still need to travel to other locations. This will not reduce risk of fatality to zero.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Residual likelihood (LoF₂) assessment results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 5 years	2	Likely to happen once within a 50-year period

Residual Risk (R₂) – Based on equation $LoF_2 \times CoF_2 = R_2$

Residual Risk Score (R ₁):	14
--	----

Assessment Results (residual risk, risk mitigated, and financial efficiency)

Risk Mitigated (R _M) = (R ₁ -R ₂):	28
Financial Efficiency (FE) = $\left(\frac{R_M}{Total\ Planned\ Cost}\right)$:	4.26x10 ⁻⁶

Stakeholder Register:

Stakeholder Name	Garry White & GPIIP Board
Organization	Sitka Economic Development Association/GPIIP
Contact Information	907-747-2660
Level of Influence on Project (High/Low)	High
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Project is an economic development and GPIIP Priority
How can stakeholder obstruct?	GPIIP Board has management authority

Stakeholder Name	Stan Eliason
Organization	CBS Harbor Department
Contact Information	907-737-3439
Level of Influence on Project (High/Low)	Medium
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Needed infrastructure for fleet
How can stakeholder obstruct?	Port and Harbors has management authority of port matters

Stakeholder Name	
Organization	
Contact Information	
Level of Influence on Project (High/Low)	
Level of Interest in Project (High/Low)	
How can stakeholder benefit?	
How can stakeholder obstruct?	

Key Milestones:

Key Tasks & Milestones	Start Date	End Date
1. Project Charter Approval: The Project Charter is brought to GPIB Board for approval.		11/21/22
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	3/06/23
6. Contract Execution/NTP for PM/Port Planner/Engineer	3/7/23	3/29/23
7. Planning, Surveying, Public Involvement Process, Concepts, Costs, Preferred Alternative, Final Basis of Design & Charter Scope	4/3/23	7/31/23
*8. Geotechnical Invest. - Work Plan, Driller Contract, Drilling Permits, Fieldwork, Analyses & Geo Report	5/22/23	10/31/23
*9. Biological Assessment, IHA, Regulatory Consultations & Environmental Permits	5/22/23	6/30/24
10. 35% Preliminary Design & CMAR RFP	8/1/23	11/30/23
11. CMAR Solicitation & Contract Execution	12/1/23	1/31/24
12. PND Final Design w/ CMAR	2/1/24	7/1/24
13. Material Procurement	3/1/24	12/1/24
14. On Site Construction	8/1/24	12/31/24
16. Secure Operator for 2025 Season	3/15/24	12/31/24
17. Secure 150T Boat Hoist	3/15/24	12/31/24
18. Haul Out is Operational		12/31/24
* Critical Path Items – Permitting and Regulatory Review		
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.		

Continued

Approvals and Revision Log:

Approvals:

Project Manager	Approval Date
Contract Manager	Approval Date
Project Sponsor	Approval Date
Finance Director	Approval Date
Municipal Administrator	Approval Date

Revision Log:

Revision Number	Cause of Revision	Revision Approval Date
1.0		

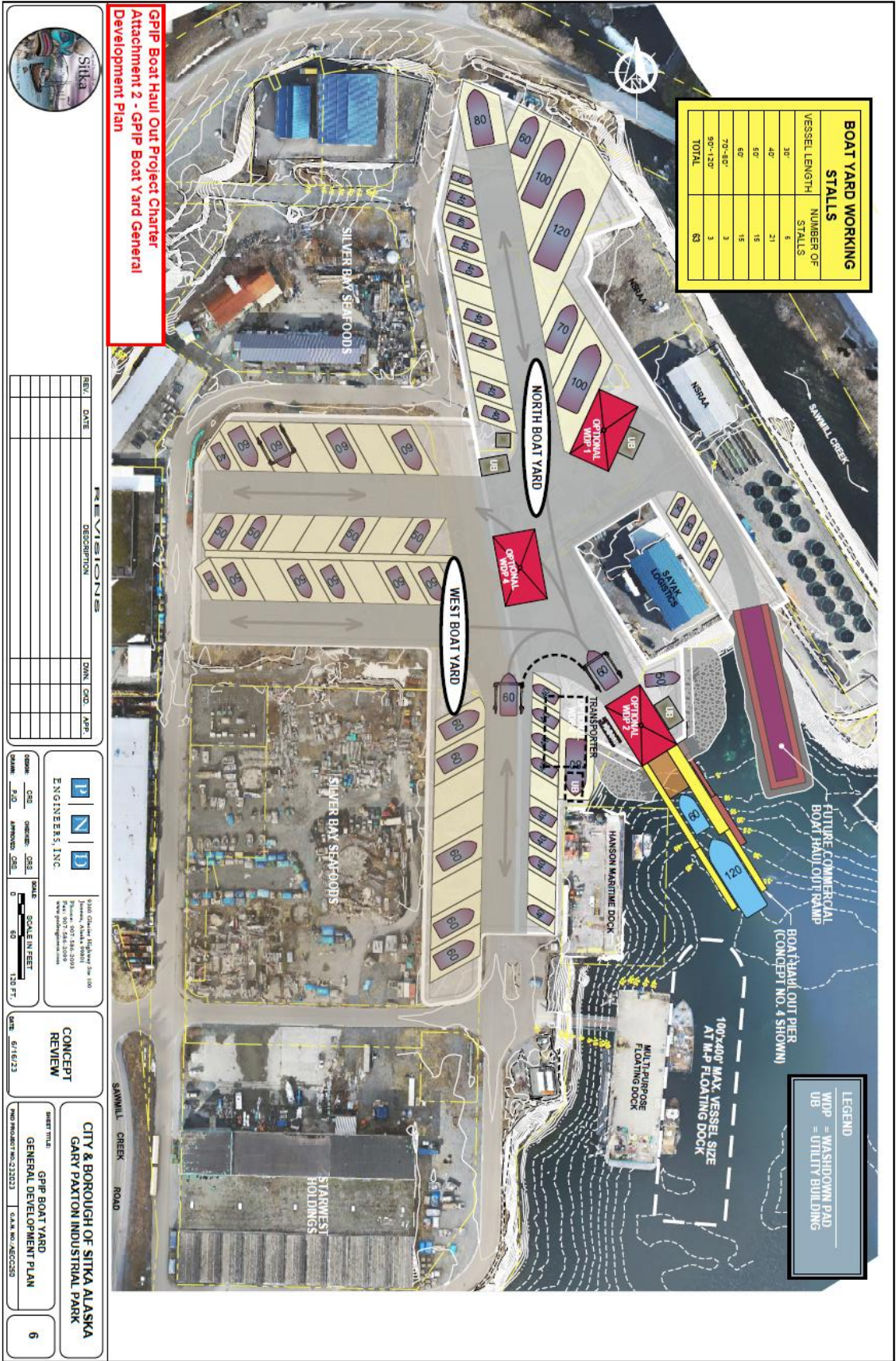
Appendix – A

2022 CBS Risk Assessment Matrix

Likelihood	Risk Matrix						
10 times/yr.	8	16	24	32	40	48	56
within 1 year	7	14	21	28	35	42	49
within 5 years	6	12	18	24	30	36	42
within 10 yrs.	5	10	15	20	25	30	35
within 20 yrs.	4	8	12	16	20	24	28
within 30 yrs.	3	6	9	12	15	18	21
within 50 yrs.	2	4	6	8	10	12	14
100 years	1	2	3	4	5	6	7

Consequence Category	Consequence Criteria						
	Insignificant	Minor	Moderate	High	Major	Extreme	Catastrophic
Public Safety	<input type="checkbox"/> No Injury <input type="checkbox"/> No damage to public or private property	<input type="checkbox"/> Near miss <input type="checkbox"/> Minor property damage	<input type="checkbox"/> Minor injuries <input type="checkbox"/> Moderate property damage	<input type="checkbox"/> Single injury w/ medical attention <input type="checkbox"/> Moderate property damage over large area	<input type="checkbox"/> Multiple injuries OR permanent disability <input type="checkbox"/> Major property damage	<input type="checkbox"/> Fatality <input type="checkbox"/> Major property damage over a large area	<input type="checkbox"/> Multiple fatalities
Personnel Safety	<input type="checkbox"/> No injury	<input type="checkbox"/> Near miss	<input type="checkbox"/> Single injury requiring medical attention	<input type="checkbox"/> Multiple injuries OR permanent disability	<input type="checkbox"/> Fatality	<input type="checkbox"/> Multiple fatalities	
Compliance	<input type="checkbox"/> No violation	<input type="checkbox"/> Minor restrictions <input type="checkbox"/> Increased oversight	<input type="checkbox"/> Violation <input type="checkbox"/> Fines imposed	<input type="checkbox"/> Restricted use <input type="checkbox"/> Sanctions <input type="checkbox"/> Legal penalties	<input type="checkbox"/> Loss of right to operate	-	-
Reliability	<input type="checkbox"/> No Impact	<input type="checkbox"/> Localized inability to meet service levels	<input type="checkbox"/> Wide-spread inability to meet service levels	<input type="checkbox"/> Inability to Safely operate or maintain service	-	-	-
Reputation	<input type="checkbox"/> Questions raised by Municipal Admin. <input type="checkbox"/> Local media coverage	<input type="checkbox"/> Questions raised by Assembly	<input type="checkbox"/> Questions raised by State Officials <input type="checkbox"/> State media coverage	<input type="checkbox"/> State Legislative hearing	<input type="checkbox"/> Questions raised by Federal officials	<input type="checkbox"/> National media coverage	-
Financial Impact	<\$10k	\$10k - \$100k	\$100k - \$1M	\$1M - \$10M	\$10M - \$100M	\$100M - \$1B	>1B





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

**PRELIMINARY ENGINEER'S ROM BUDGET
Prepared By: PND Engineers, Inc. on July 18, 2023**

BASE BID ITEMS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
GENERAL CONTRACT ITEMS						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$473,850	
2702.1	Construction Surveying	LS	All Req'd	\$50,000	\$50,000	\$523,850
150 TON HAULOUT PIER						
2882.1	UHMW Pile Rubstrips	LS	All Req'd	\$200,000	\$200,000	
2886.1	Side Curbs	LS	All Req'd	\$200,000	\$200,000	
2896.1	Steel Pipe Fender Piles with HDPE Sleeves	EA	12	\$20,000	\$240,000	
2896.2	Steel Pipe Corner Fender Piles with HDPE Sleeves	EA	2	\$25,000	\$50,000	
2896.3	Vertical Steel Pipe Piles	EA	40	\$20,000	\$800,000	
2896.4	Battered Steel Pipe Piles	EA	8	\$24,000	\$192,000	
3305.1	Retaining Wall	CY	160	\$2,750	\$440,000	
3420.1	Precast Concrete Deck Panels	CY	270	\$2,000	\$540,000	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$200,000	\$200,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	33	\$8,000	\$264,000	
5120.2	Steel Pipe Bullrail	LS	All Req'd	\$75,000	\$75,000	\$3,201,000
UPLANDS EXPANSION @ PIER						
2203.1	Shot Rock Borrow	CY	11,000	\$50	\$550,000	
2204.1	Base Course Grading C-1	CY	750	\$100	\$75,000	
2205.1	Armor Rock	CY	3,200	\$100	\$320,000	\$945,000
STORMWATER TREATMENT w/ MINIMUM YARD & STORMWATER COLLECTION						
2202.1	Rough Grade Existing Site to Drain Inlets	LS	All Req'd	\$50,000	\$50,000	
2501.1	Storm Drain Pipe	LF	700	\$125	\$87,500	
2502.1	Storm Drain Manholes & Water Quality Unit	LS	All Req'd	\$80,000	\$80,000	\$217,500
TEMPORARY WASHDOWN PAD						
2401.1	Water Service to Wash Down Pad	LS	All Req'd	\$25,000	\$25,000	
2601.1	Sewer Service & Lift Station to Wash Down Pad	LS	All Req'd	\$125,000	\$125,000	
3301.2	Temporary Wash Down Curbed Membrane Liner	EA	1	\$50,000	\$50,000	
11170.1	Washwater Pretreatment Facilities	LS	All Req'd	\$125,000	\$125,000	\$325,000
ESTIMATED CONSTRUCTION BID PRICE					\$5,212,350	\$5,212,350
CONTINGENCY & INDIRECT COSTS (35%)					\$1,824,323	
150T STANDARD MARINE BOAT HOIST					\$1,150,000	
TOTAL RECOMMENDED BASE BUDGET					\$8,186,673	
OPTIONAL or ADDITIVE ALTERNATE ITEMS						
GENERAL CONTRACT ITEMS						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$379,100	
2702.1	Construction Surveying	LS	All Req'd	\$5,000	\$5,000	\$384,100
NORTH BOAT YARD SITE GRADING & DRAINAGE						
2060.1	Demolition & Disposal	LS	All Req'd	\$100,000	\$100,000	
2202.1	Excavation, 1' Avg Depth	CY	4,000	\$20	\$80,000	
2202.2	Subbase, 2' Thick	CY	8,000	\$50	\$400,000	
2204.1	Base Course Grading C-1, 8" Thick	CY	2,500	\$100	\$250,000	
2501.1	Storm Drain Pipe	LF	300	\$125	\$37,500	
2502.1	Storm Drain Manholes	LS	All Req'd	\$40,000	\$40,000	
2600.1	Misc. Utility Lid and Grate Adjustments	LS	All Req'd	\$50,000	\$50,000	\$957,500
PERMANENT CONCRETE WASHDOWN PAD						
3301.2	Concrete Wash Down Pad w/ Hydronic Piping	EA	1	\$300,000	\$300,000	\$300,000
YARD TRANSPORTER						
11200.2	40 T Yard Transporter, Shipping & Assembly	LS	All Req'd	\$250,000	\$250,000	\$250,000
DECKOVER, 32X60						
2886.2	Timber End Curb with Tire Fenders	LS	All Req'd	\$50,000	\$50,000	
2896.3	Vertical Steel Pipe Piles	EA	6	\$20,000	\$120,000	
2896.4	Battered Steel Pipe Piles	EA	2	\$24,000	\$48,000	
3420.1	Precast Concrete Deck Panels	CY	140	\$2,000	\$280,000	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$100,000	\$100,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	20	\$8,000	\$160,000	\$758,000
QUEUEING FLOAT & GANGWAY						
2894.1	5x80 Aluminum Gangway & Hinge Assembly	LS	All Req'd	\$125,000	\$125,000	
2895.1	10x80 Moorage Float	SF	800	\$300	\$240,000	
2896.3	Vertical Steel Pipe Piles	EA	3	\$18,000	\$54,000	
3420.1	Precast Concrete Deck Panels	CY	5	\$1,500	\$7,500	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$5,000	\$5,000	
5120.1	Steel Pile Cap & Misc. Weldments	TON	3	\$8,000	\$24,000	\$455,500
UTILITY BUILDING						
13000.1	Building, Hydronic Boiler, Restroom, Office	SF	960	\$750	\$720,000	
16000.1	Power to Utility Building	LS	All Req'd	\$50,000	\$50,000	\$770,000
GRAVEL HAULOUT RAMP						
2203.1	Shot Rock Borrow	CY	2,500	\$50	\$125,000	
2204.1	Base Course Grading C-1	CY	300	\$100	\$30,000	
2205.1	Armor Rock	CY	1,400	\$100	\$140,000	\$295,000
ESTIMATED CONSTRUCTION BID PRICE					\$4,170,100	\$4,170,100
CONTINGENCY & INDIRECT COSTS (35%)					\$1,459,535	
MARINE BOAT HOIST UPGRADES					\$350,000	
TOTAL RECOMMENDED PROJECT BUDGET					\$5,979,635	
TOTAL RECOMMENDED BASE + ALL ADD ALT BUDGET					\$14,166,308	

**GPIIP Boat Haul Out Project Charter
Attachment 3 - Preliminary Engineer's ROM Budget**

**Exhibit 1
Page 16**

Gary Paxton Industrial Park – Board of Directors Meeting
April 17, 2025 3:00 pm
Room 6, Centennial Hall

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 4:00 pm

B. ROLL CALL

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

Members Absent: None

Staff Present: Garry White

City Representatives: John Leach, Rachel Jones, Michael Harmon, Chris Ystad

Others Present: Members of the public

C. Review of Minutes – March 13, 2025

Motion: M/S Goeden/Johnson to approve the minutes of March 13, 2025 as written.

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

D. Correspondence & Other Information- None

E. Changes/Additions/ Deletions to Agenda - None

F. Reports – Mr. White gave a brief update on bulk water. He stated that Arctic Blue Waters Alaska did not make its payment to exercise its first right of refusal to acquire additional water allocations. It is expected they will be coming back to the board asking for an extension in the future. Mr. White informed the Board that Global Hydration LLC was not awarded a water purchase agreement as the assembly did not approve its request.

G. Persons to Be Heard- Chris Hanson spoke about future options for marine trades as a group at the haul out. Jeremy Serka and Michael Nerko spoke addressing the public letting them know that they are open to working with any and all potential clients. Linda Behnken shared she was interested in seeing long term plans for revenue generation. Dave Miller inquired about aesthetics of the GPIIP property as far as tourism is concerned.

H. Unfinished Business –

1. GPIIP Haul Out Development

Exhibit 2

Page 1

Mr. White stated the travel lift is expected to arrive May 6th. He then discussed future haul out and shipyard development by opening up discussion to the board regarding how much space to allocate for vendor operations, sales vs leases and the process, how much space will be allocated for long term vessel and gear storage and any other potential GPIIP property uses. The board discussed current short-term leases, usable space, benefits of leasing versus selling land, pros and cons of specific lot development, and defined priorities for phase 1 and 2 development. This conversation will continue in future meetings. Lastly Mr. Harmon discussed budgeted cost versus current actual spend and updated project timeline. Public comment showed desire to see what options there were for vendors, electricity plan, restrooms, and washdown pad.

I. New Business-

1. GPIIP Port Tariff Discussion and Adjustments

Mr. White explained CBS Harbor rates are currently in the draft FY2026 budget to be increased by 4% for fiscal year 2026. The GPIIP Tariff has tried to mirror Harbor Department rates. He has reviewed the rates the CBS charges for small cruise ships in relation to other private docks in the area and is recommending that the CBS increase its rates to be comparable to other local docks. The board discussed transient dock space and appropriate compensation.

Motion: M/S Howard/Johnson to move forward with the Tariff as written with change of incidental dock fee left at \$35 per hour and the cruise passenger vessel fee at \$5 per hour and adding verbiage about storage of anything on the dock.

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

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

Ms. Jones explained the long-term lease request process for the Assembly as it relates to competitive bid and the unique circumstance exceptions to go outside of competitive bid process. Mr. Serka was invited to explain his intentions with the lot. Mr. White suggested the CBS Assessing Department is in the process of revaluating property values and suggested any long-term leases wait until property values can be updated. Mr. White will work with Mr. Serka and bring some lease terms to the next meeting for the board to review and make suggestions to Assembly depending property value updates.

3. Silver Bay Seafoods Lot 9c Short Term Lease Request

Mr. White explained Silver Bay Seafoods has been leasing space at GPIIP for nine seasons and that short-term leases can be cancelled with a 30-day notice. He said that SBS knows this is the last summer they will be able to do this.

Motion: M/S Howard/Goeden to move forward with the Lot 9c Short Term Lease request for Silver Bay Seafood at \$ 453.49/month on a month-to-month basis.

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

4. K & E Lot 15 Short Term Lease Request

Mr. Harmon explained this is a short-term lease request to dump rock that will then be used for the city's critical water supply project and that this will basically be a staging area for 3 weeks.

Motion: M/S Johnson/Goeden to move forward with the Lease request for K & E as written.

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

J. Adjournment

Motion: M/S Wagner/Campbell move to adjourn the meeting at 5:10pm.

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



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

Friday, May 9, 2025

MEMORANDUM

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

From: Garry White, GPIP Director

Subject: GPIP Haul Out Development Work session

Introduction

The GPIP Board and CBS are in the process of developing a vessel haul out and shipyard at the Gary Paxton Industrial Park.

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

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

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?

Exhibit 3

Page 1

5. How much space will be allocated for gear storage?
6. Other potential uses of GPIIP property?

DRAFT Shipyard Layout

- Please see the proposed haul out layout.

Fiscal Note

Total funding allocated for this project is \$10,131,040 (\$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, and an additional \$850,000 appropriated by the Assembly in 2024). 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 a 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.

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 Shipyard ~3 acres of uplands (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	41,028 SF
Lot 7	32,879 SF
Lot 8	29,421 SF
	184,328 SF or 4.23 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 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 ~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.

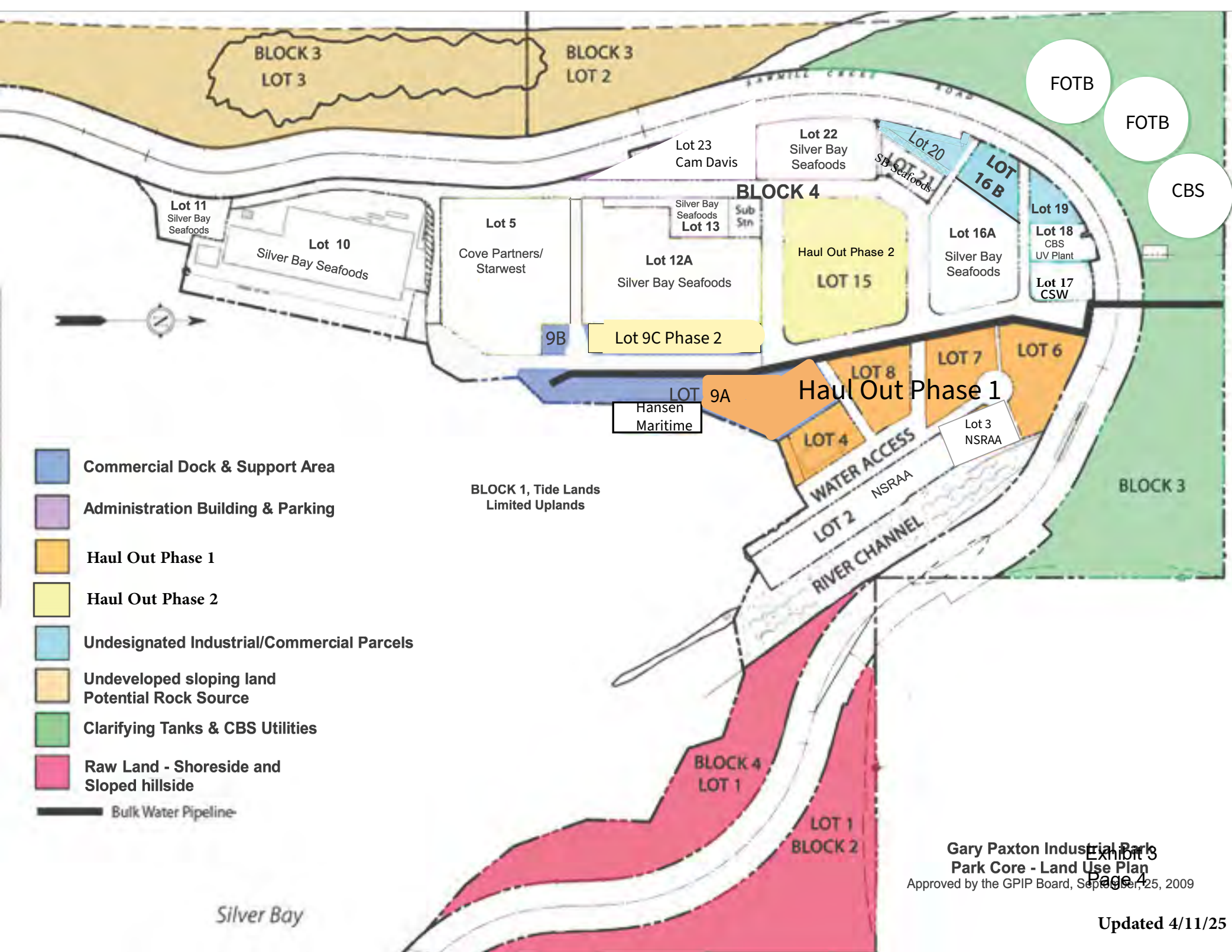
250' apron face x 985' yard depth = 5.65 acres * 50% = 2.82 acres suggested for primary yard area.

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 work session on future haul out and shipyard development.



Draft Shipyard Layout



Draft