

**Gary Paxton Industrial Park  
Board of Directors Meeting  
June 25, 2015 - 6:00 PM  
Minutes**

**A. CALL TO ORDER:** The Chair called the meeting to order at 6:02 pm.

**B. ROLL CALL**

**Members Present:** Grant Miller, Dan Jones, Charles Horan, Scott Wagner (teleconference)

**Members Absent:** Ptarmica McConnell

**City Representatives:** Mark Gorman, Michael Harmon

**Others Present:** Garry White, Linda Wilson

Tom Hesse (Sitka Sentinel), Robert Woolsey (KCAW),  
Wayne Unger (Silver Bay Seafoods), Terry Trapp (Alaska Bulk Water, Inc. – via phone),  
Members of the public including: Roger Sudnikovich and Hugh Bevan,

**C. REVIEW OF MINUTES – April 20, 2015**

**MOTION:** M/S Horan/Jones moved to approve the minutes of April 20, 2015.

**ACTION:** Motion PASSED 4/0 on a voice vote.

**D. CORRESPONDENCE AND OTHER INFORMATION**

Mr. White reviewed documents provided, including an updated property summary and three concepts for division of waterfront Lot 9A.

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA**

Item I. 3 moved up on the agenda to directly follow Item I.1.

**F. REPORTS**

**1. GPIIP Management Report**

Mr. White reported:

- The GPIIP Director and Municipal Administrator met with the Alaska Delegation and staff of the California Delegation in Washington D.C. to promote the availability of Sitka's water resource and to discuss options for shipping water related to restrictions of the Jones Act.
- Mr. White informed the board that the City will be hiring an outside attorney, with experience in resource extraction issues, to review the City's raw water purchase agreement.
- The Electric Department will be putting out a request for bids on the rock currently stored in the park from the Blue Lake Dam Expansion Project.
- There has been recent interest in Block 2, Lot 1.

**G. PERSONS TO BE HEARD**

Mr. Sudnikovich suggested looking at the Great Lakes water industry as an example of how to work around the Jones Act. Also talk to George Baggen of Samson Tug and Barge for his expertise.

**H. UNFINISHED BUSINESS**

**1. Strategic Planning – Maritime Industry Site Information**

Mr. White reviewed the packet documents that provide a starting point for determining the acreage needed for both a port/dock marshalling area and a marine vessel haul-out facility. Mr. White also pointed out that several local cargo facilities work with less space and that the Wrangell Marine Services Center is already growing beyond their current facility of about 5-6 acres. If carefully designed, both the Port/Dock marshalling yard and a vessel haul out could be accommodated within the remaining 9.55 acres of property (Lots 9A, 9B, 9C, 4, 15). The Board discussed options and the three concept drawings presented.

**PUBLIC COMMENT:**

Mr. Sudnikovich asked if the marshalling area would include space for large water storage tanks related to bulk water export needs.

The potential need for water storage tanks had not previously been presented to the Board and Mr. White suggested that Block 2, Lot 1 was one option to consider.

**2. Silver Bay Seafoods Property Purchase/Lease Request**

Mr. White reviewed the history of the SBS proposal to purchase/lease property and stated that SBS is still interested in purchasing or leasing Lots 15 and 4, and a large portion of Lot 9A (identified in concept 2 drawing as Areas 2 and 3).

Mr. Jones, on the record, asked if Silver Bay Seafoods would be interested in responding to an RFP to operate a marine haul-out at the GPIIP if the City retained ownership of the property.

Mr. Unger stated that he was not in a position to answer that question for SBS.

**MOTION as Amended: M/S Horan/Miller** moved to direct the GPIIP Director to enter into discussion with Silver Bay Seafoods for use of property through lease or sale to development and operate a marine haul out facility within Lot 15, Lot 4 and portions of Lot 9A.

Board discussion included:

- Mr. Horan in favor of SBS having access to enough land to develop a vessel haul out and marine services center based on the need of the community, and Silver Bay's interest and ability to follow-through with such a project.
- Mr. Jones stated that he does not want to sell any waterfront property or Lot 15 and that this entire section of the Park should be made available to all users through a port tariff system. This should accommodate not only the needs of Silver Bay Seafoods and Alaska Bulk Water, but other potential users as well.
- The Board and Director discussed various ways to allocate the available property based on the acreage needs for both a marshalling area and vessel haul out. It was determined that approximately three-acres should be preserved for a marshalling area within the southern section of Lot 9A (identified as Area 1 on the concept drawings) along with Lot 9B, Lot 9C and the road area between these lots.

**ACTION: Motion PASSED 3/1 on a roll-call vote.**

Yeas: Wagner, Horan, Miller

Nays: Jones

Absent: McConnell

BREAK – 10 minutes

CALL TO ORDER – 7:20pm

**I. NEW BUSINESS**

**1. Alaska Bulk Water, Inc. Land Purchase Request**

Mr. Trapp expressed frustration that he had not been given an opportunity to have the ABWI proposal discussed before the Board took action on the SBS property request. Mr. Trapp was concerned that there was not enough property being preserved for the marshalling area, specifically the three acres ABWI was requesting for marshalling use and for container storage. Mr. Trapp stated that ABWI was not only offering to pay a premium above market rate for the property requested, but that ABWI would contribute to construction of dock/port facility that would be used by ABWI and also have public access other users. He emphasized that ABWI needs space for containers to serve customers that are expecting to receive containerized water shipments.

The Board stated that it believes that ABWI's needs can still be accommodated within the remaining property. The motion passed under item H.2. does not commit to any sale of land and the process is still open for negotiations that should include ensuring that enough space be available for ABWI needs. The Board expressed their desire to see both SBS and ABWI accommodated.

Mr. White asked for clarification on whether the Board would consider a sale of property or not. The Board consensus was that preference is to lease not sell and to keep public access to all waterfront lots.

**PUBLIC COMMENT:**

Mr. Bevan asked if "ABWI showed up with a barge load of containers next week, could they be offloaded and stored.

**MOTION: Jones/Horan** moved to table the item.

**3. Alaska Bulk Water, Inc. Pipeline Lease** (taken out of order)

**MOTION: M/S Jones/Miller** moved to recommended approval of a lease to allow ABWI to construct the water based distribution system at the end of the CBS Bulk Water pipeline with terms as presented, adjusting the time to remove the infrastructure to 6 months instead of 60 days.

**ACTION: Motion PASSED 4/0 on voice vote.**

**2. Silver Bay Seafoods Lot 9C Lease Request** (taken out of order)

SBS requests a short-term, month-to-month lease of approximately 5,000 square feet within Lot 9C for additional employee housing during the months of July and August and possibly the first part of September.

Mr. White noted that the minimum monthly rent for any lease is \$250.

**MOTION: M/S Jones/Miller** moved to approve a month-to-month lease of 5,000 square feet within Lot 9C to Silver Bay Seafoods at a rate of \$250 per month.

**ACTION: Motion PASSED 4/0 on a roll-call vote.**

Yeas: Wagner, Jones, Miller, Horan

Nays:

Absent: McConnell

**4. Lots 16B, 19 and 20 RFP**

Mr. White advised the Board that there are 4 to 5 proposals for this property pending, and more may come forward with an RFP. Currently these lots are covered with rock, so review and selection of proposals should not take place before April 2016.

**MOTION as Amended: M/S Jones/Wagner** moved to direct staff to issue a Request for Proposals as presented with a deadline for proposals of not less than nine-months from today and amending the criteria weighting to 10 points for item C and 15 points for item F with 100 total points possible.

**ACTION: Motion PASSED 3/1 on a roll-call vote.**

Yeas: Jones, Horan, Miller

Nays: Wagner

Absent: McConnell

**J. ADJOURNMENT: MOTION: M/S Jones/Horan** moved to adjourn the meeting at 8:11pm.