

**Gary Paxton Industrial Park
Board of Directors Meeting
August 4, 2015 - 3:00 PM
Minutes**

A. CALL TO ORDER: The Chair called the meeting to order at 3:01pm.

B. ROLL CALL

Members Present: Grant Miller, Dan Jones, Charles Horan, Ptarmica McConnell

Members Absent: Scott Wagner

City Representatives: Mark Gorman, Michael Harmon

Others Present: Garry White, Linda Wilson

Tom Hesse (Sitka Sentinel), Rachel Waldholz (KCAW),
Dan Keck

C. REVIEW OF MINUTES – June 25, 2015

MOTION: M/S Jones/McConnell moved to approve the minutes of June 25, 2015.

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

D. CORRESPONDENCE AND OTHER INFORMATION (none)

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

A request was made to add an item under Unfinished Business for an update on the status of negotiations on the remainder of the Silver Bay Seafoods (SBS) proposal. The Board understood from their meeting of June 25, 2015 that the Director would have time to negotiate with SBS and have an updated proposal from SBS to present to the Board for their next meeting (this meeting).

Mr. White stated that this is the busiest time of the year for SBS. Despite attempts to set up a meeting time to discuss their proposal and options for negotiation, SBS has not been able to find time to attend a meeting. Therefore, there is nothing to report at this time.

F. REPORTS

1. GPIIP Management Report

Mr. White reported:

- A feasibility study of the floating pontoon dock is being initiated with R&M Engineering of Ketchikan.
- Terry Trapp, Alaska Bulk Water, Inc. (ABWI), has been concerned about where the company should invest its capital. Either invest in Sitka or invest in pushing through to meet the contract deadline. Mr. Trapp would prefer to invest in Sitka and will be requesting a contract extension at a future meeting.
- ABWI has invested a significant amount of money in studies that could be of value to the GPIIP/CBS (e.g. bathymetric study of the GPIIP area of Silver Bay). There is potential that ABWI could provide these studies to CBS in exchange for some type of consideration.
- Two entities are showing keen interest in setting up bottling plants in Sitka. Both are targeting China as their market. Both are suggesting they need about 10 acres for a plant.
- Property sales are on hold pending a meeting and negotiations with SBS. The Director will make every attempt to contact Richard Riggs regarding the need for a meeting prior to the next GPIIP Board meeting.
- I Water representatives were in Sitka in the late spring. They hope to start construction in spring of 2016.
- RFP properties (Lots 19, 16B and 20) are receiving inquiries and some people are not happy that the RFP won't close for 9 months. RFP will be finalized and released soon.

G. PERSONS TO BE HEARD (none)

H. UNFINISHED BUSINESS

1. Strategic Planning

Discussion yielded the following:

- GPIP sign needed
- EDA has not responded to the CBS request to release the Administration Building from grant covenants.
- Monarch Tannery has yet to close on Lot 17.
- Lot 8 will be re-platted to remove the utility shack from the lot prior to any APP purchase of the property.
- Fortress of the Bear has a \$50 per month lease term that will expire in December.
- Property available in the core section of the Park: Lots 9A, 9B, 9C, Lot 4 and Lot 15. The remaining property available would be limiting to accommodate both proposed needs for a marine haul out and a dock with a 3-acre marshalling yard.
- Lot 1, Block 4 (old landfill) can be sold with the understanding that the purchaser takes over all liability for the landfill.

I. NEW BUSINESS

1. CBS Land Zoning Change Request

Mr. White reported that he has been receiving a number of requests for industrial/commercial property at the GPIP that cannot be accommodated within the remaining Park property. Requests include two for 10-acres each to construct new water bottling plants. Remaining perimeter properties have development issues or are not large enough for the requests being received.

- The City owns the property along Sawmill Creek Road to Herring Cove.
- This property has not been surveyed.
- There are no utilities beyond the Sawmill Creek Bridge.

The purpose of the request is to allow the GPIP Director to include additional property in marketing efforts for the Park and to ensure that any lease or sale of such property goes through a process that protects the interests of the CBS (e.g. including performance benchmarks in a lease to purchase agreement).

MOTION: McConnell/Jones moved to recommend to the Assembly that the subject property, per the memo dated August 3, 2015, become a part of the Gary Paxton Industrial Park for the purpose of marketing and sales for business and economic development.

ACTION: Motion passed 4/0 on a voice vote.

2. ABWI Amendment #5

Mr. White provided some background information including:

- Determined that a \$0.00 lease was not the best method to provide ABWI access to the City's raw water pipeline.
- Best to amend the contract Section 10:
 - 10.1 makes ABWI responsible for ensuring all the infrastructure attached to the City pipeline meets federal, state and CBS regulations.
 - 10.7 provides specific direction on the removal of ABWI owned infrastructure should the contract be terminated.

MOTION: Jones/McConnell moved to recommend that the Assembly approve Amendment No. 5 to Alaska Bulk Water, Inc.'s bulk water export contract as per the memo dated August 3, 2015.

ACTION: Motion passed 4/0 on a voice vote.

3. National Testing Laboratories Raw Water Test Request

Mr. White stated that he has received requests for a more comprehensive raw water test for the Blue Lake water source to be used for bulk export and bottled water businesses.

- TAB had a limited test was done in 2009.
- National Testing Laboratories would conduct a full test that follows the complete EPA protocol at an estimated cost of \$3,500, not including shipping and handling.
- The results of the test would be a valuable marketing tool for Sitka's raw water asset.

MOTION: Horan/McConnell moved to request that the Assembly approve the transfer of up to \$7,000 from the Raw Water Fee Fund to the Gary Paxton Industrial Park Enterprise Fund – line item _____ for the purpose of paying the costs for National Testing Laboratories to conduct a comprehensive water analysis of raw water from Blue Lake.

ACTION: Motion passed 4/0 on a roll call vote:

Yeas: Dan Jones, Charles Horan, Ptarmica McConnell, Grant Miller

Nays: none

Absent: Scott Wagner

J. ADJOURNMENT: MOTION: M/S Jones/Horan moved to adjourn the meeting at 4:13pm.