

**Gary Paxton Industrial Park - Board of Directors Meeting  
November 23, 2015 - 3:00 PM  
Minutes**

**A. CALL TO ORDER:** The Chair called the meeting to order at 3:05pm.

**B. ROLL CALL**

**Members Present:** Grant Miller, Dan Jones, Scott Wagner, Charles Horan, Ptarmica McConnell  
**Members Absent: None**

**City Representatives:** Mark Gorman, Jay Sweeney, Michael Harmon, Dan Tadic,  
**Others Present:** Garry White, Linda Wilson  
Tom Hesse (Sitka Sentinel), Trevor Sande (R&M Ketchikan, Inc.), Bobbie Daniels  
(Sawmill Cove Farm)

**C. REVIEW OF MINUTES – September 24, 2015**

**MOTION:** M/S Jones/McConnell moved to accept the minutes of September 24, 2015.  
**ACTION:** Motion PASSED 5/0 on a voice vote.

**D. CORRESPONDENCE AND OTHER INFORMATION**

Mr. White briefly reviewed the financial analysis included in the packet.

- There is about \$900k in working capital.

The Board would like to have access to a monthly financial report for their review.

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA - None**

**F. REPORTS**

**1. GPIP Management Report**

Mr. White reported:

- Alaska Bulk Water, Inc. has been granted a 3-year contract extension per Amendment No. 6. Bathymetric studies have been received by the CBS and a payment of \$1 million is due by December 8, 2015. ABWI has been working with industrial clients interested in bulk water.
- Bottled water interests are still in place with one group scheduled to visit Sitka.
- There are two and possibly three groups interested in bulk water contracts with water that could be allocated from Green Lake. The City needs to secure the rights to export Green Lake water in Bulk.
- Property lease/purchase requests are still coming in. The most recent is from a party interested in locating a seaweed farm in Sitka.

Mr. Jones requested that the draft port tariff schedule be presented to the Board for their review. He also asked that some research be done on accessing the remaining funds that are set aside for environmental monitoring since.

**G. PERSONS TO BE HEARD - None**

**H. UNFINISHED BUSINESS - None**

**I. NEW BUSINESS**

**1. Sawmill Cove Farm Lease Request**

Mr. White reviewed the request and referred to Block 4, Lot 1 (the old landfill site) as the most likely option available for the lease. This lot has no utilities on site.

Ms. Daniels provided additional information related to the request for a lease.

- Will utilize food waste that is currently barged out of town, thus reducing waste disposal costs for the City. For example, Baranof Island Brewing Company spend grains are perfect animal feed and are currently a disposal problem for the company;
- Commercial customers (restaurants and grocery stores) have already indicated an interest even without marketing.
- The Farm has been operating on an informal level using six privately owned properties to produce chickens and rabbits that have already been sold.
- The Sawmill Cove Farm (SCF) business plan has been submitted to the Sealaska Path to Prosperity competition for the third year in a row. The past two years, SCF has placed third in the competition due to the lack of a location for the business.
- Start-up funding is available from pre-sales of product to several commercial buyers, and \$40k that could be provided through winning the Path to Prosperity competition.
- In order to have a chance to win the Path to Prosperity competition, SCF needs a commitment for a location.
- The Farm does not need utilities so Block 4, Lot 1 would work for the two year pilot project that would be producing chickens, turkeys, and rabbits at this site. Pigs may or may not be viable for this site due to the landfill cap and the tendency for pigs to dig deeply in soil. However, pigs are the key to making the business a financial success. So a method to protect the landfill cap must be in place or an additional site is needed to raise pigs.
- The lease request is for a term of two years after which the Farm anticipates relocating to a private parcel that will likely be available at that time.
- All manure will be collected, composted, and sold.
- The Farm is intended to be visitor friendly and will be maintained to be reasonably odor free and attractive.
- Plan for this site, if a lease is approved, is to raise 2000 chickens, 1000 rabbits, 100 turkeys, and 8 to 10 goats. Chickens will also provide eggs and goats will be used for milk and meat.
- A mobile slaughterhouse can be acquired to meet USDA requirements for processing of the pigs.

Issues raised in discussion included:

- The need for a bond to be posted that would cover the City if the Farm were to go under and the site needed to be cleaned up.
- Contamination of water through run off and compliance with the DEC for water quality.
- A specific site plan was requested to show the proposed Farm set up in detail.
- Does this business meet the mission of the Park?

**MOTION: Horan/Wagner** moved to conceptually approve the proposal to enter into a month-to-month lease of Block 4, Lot 1 for the Sawmill Cove Farm under that conditions that the SCF bring a business/development plan back to the Board that satisfactorily addresses the following:

- a. Defines the benefits to the community;
- b. Provides a detailed physical layout of the Farm;
- c. Provides details about how the Farm will be maintained to sightliness and odor mitigation;
- d. That all DEC compliance issues will be met including water quality requirements;
- e. That liability issues regarding protection of the landfill cap are addressed;
- f. That the public will have access to the site;
- g. That a bond can and will be posted to protect the City against any future clean-up costs;
- h. Provides a pro-forma showing economic viability of the plan.

**ACTION: ACTION: Motion passed 5/0 on a voice vote.**

### **3. GPIP Multipurpose Dock Discussion (moved forward on agenda)**

Mr. Sande reviewed key points from the draft Feasibility Report – Sawmill Cove Industrial Park Pontoon Drive Down Float:

- Background and experience of R&M Ketchikan;
- The pontoon was inspected and found to be in overall good condition with no sign of indications for concern.
- Suggest an agreement with the owner to provide refurbishment in Canada that would include 8" overlay decking of reinforced concrete, bollards, new covers, etc. Total cost ready for delivery would be about \$3.6 million.
- The cost for a transfer bridge would be somewhere between \$700k and \$1 million.
- Total cost including towing and redeployment is estimated at \$7.6 million with no in-fill. With in-fill the cost would be about \$8.6 million.
- This floating pontoon is in a tuning fork configuration with cross beams connecting the forks at a depth of 12'. Vessels drafting less than 12' could use the inner portion of the pontoon.
- A permit to fill in a portion of the tidelands adjacent to the dock would provide additional uplands for container storage and marshalling area.
- It is possible that bulk water vessels could be served via this dock configuration and a portion of the cost might come from the Raw Water Fee Fund.
- The life of the infrastructure would be about 50 years.
- Need to find out if there will be a tariff imposed on the purchase of the pontoon from Canada?

The Board instructed Mr. White to bring this item back for further discussion at the December meeting and to be prepared for the Board to provide their recommendation.

### **2. Green Lake Bulk Water Export (taken out of order)**

Several parties are interested in securing bulk water export contracts with the CBS. With Blue Lake tied up by a contract with ABWI, there is the option to include bulk water export as a use under the Green Lake water allocation from the state.

**MOTION: Horan/McConnell** moved to request that the Assembly direct City staff to obtain a bulk water export permit for the Green Lake water allocation.

**ACTION:** Motion passed 5/0 on a voice vote.

**J. ADJOURNMENT: MOTION: M/S Miller/Jones** moved to adjourn the meeting at 5:25pm.