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Monday, February 2, 2026

MEMORANDUM

To: John Leach, CBS Administrator
From: Garry White, Director
Subject: Pacific Jewel Marine - Lot 9b Long Term Lease Amendment

Introduction

Pacific Jewel Marine (PJM) requested a non-competitive long-term lease of Lot 9b at the Gary Paxton Industrial Park (GPIP) 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 original attached letter of request.

The GPIP Board met on June 19, 2025, to discuss the request. The GPIP Director informed the Board that all non-competitive long-term lease requests would need to follow Sitka General Code 2.100.080.

Sitka General Code 2.100.080

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 GPIP Board approved the following motion:

Motion: M/S Goeden/Howard move to proceed without a competitive process of Lot 9b.
Action: Passed (4/0) on a voice vote.

The GPIP Board provided the following rationale for leasing the property without a competitive bid process:

- The subject property has limited use.
- Allows an established business to continue to grow.
- If property was leased to another lessee, it would limit access and economic opportunity to the existing marine service tenants of Lot 5.
- Allowing access to the marine service tenants of Lot 5 has the potential to create more jobs.

The GPIP Board then approved the following motion:

Motion: M/S Howard/Goeden move to proceed with leasing Lot 9b to provide non-obstructed access to future boathouses for marine services provided by the tenant on Lot 5 by way of a 10-year lease to Pacific Jewel Marine with 4 – 10-year extensions available agreed upon by both parties for \$453.50/month with an annual CPI adjustment.

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

The CBS Assembly approved the GPIIP Board's recommendation at its September 23, 2025 meeting.

Pacific Jewel Marine requested that the terms of the lease be adjusted to allow for additional uses other than just unobstructed access. Additionally, Pacific Jewel requested to modify the lease terms of the lease.

The GPIIP Board at its November 20th meeting discussed the requested lease amendments. The Board requested the Pacific Jewel Marine to resubmit its intended use of the property and to have the item discussed at its December meeting.

Pacific Jewel Marine provided the attached updated proposal to request a non-competitive long-term lease of Lot 9b with its updated intended uses of the property.

The GPIIP Board met on December 18, 2025, and approved the following motions:

Motion: M/S Howard/Goeden recommended to lease Lot 9b in a non-competitive bid process to Pacific Jewel Marine (PJM). We intend in the first 3 years or until substantial progress has been made on the construction of a boat house that the lot will be used to support operations of PJM for their boat building and repair business. Once a boat house has been constructed or substantial progress made Lot 9b will be used to provide vessel access path to their proposed access location, as well as parking and storing their equipment and materials, as well as staging vessels that are being worked on in the boat house. Substantial progress can be measured in an annual review by the GPIIP Director.

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

Motion: M/S Howard/Goeden move to proceed without a competitive bid process of Lot 9b with the following rationale: the subject property has limited use, it allows an established business to continue to grow, if the property was leased to another lessee it would limit access and economic opportunity to the existing marine service tenants of Lot 5 and allowing access to the marine service tenants of Lot 5 has the potential to create more jobs.

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

Background

The GPIIP Board has held multiple meetings to discuss the yard space requirements for the haul-out and shipyard facility, including working yard space, long-term vessel storage, gear storage, and vendor operations. The Board's discussions have emphasized prioritizing the remaining property near the facility for lease to qualified organizations engaged in the repair, maintenance, modification, or construction of marine vessels and related services.

The GPIIP Director was directed by the GPIIP Board in the past to not solicit or accept any long-term lease proposals at the GPIIP until the GPIIP Haul Out development was planned and

completed. Conceptual plans for Phase 1 and Phase 2 have been developed and reviewed by the GPIIP Board and Assembly, and development is underway.

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 GPIIP Dock.

Lease Terms

Pacific Jewel Marine originally proposed 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/month

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

Action

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