




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

Friday, March 12th, 2021

MEMORANDUM

To: John Leach, CBS Administrator   
From: Garry White, Director  
Subject: Block 4, Lot 1 Potential Sale Discussion

**Introduction**

The Gary Paxton Industrial Park (GPIP) Board of Directors met June 22<sup>nd</sup>, 2020 to discuss whether the Board would recommend that Block 4, Lot 1 of GPIP be sold via a competitive bid process. The potential sale discussion was brought forward to the GPIP Board due to a request from a member of the public that expressed interest in purchasing the property. After much discussion, the GPIP Board failed to move forward with a recommendation for the property to be sold via competitive bid. Please see the attached minutes from the discussed agenda item.

**Background**

Block 4, Lot 1 is a 6.69 acre parcel of undeveloped property located adjacent to Sawmill Creek, across the creek from the GPIP proper. Block 4, Lot 1 is the former location of the APC landfill. In 1999, the APC worked with the State of Alaska Department of Environmental Conservation (DEC) on corrective actions to close the landfill on Block 4, Lot 1. The DEC likewise worked with the CBS on post closure monitoring and future corrective actions. More information on the former APC Industrial Mill Waste Landfill can be found at this link, <https://dec.alaska.gov/spar/csp/sites/alaska-pulp-corporation/#info>.

The uplands restrictions on the landfill area exist until July 11, 2097.

Block 4, Lot 1 has been assessed at \$101,996 for the 6.69 (291,418 SF) acre site.

**Block 4, Lot 1 Lease History**

The CBS and the Sitka Mountain Bike Association (SMBA) entered into a Memorandum of Understanding in December 2007 for SMBA to construct a single track bike path throughout the Block 4, Lot 1. The path was constructed by placing D1 rock on top of existing surfaces to create the path. SMBA worked with the CBS Environmental Superintendent to ensure no stability monuments or survey markers were effected. The MOA was canceled in December 2012.

The CBS and Bobbie Daniels with the Sawmill Farm entered into a short term lease for 52,274 SF of property on Block 4, Lot 1. The CBS worked with the DEC to ensure the Sawmill Farm business plan complied with all landfill post closure requirements. (Please see attached letters of approval from the DEC for the Sawmill Farm to use the site.) The lease was terminated December 2017.

The GPIP Board met on January 14<sup>th</sup>, 2021 to discuss a lease proposal from CS Enterprises to place a small lumber mill on a 10,000 SF portion of Block 4, Lot 1. The GPIP Board failed to recommend lease on the site due to recent stability monument issues.

### **Additional Information**

The CBS Public Works Department has been conducting post closure monitoring of the former APC landfill site since the CBS acquired the property. The CBS has been reporting monitoring activity to the DEC.

The GPIP Board met on January 14<sup>th</sup>, 2021 to respond to a request from the CBS Environmental Superintendent regarding establishing a capital budget for fiscal year 2022 of \$135,000 to complete Geotechnical Assessment of Block 4, Lot 1. Recent surveys of the landfill had shown that Stability Monuments in the cap appear to moving which has caused a crack in the landfill cap. (Please see attached survey report.)

### **Conclusion**

- The CBS has been following the post closure monitoring requirements for the former APC landfill.
- The GPIP Board has required that all lessors follow CBS and DEC requirements.
- The GPIP Board of Directors failed to recommend that Block 4, Lot 1 be sold via the competitive bid sale process.
- The GPIP Board of Directors recommends that a FY22 capital budget of \$135,000 be established to conduct Geotechnical Assessment of Block 4, Lot1.

## **Portion of GPIIP Minutes – New Business – June 22, 2020**

### **2. Block 4, Lot 1 Potential Sale Discussion**

Mr. White introduced this topic, noting he has been approached by someone wanting to purchase the lot, which is the property across the river that used to be the Sawmill Farm. If sold, the property would have to be put out for competitive bid process. Mr. White would like to know if the GPIIP Board would like to put the property up for sale by a competitive bid process or not.

Mr. Welsh was invited to speak to the Board and identified himself as the person interested in purchasing the property. He presented his family's interest to purchase the property. He asked the GPIIP Board to send the matter to the Assembly to open the process for sale as he would like to offer a competitive cash deal to the City when the City is ready to move forward with the process of competitive bid.

Acting Chair Finkenbinder summarized the question before the GPIIP Board: to decide if they wish to begin a process to sell the property right now, or whether the GPIIP Board would prefer to keep the property within the City's and GPIIP control so that it could potentially be used as a part of the Marine Services Center or something else that fits within an industrial park.

Acting Chair Finkenbinder invited questions from the Board. Al Stevens asked staff how the various uses of the area (mountain bike path; Sawmill Farm) have been allowed given the dioxin buried in the area. Mr. White stated GPIIP had to obtain DEC approval. DEC has stated the property could be sold and the liability could be passed on to the new owner. However, challenges to that need to be looked into carefully so that the liability wouldn't fall back on the City if the new property owner was no longer viable.

Mr. Leach stated there have been a lot of email communications with DEC on the matter. Mr. Leach read from Sitka General Code on Competitive Bidding and the sale of City property. It is very clear that property must be disposed of by competitive bid, unless there are special circumstances. Mr. Welsh is suggesting this property might have special circumstances because of the condition of the dioxin cap. Mr. White noted the City must monitor the site until 2097, unless the City can pass along some of that liability.

Mr. Welsh stated that in his opinion the property is not suitable for industrial use.

GPIIP Board members stated their initial responses. Ms. Finkenbinder is against selling.

Assembly Liaison Christianson is against selling.

Mr. Welsh stated he is amenable to a lease, and making a substantial contribution to it upfront.

GPIIP Board Member Johnson pondered what industrial purpose it could possibly have and knowing what is underneath the ground, what level of liability could the City divest itself of by transferring ownership and getting the property on the tax rolls.

Al Stevens asked if it were possible to lease at this time. Mr. White stated a lease cannot be discussed at this meeting because that topic hasn't been given public notice for this meeting. Only the topic of the sale of the property can be considered at this meeting.

Acting Chair Finkenbinder asked for public comment on the sale of the property.

Dan Cooper, with SIMS, would prefer not to see a parcel of property go up for sale that could potentially be used for part of the marine shipyard.

Acting Chair Finkenbinder stated the matter of placing the property up for competitive bid sale died for lack of a motion.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Environmental  
Conservation

DIVISION OF ENVIRONMENTAL HEALTH  
Solid Waste Program

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[www.dec.alaska.gov](http://www.dec.alaska.gov)

February 2, 2016

CERTIFIED MAIL #7014 2120 0001 4265 8861

RETURN RECEIPT REQUESTED

Also sent by e-mail to [sawmillfarmssitka@gmail.com](mailto:sawmillfarmssitka@gmail.com)

Bobbi Daniels  
The Sawmill Farm  
232-B Katlian St.  
Sitka, AK 99835

**RE: ADEC Review of Initial Plans for The Sawmill Farm proposal to locate on the closed Sawmill Creek Industrial Landfill**

Dear Ms. Daniels:

The Alaska Department of Environmental Conservation (ADEC) Solid Waste Program has reviewed your business plan, received in this office on January 11, 2016, to build an animal feed operation on the landfill cap of the closed Sawmill Creek Industrial Landfill located southeast of the Community of Sitka. Based on our review, we will need additional information on the following questions and comments prior to making a determination regarding the placement of an animal farm on the closed Sawmill Creek Industrial Landfill site.

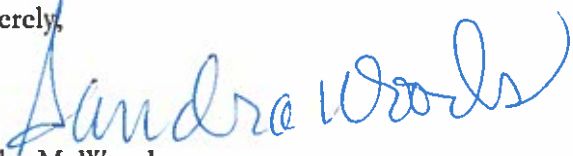
1. Based on the sketch you provided to us, the intended fencing appears to be designed to retain water. As described on page 16 of your business plan, one reason for building berms around the base of the fencing is to *"prevent runoff in the case of abnormally heavy rainfall"*. By restricting runoff, you will be promoting pond formation on the landfill cap. ***Please provide ADEC Solid Waste Program with detailed plans and drawings that describe how you intend to restrict water from ponding onsite.***
2. Your plan states that shredded paper will be used for bedding material and will be included in the composting process. Shredded paper is considered a solid waste and you may need to request a solid waste treatment permit from ADEC dependent on the amount of material being composted. ***Please provide the Solid Waste Program with a detailed composting plan describing the process used, how the process will be monitored, how you will determine the process is complete, and how much material will be composted at any one time.***
3. On page 16 of your plan you state that "a few alder trees will be removed to create space for barns". ***How will you remove these trees without disturbing the current landfill cap?***
4. Your plan does not mention any lavatory facilities for employees at this location or how they will have access to potable water for personal hygiene. ***Please provide the Solid Waste Program with your plans to accommodate the issues of lavatory facilities and access to potable clean water for employees working at this location.***

In addition to the Solid Waste Program's review of your proposed animal farm operation, any discharge of liquid waste represents an identifiable pollutant point source discharge to State of Alaska waters. Discharging waste water to a surface water source would require an Alaska Pollutant Discharge Elimination System (APDES) permit. The Solid Waste Program recommends that you contact Gene McCabe, APDES Program Manager, at 907-269-7692 or by e-mail at [gene.mccabe@alaska.gov](mailto:gene.mccabe@alaska.gov) regarding APDES permitting requirements. The Department's APDES program webpage is located at the following: <http://dec.alaska.gov/water/wwdp/index.htm>

A wastewater treatment facility would likely be necessary to achieve the effluent limits of an APDES permit. A wastewater treatment facility would need to be designed by a Registered Professional Engineer. Wastewater treatment facilities are reviewed by the Department as part of the engineering plan review process. Rob Kimble, M. Eng. is the appropriate contact for questions related to the engineering plan review process and can be reached at 907-465-5167. Additional information related to the engineering plan review process can also be found on our website at the following: [http://dec.alaska.gov/water/wwdp/onsite/ww\\_planreview-cklist.htm](http://dec.alaska.gov/water/wwdp/onsite/ww_planreview-cklist.htm)

Please contact me at (907)465-5318 or by email at [sandra.woods@alaska.gov](mailto:sandra.woods@alaska.gov) if you have any questions, comments, or if I can be of any assistance to your community with regard to solid waste management.

Sincerely,



Sandra M. Woods  
Environmental Specialist  
Solid Waste Program

cc: Mark Buggins, City and Borough of Sitka (sent by e-mail to [mark.buggins@cityofsitka.org](mailto:mark.buggins@cityofsitka.org))  
Shilo Williams, City and Borough of Sitka (sent by e-mail to [shilo.williams@cityofsitka.org](mailto:shilo.williams@cityofsitka.org))



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Department of Environmental  
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DIVISION OF ENVIRONMENTAL HEALTH  
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March 10, 2016

via electronic mail to: [sawmillfarmsitka@gmail.com](mailto:sawmillfarmsitka@gmail.com)

Bobbi Daniels  
The Sawmill Farm  
232-B Katlian Street  
Sitka, AK 99835

Re: Approval to locate the Sawmill Farm on the closed Sawmill Cove Industrial Landfill

Dear Ms. Daniels:

The Alaska Department of Environmental Conservation (ADEC) Solid Waste Program has completed our review of your proposal to locate the Sawmill Farm on a portion of the closed Sawmill Cove Industrial Landfill. That proposal includes using approximately 1 acre of land on the uphill side of the landfill for raising pigs, goats, and poultry. Based on the information provided to us, the ADEC approves this use of the closed landfill and consents to your proposal.

A primary concern at a closed landfill is maintaining the integrity of the final cover system on the landfill. The final cover is designed to minimize the infiltration of water into the buried solid waste and any damage to the cover increases the potential that water will get into the waste. So, our review of your proposal was necessarily focused on evaluating the potential for the farm operation to damage the landfill cover system. Based on the information provided to us, your proposed operating plan is clearly focused on minimizing impacts to the cover system. You have also clearly expressed to the ADEC your willingness to adjust operations if and as needed should any negative impacts occur. The ADEC appreciates this and, because we are still conducting periodic inspections of the landfill property, our future inspections will include inspecting the Sawmill Farm property for any adverse impacts to the landfill cover. A condition of this approval is that ADEC staff will be allowed access to the farm property during our landfill inspections.

A second concern for the ADEC was evaluating the proposed composting operation with regard to the requirements for a solid waste treatment permit. Although animal manure is not covered by the solid waste regulations, a treatment permit was potentially required because the regulations do apply to the shredded paper that will be included in the compost. However, based on the description you provided, the amount of material that will be composted in any one batch is less than the threshold amount that requires a permit. As such, no permit is needed for the composting operation at the scale described in your proposal.

We very much appreciate the documents, information, photographs, and videos you provided to us during our review and we wish you the best as you develop the farm. If you have any questions or concerns about this letter, please feel to contact Sandra Woods at 907-465-5318 or by email at [sandra.woods@alaska.gov](mailto:sandra.woods@alaska.gov).

Sincerely,



Douglas Buteyn  
Northern/Southeastern Regional Program Manager  
Solid Waste Program

cc: Mark Buggins, City & Borough of Sitka ([mark.buggins@cityofsitka.org](mailto:mark.buggins@cityofsitka.org))  
Shilo Williams, City & Borough of Sitka ([shilo.williams@cityofsitka.org](mailto:shilo.williams@cityofsitka.org))  
Sandra Woods, ADEC ([sandra.woods@alaska.gov](mailto:sandra.woods@alaska.gov))