

Pacific Jewel Marine request for long term lease of lot 9b at the Gary Paxton Industrial Park.

For us to make further investments in infrastructure, personnel and equipment in support of Sitka's marine trades we need to secure access from the haul-out to our facility for vessels at an affordable price (Attachment A)

Supporting documents.

. Letter to GPIIP board requesting a long-term lease of lot 9B (see attachment B)

. Gpip mission Statement and strategic plan (see attachment C)

- Prioritizing the marine trades and job creation in the leasing of lots
- Designation of lot 9b as an area of operations for managing park in 2017, which is now mute since the city purchased the old Northline building for this purpose.

. city code for GPIIP (See attachment D)

- Waiving the city's obligation for a competitive bid on lease lots given property boundaries, nature of lot and its uses, impediments to current businesses and promotion of Sitka base jobs.
- Lot 9b is a very small lot that borders the street on two sides and Starwest property on the other two sides. The lot is an impediment to the future operations of the Starwest marine trades facility and is also best suited for the uses of this facility in creating and maintaining jobs that provide support for the marine related industries in Sitka. Pacific Jewel Marine, manager and partner of the Starwest property, should be allowed the right to have a long-term lease or right to purchase lot 9b under the current lease rates of GPIIP properties.

. other low-cost leases in the Park

- Silver Bay has held a lease for lot 9 C for the previous decade.
- NSRAA has a long-term lease on lot 2 with 1.5 full time employees at ½ of the going rate for short term leases.
- The Fortress of the Bear has a low cost / long term lease
- Dec. 17, 2024 GPIIP meeting, lease request by Sitka sound science center for lot 9b. They rescinded their request. But the going rate is : 9% of the 2018

appraised value of \$43,500. Or \$3,915 / yr. (**see attachment E**) GPIP meetings Dec. 17, 2024)

- The assembly just gave Highmark Marine Fabrication a noncompetitive bid on the Northline building for space that will be used for work other than what they were hired to do; The space will be used for fabrication and boat repair work, the same work that the businesses under Pacific Jewel Marine are currently invested in.

Pacific Jewel Marine: manages the building at 4500 Sawmill crk. Rd.

. We invested more than 1.5 million dollars in the rehabilitation of the building and property at 4500 sawmill creek road to become a marine trades center.

We employ 9 full-time people and are looking to hire more. We also employ seasonal workers who have other jobs in the summer, we provide good paying jobs in the winter when jobs are scarce, thus supporting the seasonal businesses by keeping local workers in Sitka for the busy summer season.

.We are currently the only company in town who is making capital investments in equipment and infrastructure that will support the work that can be done on vessels in the boatyard. The businesses in our facilities will attract boat owners to use Sitka's haul out due to our investment in the workforce and equipment. The potential revenues generated from the work done by our businesses will help fund the expansion of the yard and the services that can be provided in Sitka, thus increasing our attractiveness to boat owners as a place to haul out and do business.

. Currently we have the following shops and tenants:

Sitka Custom Marine: Designs, builds and repairs boats, sand blast and painting, and retail sales including metal, paint and other vessel repair products.

. **Stem to Stern Ship Repair;** Shipwright – wood boat repair

. **Sitka Machine Shop:** Only machine shop in town . builds and repairs equipment for both commercial and domestic.

. **Appleton Ventures LLC,** Diesel & small engine repair, full-stack software and DevOps engineering

- . **Southeast Sparks**, Electronics lab and marine electrical installation.
- . **Frank Schlias**, Diesel mechanic
- . Heavy equipment operators, forklifts and man lifts
- . short- and long-term shop space available for commercial and industrial work.

Storage, shop and staging space for many different companies including:

- . Pioneer Studios
- . CBC construction
- . Marble Construction
- . Island Marine
- . SKS Davis Construction
- . KMK Services LLC
- . Alcan Electric
- . Juan's Cuban Cuisine
- . Robert Reid's outhouse rental and septic pumping
- . F/V Pacific Dawn
- . F/V Shemya and F/V Pacific Star
- . F/V Tsiu
- . F/V Patriot
- . F/V Adylin L
- . F/V Stormbringer
- . F/V Diamond Lil
- . F/V Alaska
- . F/V Henliegh Faith
- . T/V Otter
- . F/V Madre Delorosa

- . F/V Mirage
- . F/V Shackleton
- . F/V Magia
- . F/V Garnett
- .F/V Leah
- . F/v Lorelli Bell
- . Alaska Premier Charters
- . Bad Sport Charters
- . Outbound Alaska Charters
- . Dove Island Lodge and Charters
- . Cast Alaska Charters

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Attachment A : Location of Starwest property and lot 9b (4510)



**Attachment B: letter to Gpip
board requesting lease of lot 9B**

Jeremy Serka

Pacific Jewel Marine
4500 Sawmill Crk
Sitka, Ak 99835



Gary White
Sitka Economic Development
Association

Dear Mr. White,

Pacific Jewel Marine manages the warehouse at 4500 Sawmill Creek Road within the Gary Paxton Industrial Park, we are looking for a long-term lease of lot 9b. Our building houses many contractors and vessel owners that are anticipating the opportunity to work on large vessels next to the building. Currently we are in the process of designing and funding a covered boat house that will be built along the waterside of the building. This new boat house will need access from the main yard for a travel lift or trailer to transport the boats. Unobstructed access through lot 9b is critical for maneuvering a large trailer with boat and towing vehicle. The towing vehicle and trailer could easily reach lengths of 80 feet or more and therefore requires a broad turning area, which only lot 9b can provide.

Beyond the boat house there are several other reasons we would like to lease lot 9b. The lot borders the warehouse's property on two sides, and the street makes up the other two sides of the lot. The proximity to our property and its isolation from the rest of the park make lot 9b difficult to distinguish from the rest of the park and hence we get a lot of pedestrian traffic thinking the lot belongs to us or vice versa; parking on our property while thinking that it is an extension of lot 9a.

I understand that the GPIP board and the assembly may both need to approve this lease. I believe that our boat repair operation and plans for lot 9b are a perfect fit for the mission of the Gary Paxton Industrial Park. We are creating year-round living wage jobs that support other viable businesses here in Sitka. I ask that the board weigh in our current investment in the community while considering this lease.

Sincerely

Jeremy Serka
Pacific Jewel Marine

Attachment C: GPIIP Mission Statement

Mission Statement

It is the mission of the Gary Paxton Industrial Park board and management, by direction of the Sitka Assembly, to strategically develop the park in a fiscally responsible manner that maximizes its economic benefit to the community through creation of meaningful jobs that conform with established community plans and policies.

Guiding Principles of GPIIP

1. Preserve public access and marshaling areas to the waterfront, as it is the most commercially viable waterfront left in Sitka.
2. Make lease, buy/sell or other land use decisions based on the mission of the Park – to create family wage jobs for Sitkans in a financially responsible manner.
3. Consistent with principles 1 & 2, identify and minimize negative cash flows to the City from the operation of the Park.



Attachment D” City General Code for Non -competitive bid

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18.15.010 Real property disposal.



confirmed and ratified and voter ratification required under the former ordinance is waived. (Enactment date September 27, 1983.)

D. The lease of any municipal property on a temporary basis may be made by the administrator upon motion of the assembly without ordinance. Temporary shall be defined as any lease terminable at the will of the municipality where no more than 30 days’ prior notice of intent to terminate is required.

E. Sale or lease of municipal real property, including tidelands, shall be by competitive bid, unless the assembly finds that competitive bidding is inappropriate, due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party, or is waived by subsection C of this section. The assembly may also find that competitive bidding is inappropriate due to the nature of the property or the circumstances surrounding its disposal to include possible unjust results with regard to the existing lessee, or adjacent or neighboring property owners.

F. When it is deemed advantageous to the municipality, it may trade uplands or tidelands for other land of approximately equal size or value. Should the municipal property in question be of such value as to permit an advisory vote, an advisory vote may be authorized by the assembly, and the requirements and procedures concerning such election shall apply.

G. The administrator is authorized to sign all municipal lease and conveyance documents. (Ord. 18-29 § 4, 2018; Ord. 99-1545 § 4, 1999; Ord. 93-1141 § 4, 1993; Ord. 92-1110 § 4, 1992; Ord. 92-1026 § 4, 1992; Ord. 83-556 § 4, 1983; S.G.C. § 18.12.010.)

Attachment E: Lease of Lot 9B to Sitka Science Center 12/12/ 24



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

Thursday, December 12, 2024

MEMORANDUM

To: Gary Paxton industrial Park Board of Directors (GPIP Board)

From: Garry White, Director

Subject: Sitka Sound Science Center Lot 9b Lease Request

Introduction

Sitka Sound Science Center (SSSC), a Sitka non-profit, requests a short-term lease of lot 9b to store and sort marine debris. Please see the attached lease proposal. The proposed lease will be on a month-to-month term.

Property

Lot 9 is a 7,583 SF parcel of property located adjacent to lot 5 (former bottling plant), across the road easement to the GPIP Dock.

Lot 9b was valued in 2018 at \$43,500 or \$5.74/SF. Traditionally, raw property in the GPIP has been leased at a 9% return of asset value.

Rent

\$43,500 @ 9% = \$3,915 annually or \$326.25/month

Action

- Board discussion and approval of Sitka Sound Science Center lease proposal.

