

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2012-29

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA APPROVING
THE SALE OF REPLATTED LOT 16-A CONTAINING THE FORMER CARPENTER
SHOP AND MILL GARAGE/TIRE SHOP PROPERTY AT SAWMILL COVE
INDUSTRIAL PARK TO SILVER BAY SEAFOODS, LLC, AND AUTHORIZING THE
MUNICIPAL ADMINISTRATOR TO SIGN THE AGREEMENT**

WHEREAS, the Assembly established Sawmill Cove Industrial Park (“SCIP”) in Sitka General Code (“SGC”) 2.38 by Ordinance 00-1568; and

WHEREAS, Ordinance 00-1568 states: “PURPOSE. Unlike other property owned by the municipality, the former Alaska Pulp Corporation mill site was acquired not for governmental purposes from the state or federal government, but for economic development and disposal. In general the property will not be used for public improvements. It will be leased or sold to individuals and corporations to develop business opportunities and provide jobs. For that reason, it is important to enact a procedure for property management and disposal at the site which more closely corresponds to private sector disposals;” and

WHEREAS, SGC 2.38.020 established the SCIP Board of Directors (“Board”) which “. . . shall generally exercise all powers necessary and incidental to operation of all SCIP facilities in the public interest and in a sound business manner;” and

WHEREAS, SGC 2.38.080A.7 provides that the Board shall “. . .dispose of tideland, submerged land and all other land . . . subject to Sawmill Cove Industrial Park administration. . .,” and in SGC 2.38.080A.7.a states that “any sale . . . shall be subject to approval of the Assembly by resolution;” and

WHEREAS, the Board issued a Request for Proposals (“RFP”) with Assembly approval regarding a portion of SCIP Lot 16 containing the Carpenter Shop; and

WHEREAS, Silver Bay Seafoods, LLC was the only response to the RFP; and

WHEREAS, the Board and Public Works Department reviewed and evaluated the submitted proposal and determined that the proposal was responsive to the RFP; and

WHEREAS, the Board recommends to the Assembly to replat Lot 16 to Lot 16 and Lot 16-A, and accept the proposal submitted by SBS concerning the Carpenter Shop and Mill Garage/Tire Shop property which will be in Lot 16-A; and

WHEREAS, the attached Purchase And Sales Contract Regarding Lot 16-A Between City And Borough Of Sitka And Silver Bay Seafoods, LLC (“Agreement”) has been modeled after other SCIP purchase agreements; and

WHEREAS, SBS is offering to pay \$235,000 for the property, and also remove existing buildings and structures at its own cost on Lot 16-A, as well as build at its own expense storage for fish nets and a bunkhouse, which will create jobs; and

WHEREAS, the purchase price is within the Assessor's appraised price for the raw property without any deduction for removing the existing structures, which was \$3.75-\$4.00/square foot, or approximately \$250,000-\$266,000; and

NOW, THEREFORE, BE IT RESOLVED that the Assembly for the City and Borough of Sitka approves the sale, and authorizes the Municipal Administrator to execute the Purchase Agreement in substantially the same form as attached SCIP Lot 16-A to SBS, which contains in part the follow key provisions:

- 1) CBS will sell to SBS property upon which the Carpenter Shop and Mills Garage/Tire Shop Property is located, replatted as SCIP Lot 16-A, subject to reservations, exceptions, easements, covenants, conditions and restrictions of record as set forth in the attached Agreement;
- 2) SBS will pay CBS the sum of Two Hundred Thirty Five Thousand Dollars (\$235,000.00) at the time of Closing as well as pay for the removal of the structures currently on Lot 16-A, and build a bunkhouse and provide for fishing net storage consistent with its RFP;
- 3) CBS determines that the purchase price is within the appraised value of Lot 16-A based on the raw property value determined by the Assessor, deducting the costs to be paid by SBS for removal of existing structures;
- 4) SCIP property sales are not required to be by competitive bid, although the current sale is based on a response to a RFP;
- 5) This sale is consistent with SCIP goals as set out in the Sitka General Code at 28.38. *et seq.*, including creating jobs; and
- 6) CBS authorizes the Municipal Administrator to sign the attached Agreement or a substantially similar version.

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 11th day of December, 2012.



Mim McConnell
Mayor

ATTEST:



Sara Peterson, CMC
Acting Municipal Clerk