



329 Harbor Drive, Suite 212 * Sitka, Alaska 99835

Creating Jobs and Business Opportunities

Sawmill Cove Industrial Park Strategic Plan June 2009

The Mission

It is the mission of the Sawmill Cove 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 in conformance with established community plans and policies.

Introduction

This Strategic Plan was initially formulated by the SCIP Board at a planning session held in May, 2008 worked on and formally adopted by the board in August 2008. Adjustments to the plan have been made as plan priority items have been completed. The Plan was updated by the SCIP Board June 2009 for presentation to the City Borough Assembly for review and comment.

The Sawmill Creek Industrial Park has been improved, marketed and developed with several businesses. There are still large areas of opportunity for continued development. The project is fairly well defined and we are moving into a time of transition where we expect to accelerate park development and use within the private sector. Our goal is to dispose of the lands in a manner consistent with our mission. This updated plan calls for three significant strategies enumerated in the following attachments with appropriate action plans.

- Strategy 1 - We will develop a comprehensive land use and marketing program for the park.
- Strategy 2 - We will develop a plan to build a multi-purpose dock at the park.

Strategy 3 - We will continue to monitor market and local conditions to determine if the development, marketing, and management of the Saw Mill Cove Industrial Park is appropriate or needs adjusting.

These strategies and related action plans are outlined for Assembly review and approval or comment. They are made based on the following guiding principles.

Guiding principles

1. Always preserve public access and marshalling 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.

See also attached

1. Land Use Plan
2. Sawmill Cove Subdivision
3. Sawmill Cove Overlay Map

Action Plan

Strategy No. 1
 Plan No. A
 Date: June 1, 2009

Strategy: We will develop a comprehensive land use and marketing program for the Park.

Specific Result: To create a detailed property information base to be used in land use decision-making.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Develop detailed property information for each parcel/building including dimensions, physical characteristics, and location of utilities and other infrastructure.	ED	6/8	ongoing	7/10
2	Identify the possible highest and best use for all uncommitted parcels and buildings, utilizing recently approved plat and waterfront development plan.	Board	6/09	ongoing	
3	Using the Guiding Principals, determine priorities regarding sale versus lease for each property.	Board	6/09	ongoing	
4	Actively promote the sale or lease of the former administration building.	ED	6/08	ongoing	
5	Actively promote the sale or lease of the former maintenance/stores building.	ED	6/08		5/09
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Action Plan

Strategy No. 1
 Plan No. B
 Date: June 1, 2009

Strategy: We will develop a comprehensive land use and marketing program for the Park.

Specific Result: To create a plan for a marine service industry at the Park.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Identify properties within Plan A that would appropriately serve an expanded marine services industry.	Board	8/08	ongoing	4/09
2	Develop and release an RFP for a marine haul out facility to serve the marine services offered at the Park.	ED	3/00		4/09
3	Solicit from current Sitka marine service providers considerations to accommodating their needs at the Park.	ED Board	6/09	ongoing	
4	Review other marine service facilities outside of Sitka to determine necessary components of a successful marine services industry.	ED	6/09	ongoing	
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Action Plan

Strategy No. 1

Plan No. C

Date: June 1, 2009

Strategy: We will develop a comprehensive land use and marketing program for the Park.

Specific Result: To develop a Marketing Plan for the Park.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Research successful marketing plans currently in use in marine industrial parks in Alaska and USA.	ED	6/8	ongoing	
2	From Plan A and the research of other marketing plans, develop lease rates and land value estimates and other pertinent information to be used in marketing the Park through either lease or sales.	ED	6/09	ongoing	
3	Present the Park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.	ED	6/09	ongoing	
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Action Plan

Strategy No. 2

Plan No. A

Date: June 1, 2009

Strategy: We will develop plan to build a multi-purpose dock at the Park.

Specific Result: To develop a comprehensive plan for the construction, use and management of a multi-purpose dock.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	<p>List all of the potential uses of a multi-purpose dock at the Park to include, but not limited to, the following uses:</p> <ul style="list-style-type: none"> • Bulk Water shipment. • Ocean-going freight, in or out of Sitka. • Container transshipment facility tied to Prince Rupert. • Shipment of bottled water • Shipment of fish processed at SCIP • Export of rock. • Bio-fuel projects using fish waste, wood products, and recycled materials • Scientific and Marine/Fishing Research vessels • Cruise Ships 	ED + Board	8/09	ongoing	
2	Determine which of these or other potential uses are viable for Sitka and the Park.	ED	8/09	ongoing	
3	Design a multi-purpose dock that would meet the determined needs.	ED	11/09	ongoing	
4	Seek funding or private/public partnerships and build an agreed-upon multi-use dock that would meet as many of the needs as possible as well as generated sufficient income that the dock could be fiscally viable.	ED + CBS	2000	ongoing	
5	Develop a management plan for the use of the multi-purpose dock if it is to remain in the ownership and control of the City and Borough of Sitka or the Saw Mill Cove Industrial Park.	ED + CBS			
		Responsible:			

Action Plan

Strategy No. 2

Plan No. B

Date: June 1, 2009

Strategy: We will develop plan to build a multi-purpose dock at the Park.

Specific Result: To develop an information program regarding the multi-purpose dock.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Develop specific informational materials that will accurately describe the intended and potential uses of a multi-purpose dock.	ED	6/09	ongoing	
2	Prepare and disseminate accurate information to voters regarding the intended and potential uses of a multi-purpose dock (This effort will not be lobbying or advocacy; it will be the presentation of factual information that will allow the Assembly and voters to make informed decisions).	ED + Board	6/09	ongoing	
Responsible:		<input type="text"/>			

Action Plan

Strategy No. 3
 Plan No. A
 Date: June 1, 2009

Strategy: We will continue to monitor market and/or local conditions to determine if the development and management of the Saw Mill Cove Industrial Park is appropriate or needs adjusting.

Specific Result: To maintain continuing efforts on long-term projects at the Park.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Maintain a comprehensive plan for marketing bulk water and managing bulk water export information requests.	ED	6/08	ongoing	
2	Continue to pursue the development of a private marina in Herring Cove.	ED	6/08	ongoing	
3	Improve cell phone coverage at the Park and provide high speed internet access to all areas of the Park.	ED + CBS	6/08	ongoing	
4	Pull together existing studies that have been conducted over the years and identify areas that need further study to fully take advantage of the potential of the Park.	ED	6/08		6/09 ✓
5	Continue to research the development of a rock quarry in the vicinity of the Park.	ED	1/09	ongoing	
		Responsible:			

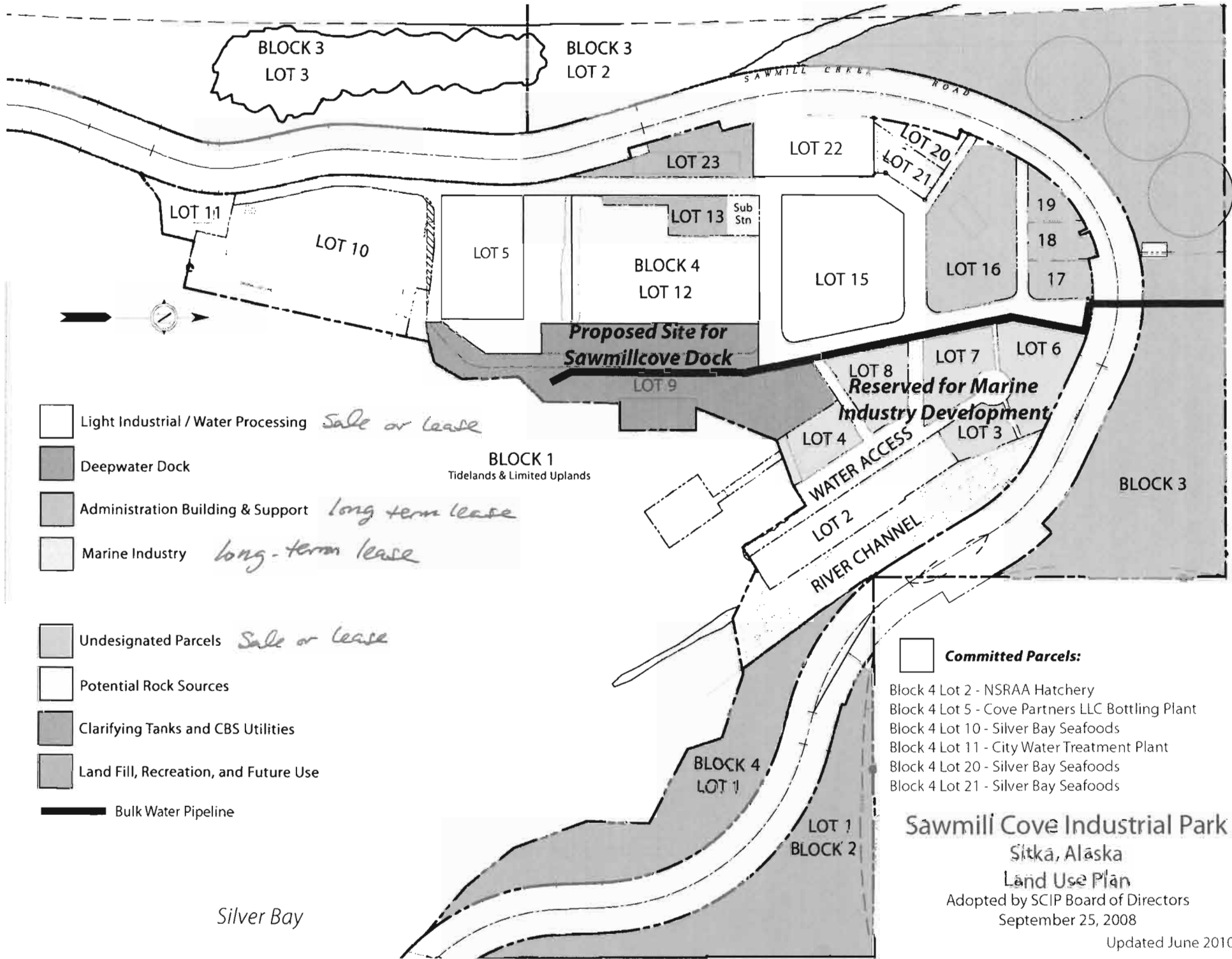
Action Plan

Strategy No. 3
 Plan No. B
 Date: June 1, 2009

Strategy: We will continue to monitor market and/or local conditions to determine if the development and management of the Saw Mill Cove Industrial Park is appropriate or needs adjusting.

Specific Result: To monitor and adjust internal Saw Mill Cove Industrial Park Board and Executive Director relationships, internally and with the City and Borough staff and Assembly.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Meet with CBS Administrator and staff to clarify roles in the management and operation of the Park, and to develop an authority matrix.	ED	6/8		7/08 ✓
2	Work with the Public Works Department during the upcoming paving project to insure that pavement is placed in locations that will least likely need to be disturbed in the future.	ED	4/09		4/10 ✓
3	Examine the possibility of inviting SEDA to relocate their office to the Park.	ED			
		Responsible: <input type="text"/>			



- Light Industrial / Water Processing *sale or lease*
- Deepwater Dock
- Administration Building & Support *long term lease*
- Marine Industry *long-term lease*

- Undesignated Parcels *sale or lease*
- Potential Rock Sources
- Clarifying Tanks and CBS Utilities
- Land Fill, Recreation, and Future Use

Bulk Water Pipeline

- Committed Parcels:**
- Block 4 Lot 2 - NSRAA Hatchery
 - Block 4 Lot 5 - Cove Partners LLC Bottling Plant
 - Block 4 Lot 10 - Silver Bay Seafoods
 - Block 4 Lot 11 - City Water Treatment Plant
 - Block 4 Lot 20 - Silver Bay Seafoods
 - Block 4 Lot 21 - Silver Bay Seafoods

Sawmill Cove Industrial Park
 Sitka, Alaska
 Land Use Plan

Adopted by SCIP Board of Directors
 September 25, 2008

Updated June 2010

Silver Bay

Memorandum

To: City and Borough of Sitka Assembly

Date: September 9, 2009

Subject: Status of Ocean-going Dock Plans at Sawmill Cove Industrial Park (SCIP)

Background

This provides additional background for the deep water dock strategy. The most likely near-term industrial user of a multi-purpose dock would be the cruise lines. The use of a dock for cruise ships has been the subject of great debate in the community. This has resulted in some confusion, misunderstanding and a hesitancy to move forward with a plan or dock project. A deep water ocean-going dock had been present at the site since the pulp mill was constructed in 1960. Sawmill Cove Industrial Park (SCIP) represents one of the most likely places for such a dock as it is a semi-isolated industrial area, has excellent protected deep water and as the site develops, the need for a deep water ocean-going dock becomes more important. The development of SCIP as a port site requires strategic planning around a deep water dock as the centerpiece of its waterfront development.

Funds for the construction of a dock have consistently been included in City and Borough of Sitka's (CBS) congressional requests since 2000.

The issue of docks has been the subject of the following municipal elections.

- The Oct. 2004 election required a public vote before the CBS could sell, lease, or dispose of any municipal tidelands for purpose of building a dock longer than 200 feet. Docks at the SCIP were exempted.
- During the Oct. 2005 election an advisory question was passed by a public vote to allow construction of a multi-purpose deepwater dock at the SCIP.
- Proposition No. 5 on the October 2006 CBS ballot repealed Section 18.12.014 of the Municipal Code. The 2006 initiative requires a public vote before the CBS can sell, lease, or dispose of any real property for purposes of building a dock longer than 300 feet that could be used by cruise ships. Docks at Sawmill Cove are included. **This proposition does not require a vote if CBS retains ownership of the dock property.**

Advantages of a Dock at SCIP

A deep water dock is essential to certain types of ocean-going commerce. Below is a list of some of the possible users.

- Support Blue Lake dam expansion
- Shipment of fish processed at SCIP
- Shipment of bottled water
- Shipment of bulk water (dock must be designed to allow large bulk water vessels)
- Export of rock
- Tie up larger research vessels
- Bio-fuel projects, such as fish waste, wood products, or recycled materials
- Container transshipment facility, tap into Prince Rupert
- Tie up Cruise Ships

Once a dock is built, businesses will be attracted that have not been envisioned during planning.

Revenue Generated and Economic Impact

- Direct revenue from wharfage and tie up fees
- Sales of utilities and water
- Other dock side services
- Jobs would be created through increased long-shoring personnel, security and maintenance
- Increased sales tax especially with cruise ship use
- Increased administrative presence and service industries related to dock users
- Increase of demand (rent/value) for the City-owned real estate at the cove, the administrative building, etc.

Possible Sources of Funding

- Federal grants.
- State grants.
- Wharfage and tie-up revenue.
- State of Alaska Commercial Passenger Vessel Tax Account
- Marine Passenger Fee Fund
- Municipal bonds.
- Revenues from sales or leases of Sawmill Cove properties.
- Private investors.
- Other

Past Concerns and Response

- Retail Sales Issues – with cruise ship use
 - Currently no retail business is allowed at Sawmill Cove Industrial Park other than what is already provided for in SGC Table 22.16.015-6
- Tourism Concerns – with cruise ship use
 - The 2007 Sitka Visitor Industry Plan 2.0 encourages that this type of planning proceeds, keeping in mind the quality of life and authentic character of the community. (Section I.3.d)
- Traffic Issues – with cruise ship use
 - Transportation Engineering NorthWest, LLC completed a Transportation Impact Study on Sept. 20, 2006 to determine the impact of traffic and infrastructure of a Cruise Ship docking at SCIP. It was determined that “Based on the estimated increase in daily traffic volumes, all roadways are designed to carry this additional traffic demand, and thus, no roadway improvements are need for traffic capacity. In general, the additional traffic demands generated by the SCIP would be similar to the years when the Alaska Pulp Company has 400 employees working in three shifts at the site.”
- Environmental and Safety concerns – with cruise ship use
 - Cruise ships in Alaska are held to very high standards and regulations. These standards and regulations are enforced by state and federal agencies including the Alaska Department of Environmental Conservation, U.S. Environmental Protection Agency, the U.S. Coast Guard and International Convention of Safety of Life at Sea (SOLAS) among others.
- Sawmill Cove Industrial Site Environmental Issues
 - All uses must adhere to a set of environmental rules established in full in two documents that memorialize agreements with the State of Alaska under which the City and Borough manages the Park. The agreements are the Memorandum of Understanding’s Management Plan and the Prospective Purchaser Agreement.
 - Contaminant studies at the park began in 1990 by the EPA, in cooperation with the U.S. Fish and Wildlife Service and DEC. In 1995, a Commitment Agreement was signed by APC and DEC, which required APC to investigate and remediate any and all constituents of concern present at the site. Upon completion of the remediation, the DEC determined that the only ecological risk was the depressed seafloor in what is known as the Area of Concern (AOC). In 1999 the CBS signed an MOU with the State to take over the environmental monitoring of the SCIP. This MOU requires monitoring for 40 years in 10 year increments; the first monitoring will be 2010. In 2003 The DEC did a review of the park to make sure remediation had worked and to investigate how the AOC was doing. During their

investigation they determined the natural remediation was functioning as intended and recovery seemed to be ahead of schedule.

- Cove Capacity for Handling Deep Water Docks
 - Sawmill Cove Industrial Park waterfront development plan by PND dated April 2002 identified about five possible locations for deep water docks in the area.
- Ballast Water Concerns – bulk water tankers
 - The USCG is responsible for monitoring ballast water as mandated under 33 CFR 151.2035(b).