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May 22, 2025

VIA E-MAIL

Garry White
Director, Gary Paxton Industrial Park
garrywhite@gci.net

**Re: Pacific Jewel Marine, LLC's Future Operations in Gary Paxton
Industrial Park – Haul Out and Lot 9b**

Dear Mr. White:

My name is John Crone, and I represent Pacific Jewel Marine, LLC ("PJM") in connection with its business activities in Gary Paxton Industrial Park ("GPIP"). As you are aware, PJM manages the building and property located at 4500 Sawmill Creek Road (the "PJM Property"). Under PJM's management, more than \$1.5M has been invested in rehabilitating the PJM Property and transforming the area into a marine trades center. Currently, PJM employs nine (9) full-time individuals and is looking to hire additional. PJM also employs seasonal workers alongside its year-round employees, with an aim to enable seasonal workers to remain in Sitka beyond the season if they desire.

To the best of PJM's knowledge, PJM is the only business in Sitka currently making substantial capital investments in equipment and infrastructure necessary to support work that can be completed on vessels in the boatyard. Indeed, the PJM Property is currently home to the following shops and tenants:

- **Sitka Custom Marine** – specializes in the design, build, and repair of boats, including sand blasting and painting, as well as retail sales of metal, paint, and other vessel repair products
- **Stem to Stern Repair Shop** – shipwright (wood boat repair)

- **Sitka Machine Shop** – the only machine shop in town, builds and repairs equipment for both commercial and recreational operations
- **Appleton Ventures, LLC** – diesel and small engine repair, as well as full-stack software and DevOps engineering
- **Southeast Sparks** – electronics lab and marine electrical installation
- **Frank Schlias** – diesel mechanic

It is PJM's understanding that Sitka is currently working to finalize Phase I of the GPIIP Haul Out and Ship Yard Project (the "Project"). As such, I am sending this correspondence to raise two issues related to use of the PJM Property and for which PJM requests assistance: (1) PJM's use of the haul out facilities; and (2) PJM's potential lease of Lot 9b. PJM believes that raising these issues now aligns with timing of the various benchmarks left in completing Phase I of the Project.

PJM's Use of the Haul Out Facilities

PJM believes that the various commercial activities of the businesses located on the PJM Property will be a major driver of demand for use of the haul out facility once completed. The businesses currently located on the PJM Property, including future planned businesses, offer services that will require vessels to use the haul out and be stored on PJM Property for longer periods of time.

Thus, it is critical for PJM and GPIIP to come to an understanding regarding PJM's use of the haul out facilities, specifically, use of the travel lift to move vessels from the haul out to the PJM Property. It is PJM's understanding that while use of the travel lift from the haul out to the PJM Property would span a relatively short distance, various concerns would need to be addressed. Specifically, PJM desires to work collaboratively with GPIIP on any engineering concerns, the current location of lighting, and any other problems that may need to be addressed. Given the future volume of use of the haul out facilities by PJM's customers, it is financially beneficial for Sitka to resolve any such issues and facilitate PJM's use of the travel lift.

Further, allowing PJM's use of the travel lift to move vessels directly from the haul out to the PJM Property will allow Sitka to achieve many of its desired goals to be achieved

in Phase II of the Project.¹ PJM is willing to offer the following immediately upon and as part of reaching a deal regarding use of the travel lift:

- Public bathrooms, lockers, and showers
- Electrical connections for vessels
- Water and sewer for vessels
- Indoor workspaces
- Lighting and security
- Wifi
- Trash removal
- Vendors, tradesmen, and equipment for hire or rent
- Decreased insurance requirements for the City as all such amenities and activities, including longer term boat storage, will be located on the PJM Property

Given the status of PJM's investment in infrastructure within GPIIP, including the services currently offered by vendors at the PJM Property, PJM is presently prepared and well situated to assist in facilitating Sitka's ability to generate substantial revenue in connection with its use of the haul out facilities. Therefore, PJM requests that this issue be added to the agenda at GPIIP's next available work session or regular board meeting so that PJM and GPIIP may take concrete steps toward realizing the full economic value of Sitka's investment in the haul out and boat yard.

PJM's Potential Lease of Lot 9b

Related to PJM's use of the haul out facilities, many vessels transported from the haul out to the PJM Property may need to travel over or above Lot 9b.² Such is the nature of the path that will need to be utilized by the travel lift in conjunction with the size of the vessels that will be transported. I understand that PJM has already communicated a desire to enter into a long-term lease for Lot 9b at an affordable price. I further understand that at GPIIP's board meeting held on April 17, 2025, this issue was discussed, and you stated that you would work with Mr. Serka to present possible lease terms at the next meeting for the

¹ **Exhibit 1**, Project Charter GPIIP Boat Haul Out Development, at 4-5 (setting forth various goals for Phase II).

² Ex. 1, at 15 (depicting general path from haul out to the PJM Property labeled on the image as "Starwest Holdings").

board's review.³ As such, for the sake of efficiency, I will not repeat PJM's prior proposal, but will add some additional points for consideration.

Your Memorandum to the GPIP Board dated May 9, 2025 highlights a primary reason for the GPIP Board to grant PJM's proposal regarding Lot 9b.⁴ You attached a conceptual drawing for a GPIP Land Use Plan to your Memorandum.⁵ The conceptual drawing proposes to designate Lot 9b as a "Commercial Dock & Support Area." By leasing Lot 9b to PJM, GPIP would fulfill your proposed vision to utilize the land for commercial support. Given that the parcel is orphaned from any higher or more valuable use because it is bounded on two sides by streets and on its remaining sides by the PJM Property, Lot 9b would provide excellent commercial support by providing access to the numerous vessels that will be transported by travel lift from the haul out to the PJM Property.

PJM's proposal to lease Lot 9b at an affordable and noncompetitive rate is permitted by the Sitka General Code,⁶ and is consistent with GPIP's mission to maximize the economic benefit of the resource and to support the creation of meaningful jobs for Sitkans in a financially responsible manner. In this way, GPIP's interests and goals align with those of PJM, and PJM looks forward to working with you to advance the success of PJM, GPIP, and all Sitkans that support themselves, or will support themselves, through our joint efforts.

PJM appreciates your time in reviewing this correspondence and looks forward to discussing next steps to achieving agreement on (1) PJM's future use of the haul out facilities; and (2) PJM's potential lease of Lot 9b in. While PJM believes that advancing these issues may be most efficiently completed by adding the same to the agenda of GPIP's next work session or regular board meeting, PJM is open to any other reasonable paths.

³ **Exhibit 2**, GPIP Board Meeting Minutes for April 17, 2025, at 2 ¶ 2.

⁴ **Exhibit 3**, GPIP Director's Memorandum dated May 9, 2025.

⁵ *Id.*, at 4.

⁶ Sitka General Code § 18.15.010(E) (permitting lease of municipal real property, including tidelands, without competitive bid where 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 and also allowing same when assembly finds competitive bidding inappropriate due to the nature of the property or the circumstances surrounding its disposal may include possible unjust results with regard to the existing lessee or adjacent or neighboring property owners).

Garry White, Director, GPIP
Re: Pacific Jewel Marine, LLC
May 22, 2025
Page 5

Please feel free to reach out directly by email or phone to discuss any questions, concerns, or proposals for next steps.

Best regards,

GORDON REES SCULLY MANSUKHANI,
LLP

/s/ John R. Crone

John R. Crone

JRC/dc

Cc: GPIP Board of Directors:
Scott Wagner, scott_wagner@nsraa.org
Mike Johnson, southeastmike@protonmail.com
Chad Goeden, chelly@gci.net
Lauren Howard, lmitchell22@gmail.com
Casey Campbell, caseyak@gmail.com

Enclosed: as stated.

PROJECT CHARTER

GPIP BOAT HAUL-OUT DEVELOPMENT

Problem:

Sitka's maritime industry is an important part of the community and economy that is currently being affected by lack of critical infrastructure in the community. Sitka is home to one of the largest fishing fleets in Alaska.

The existing public vessel haul out facility in Sitka, owned by Halibut Point Marine Services LLC (HPM), has been a haul out facility since the mid 1980's. The company ceased operations March 31, 2022, to pursue other business opportunities, leaving the community without an ability to haul vessels. The HPM haul out facility was a large economic driver in the community, many independent marine service providers have earned a living working on the various vessels that visit Sitka and the HPM yard. The lack of a haul out and shipyard facility in Sitka will cause the commercial vessel owners to travel to other communities for vessel work. The community will be underserved in the ability for vessels to get work done by local marine service providers, causing further job losses. Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint.

The City and Borough of Sitka (CBS) and community have been working on developing a haul out facility at the Gary Paxton Industrial Park (GPIP) since the property was acquired in 2000.

- 2000 –Present – legislative funding requested for development of a haul out at GPIP
- 2007 – PND Engineers provides a conceptual plan and cost estimates for haul out infrastructure between Lots 2 & 4.
- 2009 – RFP for private sector development of a haul out is released. The CBS received one proposal from a firm in Puget Sound for a 600-ton lift. Firm and the CBS could not come to terms on the proposal and investment, due to large capital requirement (~\$21 million) requested to be funded by the CBS.
- 2010 – HPM completes substantial improvements to their existing haul out facility, included the construction of 5 EPA approved wash down pads.
- 2014 – Silver Bay Seafoods proposes to construct a haul out at the GPIP properties. After months of negotiations the venture does not move forward due to multiple reasons, including lack of waterfront ownership, infrastructure funding, and having other key GPIP lots being leased to other ventures in GPIP.
- 2014 – The CBS commissions the Preliminary Screening-Level Feasibility Assessment and Planning for a Marine Center at the GPIP. Study concludes that if HPM would cease operations, the analysis indicates a moderate to strong opportunity for haul out operations at the GPIP.

- 2017 – The GPIP Board holds a public meeting to discuss haul out concepts and considers moving forward with development an access ramp to haul vessels. PND Engineers is hired to provide conceptual designs and cost estimates for ramp development
- 2019 – HPM announces that they will be ceasing haul out operations within the next two years.
- 2020 – The CBS releases another RFP for private sector development. The RFP was structured for long term leases only. Two firms respond, the CBS selects a firm. After considering all available information, listening to public stakeholder comments, and investigating more in-depth on the financial costs to move forward with a proposal; the firm concluded that the associated costs to complete a haul would require a larger financial subsidy from the CBS. The CBS Assembly rejects the modified proposal.
- 2021 – The CBS releases another RFP for private sector development. The RFP considers selling lots to a qualified developer. A local group responds to RFP and is selected to move forward. The group suggested that it has determined that development of a haul out facility is more expensive than they originally estimated and withdraws its proposal.
- 2022 - On October 4th, 2022, the citizens of Sitka voted to appropriate ~\$8.18 million dollars from the Sitka Permanent Fund for the development of a haul out and shipyard at the Gary Paxton Industrial Park (GPIP). The proposition was approved by 80.9% of citizens voting in the 2022 municipal election.
- 2023 – GPIP Vessel Haul out development begins
 - March - The CBS contracts with PND Engineers to develop the GPIP Vessel Haul out Project Design.
 - April - The GPIP Board selects a waterfront portion on the northern section of Lot 9a as the haul out pier location.
 - June - The GPIP Board selects conceptual design #4 for Phase 1 development of the haul out.

Project Goal:

- Develop a 150-ton haul out facility, which has the capacity of hauling out a majority of the vessel in the Sitka Fleet.
- Plan future haul out infrastructure to haul vessels greater than 150-tons.
- Provide relocated access ramp to haul smaller vessels for repair and refurbishment and provide barge and landing craft loading/unloading.
- Develop the GPIP uplands into a working shipyard to support the marine services industry.
- Coordinate with private industry to aid in the retainage and growth of local marine service sector jobs.
- Provide critical infrastructure for emergency vessel repairs.
- Reduce travel costs and emissions for vessels having to travel to other regional shipyards.

Project Scope:

The project scope is outlined in Phases and alternates due to the lack of funding to fully develop a complete haul out facility:

Phase 1: Waterfront Development (Completed December 2024):

See attachment 1 - Phase 1 Concept Design Site Plan.

Phase 1 is not presently fully funded, See Attachment 3 - Preliminary Engineer's ROM Budget for a line-item breakdown of Phase I work items presently funded work vs. optional/additive work items. Also, reference the Project Funding Breakdown below. The initial scope of work for Phase I will be dependent on funding secured at the time of construction. Phase I work items may be added as additional funding becomes available. Attachment-1 will be used as the funding priority guidelines for the project.

NOTE: A limited construction contingency of approximately 10% is included in the current scope/budget. Note, this is less than the recommended construction contingency for preliminary design, typically 20%. The contingency has been reduced in lieu of additional scope reductions to ensure the proposed project meets minimum operational criteria while aligning with the total currently available funding. Risks are associated with reducing estimated contingency. Further reduction of project scope may be required should project costs exceed available funding resulting in reduced operational capability.

As outlined in Attachment 3- Preliminary Engineer's ROM Budget many work items identified for Phase 1 are currently unfunded. The following scope items are included in Phase 1 objectives as funding comes available.

1. Planning, Public Engagement and Concept Development (Funded)

A rigorous planning and public engagement process has been completed. CBS, the GPIB board and public stakeholders have reviewed multiple pier locations, pier configurations and uplands layouts and preliminary cost estimates. A preferred conceptual design has been developed based on input from local subject matter experts, stakeholders and the public to ensure the preferred concept services the greatest amount of the Sitka fleet. Planning efforts have included site master planning for additional larger haul out infrastructure and relocated access ramp.

2. Investigations, Environmental Permitting and CMGC Contract (Funded)

Preliminary site investigations have been conducted including site reconnaissance by the design team and stakeholders, and topographic and bathymetric surveys to support the preferred concept. Additional investigations and environmental permitting are ongoing to support the design and construction of the vessel haul out facility including geotechnical investigations.

Following completion of site investigations and preliminary design, PND will develop a solicitation for a Construction Manager/ General Contractor. The selected firm will support final design and ultimately construct the Phase 1 infrastructure.

3. Vessel Haul Out Piers (Funded)

Under a CMGC contract, design and construct a 150-ton vessel haul out pier to accommodate the majority of the Sitka fleet.

4. Wash Water Collection and Wash Down Facilities (Funded w/ Temporary Washdown Pad)

Under a CMGC contract, design and construct all-season wash water collection and wash down facilities. Provide a minimum of one wash down location, include planning to allow for additional washdown facilities to be installed in future phases, to prevent bottle necks in haul out operations and to allow for quick repair options. *The Washdown Pad may be initially constructed utilizing a temporary membrane liner pending full Phase I project funding.*

5. Wash Water On-site Pre-Treatment Facility (Funded)

Under a CMGC contract, design and construct a wash water on-site pre-treatment facility. Facility will accommodate one washdown collection site include planning to allow for additional washdown sites to be installed in future phases.

6. Queuing Float (Not Funded)

Under a CMGC contract, Design and Construct a queuing float with gangway. Float will accommodate the greatest amount of the Sitka fleet.

7. Boat Work and Storage Area (Partial Funding)

Under a CMGC contract, Design and Construct a yard with environmentally compliant drainage systems for the maintenance and storage of 10 to 25 vessels of varying size. Include space for yard user and staff parking. *The size of the Boat Work and Storage Area (Boat Yard) will be dependent on the level of funding available at the time of construction.*

8. Gravel Haulout Ramp (Not Funded)

Under a CMGC contract, Design and Construct a haul out ramp to replace the existing ramp which will be removed to facilitate Phase I haul out piers.

9. Haul Out Equipment (Funded)

Haul out and shipyard operation options need to be investigated to determine if boat hoist equipment will be purchased by the CBS or required via a private haul out operational agreement. *Current budget considers CBS purchased equipment.*

Phase 2: Expansion of Upland Shipyard

(Start 2025 – Completed 2027 – Not Funded):

See Attachment 2 - GPIIP Boat Yard General Development Plan.

1. Planning and Cost Estimates

The CBS has investigated multiple different locations on the GPIIP properties for the location of shipyard infrastructure. Planning efforts should include public use space, leased space for marine service providers, sheltered work areas, and

vessel storage. Additionally, planning should consider the movement of vessel within the GPIIP and existing and needed utilities.

2. Upland Improvements and Expansion

Design and Construction of upland facilities including additional vessel maintenance and storage areas, lease spaces, sheltered work areas and other improvements as determined through Phase 2 planning efforts. Include improvements necessary to reinforce roadways to facilitate boat hoist traffic loads. Include site improvements on Phase 1 and Phase 2 areas such as sitewide paving and associated drainage improvements.

3. Installation of Utilities

Design and Construction of upland power and lighting system, vessel power, and other site improvements to service the greatest amount of the Sitka fleet, marine service providers and other services as determined through Phase 2 planning efforts.

Additional Scope Items for Phase 2 could include but are not limited to:

- Boat short term storage yard
- Long term storage yard
- Vendor lease space
- Security Fencing and Gates.
- 300 Ton Vessel Haul Out Pier
- 300 Ton Boat Hoist
- Electrical and Lighting
- Outbuilding with restrooms and utilities
- Pavement

Budget

Project Cost Breakdown

Expense Description	Amount
Planning, Permitting and Preliminary Design (Phase I)	\$366,955
Investigations, Final Design and Construction Phase Engineering	\$929,460
CMGC/Construction and Contingency (Phase I), Funded*	\$5,733,585
CMGC/Construction and Contingency (Phase 1), Not Currently Funded	\$5,986,308
Other (Boat Hoist - Phase I)	\$1,150,000
Phase II (ROM)	\$15,000,000
Total	\$29,166,308

*It is important to note that Phase-1 currently has significant scope reductions as outlined in Attachment 3 and Phase-2 scope has not yet been defined or funded.

Exhibit 1

Phase I Project Funding Breakdown

Expense Description	Amount
Estimated Total Ph 1 Project Cost	\$14,166,308
Working Capital	\$8,180,000
Loans	\$0.00
Grants	\$0.00
Other	\$0.00
Total Funded	\$8,281,040
Funding Gap	\$5,885,298
Encumbrances to Date	\$366,955
Unencumbered Funds	\$7,914,085

Phase I Funding Gap (if applicable)

Funding Description	Amount
Unfunded Balance	\$5,885,298

Contract Management

Contract Management – Phase I

Expense Description	Amount
Planning, Permitting and Preliminary Design (Phase I)	\$366,955
Investigations, Final Design and Construction Phase Engineering	\$929,460
CMGC/Construction and Contingency (Phase I), Funded*	\$5,733,585
CMGC/Construction and Contingency (Phase 1), Not Currently Funded	\$5,986,308
Other (Boat Hoist - Phase I)	\$1,150,000
Total	\$14,166,308

Project Success Metrics:

✓ Cost Variance: $CV(\%) = \frac{(Budgeted\ Work\ Cost) - (Actual\ Work\ Cost)}{(Budgeted\ Work\ Cost)} \times 100$

✓ Schedule Variance: $SV(\%) = \frac{(Budgeted\ Work\ Days) - (Actual\ Work\ Days)}{(Budgeted\ Work\ Days)} \times 100$

✓ Customer Satisfaction: $CS(\%) = \frac{(Total\ Customer\ Satisfaction\ Survey\ Points)}{(Total\ Customer\ Service\ Survey\ Questions)} \times 100$

✓ Alignment with Strategic Plan:

Goal(s) and/or Objective(s): _Aligns with the Strategic Goals to improve the economy, job creation, and making Sitka more livable community.

✓ Alignment with other policy, strategy, plan, procedure:

Document(s) and Goal(s)/Objective(s): This project is our top legislative priority, and the funding was a ballot proposition that passed by over 80%.

✓ Other Metric(s):

Due to the overwhelming community support of this project, it is considered the top priority project within CBS.

Project Team:

Project Sponsor:	Garry White
Contact Information:	907-747-2660
Organization:	Sitka Economic Development Association (SEDA)
Key Responsibilities:	GPIP Board management and liaison

Project Manager:	Michael Harmon
Contact Information:	907-747-1807
Organization:	CBS Public Works - Engineering
Key Responsibilities:	Overall Project Manager

Contract Manager:	Vacant
Contact Information:	907-747-1803
Organization:	CBS Public Works - Contracts
Key Responsibilities:	Contract Management/Compliance

Other Project Participants		
Participant Name	Contact Information	Key Responsibilities
PND	907-586-2093	Project Design Team
Stan Eliason	907-747-4011	CBS Harbor Master

Risk Management

Risk issue statement

Issue Statement:	A significant safety concern exists with vessels traveling to other communities for haul out options and no ability to haul vessel in emergency situations. Not having a local Sitka haul out will impact roughly 90 percent of the local commercial fleet, causing them to travel hundreds of miles round trip to get a haul out for necessary yearly maintenance. Thus, increasing economic hardship and an increased carbon footprint. The CBS recently had an economic Benefit Cost Analysis developed. The analysis shows that not having a local haul out option in Sitka will cost the commercial fleet almost \$15 million in increased travel costs, roughly \$2.5 million in opportunity cost of time, and over \$11 million in emissions avoided over 20 years for a total analysis of \$29 million impact when using the 3 percent discount rate for emissions.
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Initial Consequence (CoF₁) Assessment – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Assuming if a vessel goes down, multiple lives will be lost.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Initial Likelihood (LoF₁) Assessment Results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 1 years	6	Likely to happen within 5 years

Initial Risk (R₁) – Based on equation $LoF_1 \times CoF_1 = R_1$

Initial Risk Score (R ₁):	42
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Risk mitigation method(s) to be applied

- | | | |
|---|---|--|
| ☐ Accept | ☒ Modify Operations | ☐ Repair |
| ☒ Avoid | ☐ Modify Maintenance | ☒ Replace |
| ☐ Transfer/Share | ☐ Monitor | ☐ Develop Contingency |

Residual consequence (CoF₂) assessment results – Based on 2022 Risk Matrix (Appendix A)

Consequence Category	Score	Assumptions
Public Safety	7	Vessels over 150 tons will still need to travel to other locations. This will not reduce risk of fatality to zero.
Personnel Safety	1	No anticipated CBS staff travel
Compliance	1	No violation
Reliability	2	Localized inability to meet service levels
Reputation	6	Would receive national media coverage
Financial Impact	5	

Residual likelihood (LoF₂) assessment results – Based on 2022 Risk Matrix

Likelihood of Occurrence	Score	Assumptions
Once in 5 years	2	Likely to happen once within a 50-year period

Residual Risk (R₂) – Based on equation $LoF_2 \times CoF_2 = R_2$

Residual Risk Score (R ₁):	14
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Assessment Results (residual risk, risk mitigated, and financial efficiency)

Risk Mitigated (R _M) = (R ₁ -R ₂):	28
Financial Efficiency (FE) = $\left(\frac{R_M}{Total\ Planned\ Cost}\right)$:	4.26x10 ⁻⁶

Stakeholder Register:

Stakeholder Name	Garry White & GPIIP Board
Organization	Sitka Economic Development Association/GPIIP
Contact Information	907-747-2660
Level of Influence on Project (High/Low)	High
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Project is an economic development and GPIIP Priority
How can stakeholder obstruct?	GPIIP Board has management authority

Stakeholder Name	Stan Eliason
Organization	CBS Harbor Department
Contact Information	907-737-3439
Level of Influence on Project (High/Low)	Medium
Level of Interest in Project (High/Low)	High
How can stakeholder benefit?	Needed infrastructure for fleet
How can stakeholder obstruct?	Port and Harbors has management authority of port matters

Stakeholder Name	
Organization	
Contact Information	
Level of Influence on Project (High/Low)	
Level of Interest in Project (High/Low)	
How can stakeholder benefit?	
How can stakeholder obstruct?	

Key Milestones:

Key Tasks & Milestones	Start Date	End Date
1. Project Charter Approval: The Project Charter is brought to GPIB Board for approval.		11/21/22
2. Project Budget Appropriation Assembly	11/8/22	11/22/22
3. Prepare RFQ for PM services Port Planner SME	11/17/22	12/8/22
4. Advertise PM/Port Planner RFQ	12/12/22	2/1/23
5. Selection of PM/Port Planner/Engineer- PND	2/2/23	3/06/23
6. Contract Execution/NTP for PM/Port Planner/Engineer	3/7/23	3/29/23
7. Planning, Surveying, Public Involvement Process, Concepts, Costs, Preferred Alternative, Final Basis of Design & Charter Scope	4/3/23	7/31/23
*8. Geotechnical Invest. - Work Plan, Driller Contract, Drilling Permits, Fieldwork, Analyses & Geo Report	5/22/23	10/31/23
*9. Biological Assessment, IHA, Regulatory Consultations & Environmental Permits	5/22/23	6/30/24
10. 35% Preliminary Design & CMAR RFP	8/1/23	11/30/23
11. CMAR Solicitation & Contract Execution	12/1/23	1/31/24
12. PND Final Design w/ CMAR	2/1/24	7/1/24
13. Material Procurement	3/1/24	12/1/24
14. On Site Construction	8/1/24	12/31/24
16. Secure Operator for 2025 Season	3/15/24	12/31/24
17. Secure 150T Boat Hoist	3/15/24	12/31/24
18. Haul Out is Operational		12/31/24
* Critical Path Items – Permitting and Regulatory Review		
Milestones for Phase 2 TBD once funding is secured:		
Need to masterplan uplands during the development of Phase 1 to apply for grants and position this phase to proceed.		
Environmental permitting will likely need to be redone once this phase is better defined through a masterplan and funding is available.		

Continued

Approvals and Revision Log:

Approvals:

Project Manager	Approval Date
Contract Manager	Approval Date
Project Sponsor	Approval Date
Finance Director	Approval Date
Municipal Administrator	Approval Date

Revision Log:

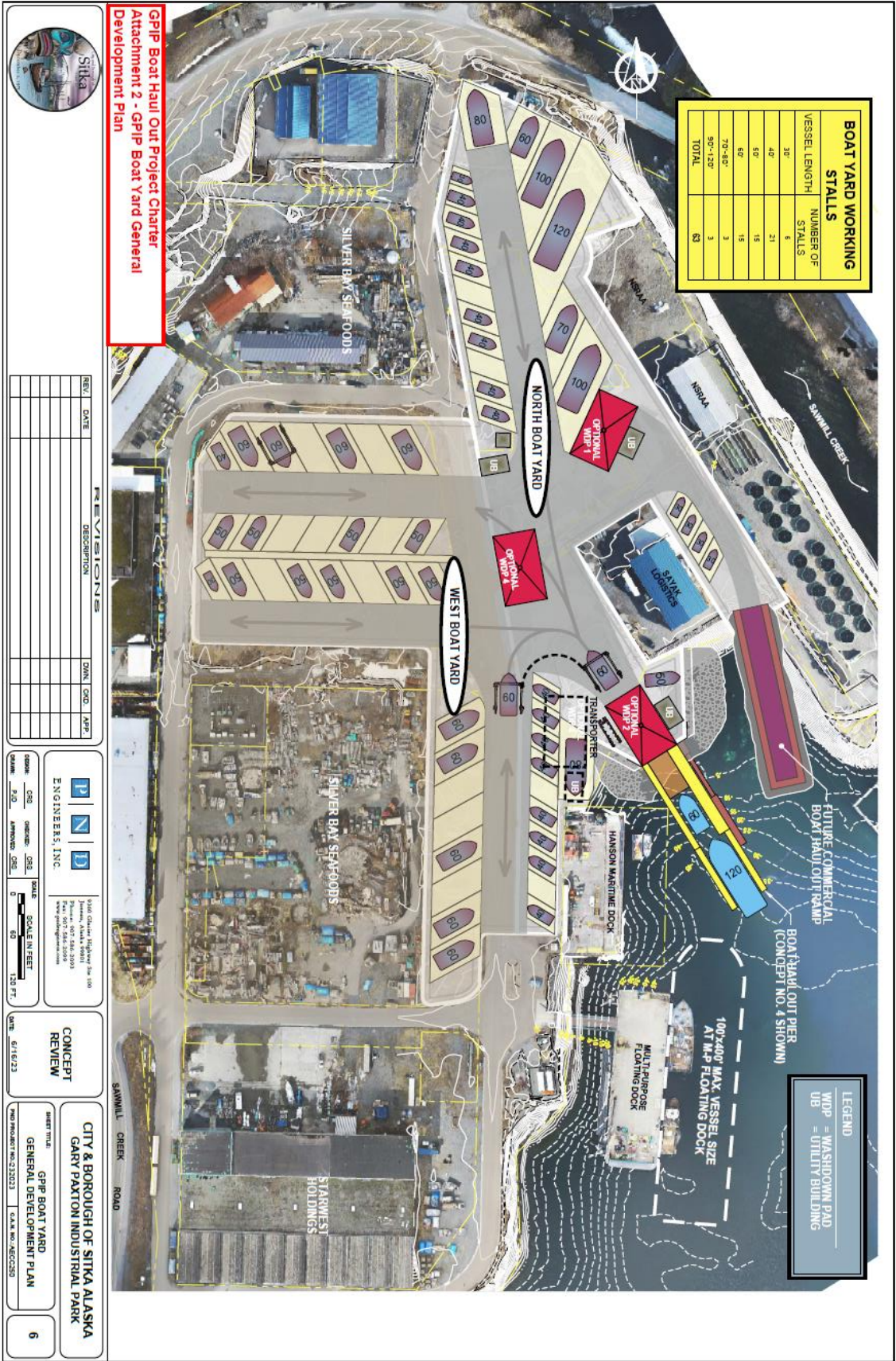
Revision Number	Cause of Revision	Revision Approval Date
1.0		

Appendix – A
2022 CBS Risk Assessment Matrix

Likelihood	Risk Matrix						
10 times/yr.	8	16	24	32	40	48	56
within 1 year	7	14	21	28	35	42	49
within 5 years	6	12	18	24	30	36	42
within 10 yrs.	5	10	15	20	25	30	35
within 20 yrs.	4	8	12	16	20	24	28
within 30 yrs.	3	6	9	12	15	18	21
within 50 yrs.	2	4	6	8	10	12	14
100 years	1	2	3	4	5	6	7

Consequence Category	Consequence Criteria						
	Insignificant	Minor	Moderate	High	Major	Extreme	Catastrophic
Public Safety	☐ No Injury ☐ No damage to public or private property	☐ Near miss ☐ Minor property damage	☐ Minor injuries ☐ Moderate property damage	☐ Single injury w/ medical attention ☐ Moderate property damage over large area	☐ Multiple injuries OR permanent disability ☐ Major property damage	☐ Fatality ☐ Major property damage over a large area	☐ Multiple fatalities
Personnel Safety	☐ No injury	☐ Near miss	☐ Single injury requiring medical attention	☐ Multiple injuries OR permanent disability	☐ Fatality	☐ Multiple fatalities	
Compliance	☐ No violation	☐ Minor restrictions ☐ Increased oversight	☐ Violation ☐ Fines imposed	☐ Restricted use ☐ Sanctions ☐ Legal penalties	☐ Loss of right to operate	-	-
Reliability	☐ No Impact	☐ Localized inability to meet service levels	☐ Wide-spread inability to meet service levels	☐ Inability to Safely operate or maintain service	-	-	-
Reputation	☐ Questions raised by Municipal Admin. ☐ Local media coverage	☐ Questions raised by Assembly	☐ Questions raised by State Officials ☐ State media coverage	☐ State Legislative hearing	☐ Questions raised by Federal officials	☐ National media coverage	-
Financial Impact	<\$10k	\$10k - \$100k	\$100k - \$1M	\$1M - \$10M	\$10M - \$100M	\$100M - \$1B	>1B





**GARY PAXTON INDUSTRIAL PARK VESSEL HAULOUT
PHASE 1 IMPROVEMENTS
CONCEPT NO. 4**

**PRELIMINARY ENGINEER'S ROM BUDGET
Prepared By: PND Engineers, Inc. on July 18, 2023**

BASE BID ITEMS						
Item	Item Description	Units	Quantity	Unit Cost	Amount	Sub-Totals
GENERAL CONTRACT ITEMS						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$473,850	
2702.1	Construction Surveying	LS	All Req'd	\$50,000	\$50,000	\$523,850
150 TON HAULOUT PIER						
2882.1	UHMW Pile Rubstrips	LS	All Req'd	\$200,000	\$200,000	
2886.1	Side Curbs	LS	All Req'd	\$200,000	\$200,000	
2896.1	Steel Pipe Fender Piles with HDPE Sleeves	EA	12	\$20,000	\$240,000	
2896.2	Steel Pipe Corner Fender Piles with HDPE Sleeves	EA	2	\$25,000	\$50,000	
2896.3	Vertical Steel Pipe Piles	EA	40	\$20,000	\$800,000	
2896.4	Battered Steel Pipe Piles	EA	8	\$24,000	\$192,000	
3305.1	Retaining Wall	CY	160	\$2,750	\$440,000	
3420.1	Precast Concrete Deck Panels	CY	270	\$2,000	\$540,000	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$200,000	\$200,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	33	\$8,000	\$264,000	
5120.2	Steel Pipe Bullrail	LS	All Req'd	\$75,000	\$75,000	\$3,201,000
UPLANDS EXPANSION @ PIER						
2203.1	Shot Rock Borrow	CY	11,000	\$50	\$550,000	
2204.1	Base Course Grading C-1	CY	750	\$100	\$75,000	
2205.1	Armor Rock	CY	3,200	\$100	\$320,000	\$945,000
STORMWATER TREATMENT w/ MINIMUM YARD & STORMWATER COLLECTION						
2202.1	Rough Grade Existing Site to Drain Inlets	LS	All Req'd	\$50,000	\$50,000	
2501.1	Storm Drain Pipe	LF	700	\$125	\$87,500	
2502.1	Storm Drain Manholes & Water Quality Unit	LS	All Req'd	\$80,000	\$80,000	\$217,500
TEMPORARY WASHDOWN PAD						
2401.1	Water Service to Wash Down Pad	LS	All Req'd	\$25,000	\$25,000	
2601.1	Sewer Service & Lift Station to Wash Down Pad	LS	All Req'd	\$125,000	\$125,000	
3301.2	Temporary Wash Down Curbed Membrane Liner	EA	1	\$50,000	\$50,000	
11170.1	Washwater Pretreatment Facilities	LS	All Req'd	\$125,000	\$125,000	\$325,000
ESTIMATED CONSTRUCTION BID PRICE					\$5,212,350	\$5,212,350
CONTINGENCY & INDIRECT COSTS (35%)					\$1,824,323	
150T STANDARD MARINE BOAT HOIST					\$1,150,000	
TOTAL RECOMMENDED BASE BUDGET					\$8,186,673	
OPTIONAL or ADDITIVE ALTERNATE ITEMS						
GENERAL CONTRACT ITEMS						
1505.1	Mobilization/Demobilization	LS	All Req'd	10%	\$379,100	
2702.1	Construction Surveying	LS	All Req'd	\$5,000	\$5,000	\$384,100
NORTH BOAT YARD SITE GRADING & DRAINAGE						
2060.1	Demolition & Disposal	LS	All Req'd	\$100,000	\$100,000	
2202.1	Excavation, 1' Avg Depth	CY	4,000	\$20	\$80,000	
2202.2	Subbase, 2' Thick	CY	8,000	\$50	\$400,000	
2204.1	Base Course Grading C-1, 8" Thick	CY	2,500	\$100	\$250,000	
2501.1	Storm Drain Pipe	LF	300	\$125	\$37,500	
2502.1	Storm Drain Manholes	LS	All Req'd	\$40,000	\$40,000	
2600.1	Misc. Utility Lid and Grate Adjustments	LS	All Req'd	\$50,000	\$50,000	\$957,500
PERMANENT CONCRETE WASHDOWN PAD						
3301.2	Concrete Wash Down Pad w/ Hydronic Piping	EA	1	\$300,000	\$300,000	\$300,000
YARD TRANSPORTER						
11200.2	40 T Yard Transporter, Shipping & Assembly	LS	All Req'd	\$250,000	\$250,000	\$250,000
DECKOVER, 32X60						
2886.2	Timber End Curb with Tire Fenders	LS	All Req'd	\$50,000	\$50,000	
2896.3	Vertical Steel Pipe Piles	EA	6	\$20,000	\$120,000	
2896.4	Battered Steel Pipe Piles	EA	2	\$24,000	\$48,000	
3420.1	Precast Concrete Deck Panels	CY	140	\$2,000	\$280,000	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$100,000	\$100,000	
5120.1	Steel Pile Caps, Pile Chutes & Misc. Weldments	TON	20	\$8,000	\$160,000	\$758,000
QUEUEING FLOAT & GANGWAY						
2894.1	5x80 Aluminum Gangway & Hinge Assembly	LS	All Req'd	\$125,000	\$125,000	
2895.1	10x80 Moorage Float	SF	800	\$300	\$240,000	
2896.3	Vertical Steel Pipe Piles	EA	3	\$18,000	\$54,000	
3420.1	Precast Concrete Deck Panels	CY	5	\$1,500	\$7,500	
3601.1	Deck C.I.P. Concrete and Grout	LS	All Req'd	\$5,000	\$5,000	
5120.1	Steel Pile Cap & Misc. Weldments	TON	3	\$8,000	\$24,000	\$455,500
UTILITY BUILDING						
13000.1	Building, Hydronic Boiler, Restroom, Office	SF	960	\$750	\$720,000	
16000.1	Power to Utility Building	LS	All Req'd	\$50,000	\$50,000	\$770,000
GRAVEL HAULOUT RAMP						
2203.1	Shot Rock Borrow	CY	2,500	\$50	\$125,000	
2204.1	Base Course Grading C-1	CY	300	\$100	\$30,000	
2205.1	Armor Rock	CY	1,400	\$100	\$140,000	\$295,000
ESTIMATED CONSTRUCTION BID PRICE					\$4,170,100	\$4,170,100
CONTINGENCY & INDIRECT COSTS (35%)					\$1,459,535	
MARINE BOAT HOIST UPGRADES					\$350,000	
TOTAL RECOMMENDED PROJECT BUDGET					\$5,979,635	
TOTAL RECOMMENDED BASE + ALL ADD ALT BUDGET					\$14,166,308	

**GPIIP Boat Haul Out Project Charter
Attachment 3 - Preliminary Engineer's ROM Budget**

**Exhibit 1
Page 16**

**Gary Paxton Industrial Park – Board of Directors Meeting
April 17, 2025 3:00 pm
Room 6, Centennial Hall**

A. CALL TO ORDER: The Chair, Scott Wagner, called the meeting to order at 4:00 pm

B. ROLL CALL

Members Present: Scott Wagner, Mike Johnson, Chad Goeden, Lauren Howard, Casey Campbell

Members Absent: None

Staff Present: Garry White

City Representatives: John Leach, Rachel Jones, Michael Harmon, Chris Ystad

Others Present: Members of the public

C. Review of Minutes – March 13, 2025

Motion: M/S Goeden/Johnson to approve the minutes of March 13, 2025 as written.

Action: Motion Passed (5/0) on a voice vote

D. Correspondence & Other Information- None

E. Changes/Additions/ Deletions to Agenda - None

F. Reports – Mr. White gave a brief update on bulk water. He stated that Arctic Blue Waters Alaska did not make its payment to exercise its first right of refusal to acquire additional water allocations. It is expected they will be coming back to the board asking for an extension in the future. Mr. White informed the Board that Global Hydration LLC was not awarded a water purchase agreement as the assembly did not approve its request.

G. Persons to Be Heard- Chris Hanson spoke about future options for marine trades as a group at the haul out. Jeremy Serka and Michael Nerko spoke addressing the public letting them know that they are open to working with any and all potential clients. Linda Behnken shared she was interested in seeing long term plans for revenue generation. Dave Miller inquired about aesthetics of the GPIIP property as far as tourism is concerned.

H. Unfinished Business –

1. GPIIP Haul Out Development

Exhibit 2

Page 1

Mr. White stated the travel lift is expected to arrive May 6th. He then discussed future haul out and shipyard development by opening up discussion to the board regarding how much space to allocate for vendor operations, sales vs leases and the process, how much space will be allocated for long term vessel and gear storage and any other potential GPIIP property uses. The board discussed current short-term leases, usable space, benefits of leasing versus selling land, pros and cons of specific lot development, and defined priorities for phase 1 and 2 development. This conversation will continue in future meetings. Lastly Mr. Harmon discussed budgeted cost versus current actual spend and updated project timeline. Public comment showed desire to see what options there were for vendors, electricity plan, restrooms, and washdown pad.

I. New Business-

1. GPIIP Port Tariff Discussion and Adjustments

Mr. White explained CBS Harbor rates are currently in the draft FY2026 budget to be increased by 4% for fiscal year 2026. The GPIIP Tariff has tried to mirror Harbor Department rates. He has reviewed the rates the CBS charges for small cruise ships in relation to other private docks in the area and is recommending that the CBS increase its rates to be comparable to other local docks. The board discussed transient dock space and appropriate compensation.

Motion: M/S Howard/Johnson to move forward with the Tariff as written with change of incidental dock fee left at \$35 per hour and the cruise passenger vessel fee at \$5 per hour and adding verbiage about storage of anything on the dock.

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

2. Pacific Jewel Marine Lot 9b Long Term Lease Request

Ms. Jones explained the long-term lease request process for the Assembly as it relates to competitive bid and the unique circumstance exceptions to go outside of competitive bid process. Mr. Serka was invited to explain his intentions with the lot. Mr. White suggested the CBS Assessing Department is in the process of revaluating property values and suggested any long-term leases wait until property values can be updated. Mr. White will work with Mr. Serka and bring some lease terms to the next meeting for the board to review and make suggestions to Assembly depending property value updates.

3. Silver Bay Seafoods Lot 9c Short Term Lease Request

Mr. White explained Silver Bay Seafoods has been leasing space at GPIIP for nine seasons and that short-term leases can be cancelled with a 30-day notice. He said that SBS knows this is the last summer they will be able to do this.

Motion: M/S Howard/Goeden to move forward with the Lot 9c Short Term Lease request for Silver Bay Seafood at \$ 453.49/month on a month-to-month basis.

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

4. K & E Lot 15 Short Term Lease Request

Mr. Harmon explained this is a short-term lease request to dump rock that will then be used for the city's critical water supply project and that this will basically be a staging area for 3 weeks.

Motion: M/S Johnson/Goeden to move forward with the Lease request for K & E as written.

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

J. Adjournment

Motion: M/S Wagner/Campbell move to adjourn the meeting at 5:10pm.

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



329 Harbor Drive, Suite 202
Sitka, AK 99835
Phone: 907-747-2660

Friday, May 9, 2025

MEMORANDUM

To: Gary Paxton Industrial Park (GPIP) Board of Directors
From: Garry White, GPIP Director
Subject: GPIP Haul Out Development Work session

Introduction

The GPIP Board and CBS are in the process of developing a vessel haul out and shipyard at the Gary Paxton Industrial Park.

More information about the GPIP Vessel Haul Out Development Project can be found at the following link:

<https://www.cityofsitka.com/departments/PublicWorks/GPIPHaulOut>

Future Haul Out and Shipyard Development

The GPIP Board in the past discussed the yard space needed for the haul out and shipyard facility at the GPIP, specifically the amount of space needed for a working yard, long term vessel storage, gear storage, and space available for vendor operations.

The GPIP Director has received multiple inquiries regarding future leases of property at the GPIP for marine services and other activities.

A discussion regarding future developments by the GPIP Board is needed to start the future development of properties to support the haul out and shipyard facility.

The attached GPIP Land Use Plan conceptual drawing outlines current property owners and current long-term leases.

Questions for a planning discussion on future haul out and shipyard development:

1. How much space does the Board wish to allocate for vendor operations in the park and which areas should be designated?
2. How does the Board recommend that property is allocated, via sales or long-term leases.
3. If long term leases, suggested lease terms and whether a bid process is needed to ensure fair and equitable opportunities. Sales are required to go through a competitive bid process or RFP process.
4. How much space will be allocated for long-term storage of vessels?

Exhibit 3

Page 1

5. How much space will be allocated for gear storage?
6. Other potential uses of GPIIP property?

DRAFT Shipyard Layout

- Please see the proposed haul out layout.

Fiscal Note

Total funding allocated for this project is \$10,131,040 (\$8,181,040 from the proceeds of the sale of the Sitka Community Hospital property, \$100,000 appropriated towards the development in 2021, \$1 million dollar grant from Denali Commission, and an additional \$850,000 appropriated by the Assembly in 2024). The Assembly approved an appropriation for Phase I estimated costs of the based bid items in the amount of \$8,187,000 at its July meeting.

To complete the additive alternative items remaining in phase 1 an estimated ~\$6 million will be needed based on a past estimates. New cost estimates are being researched due to increased cost of construction. With no readily available municipal source of working capital to fund the additive, alternate items of Phase 1, grant-funding opportunities are the most likely funding source. It is important to note that if the funding source is federal, there may be some added cost related to federal funding restrictions. Cost estimates for Phase 2 of the project have not been fully developed but estimated to be in the \$18 million dollar range.

Additional Information

Upland Facilities Needed to Support Marine Trades

Sources of data: Review of Marine Trades Spatial Needs, BST Associates, 2010, Commercial Boat Launch Location Study, Anchor/KPF, 2008, plus Port staff review of existing Puget Sound facilities and input from local operators.

Boat Repair Yard

- *Upland Acreage:* Boat repair yards range from 1.5 to 3 acres. New yards tend to be larger.
- *Upland Maneuver Space:* 150 Ton lift requires 240' upland space.
- *Waterside Facilities:* Minimum 60'-110'; ideally 250'-300' in staging float plus 75'-130' waterside approach area; total water-side approach of 135'-240' depending on lift/vessel size.
- *Water Depth:* 12' to 18' adjacent to bulkhead, depending on vessel size.
- *Zoning:* Light Industrial, Marine Industrial or Waterfront Commercial zoning with height regulations to permit 50' to 60' tall buildings or paint tents.
- *Building Size:* Seaview North buildings are 26,000 square feet, 35' and 42' tall, which is too small. 50-60' foot height is needed.
- *Stormwater Facilities:* Paved yards with adequate stormwater collection and treatment facilities to meet Department of Ecology requirements for a Boatyard General Permit

Comparable Marine Service Centers

- | | |
|-----------------------------------|---|
| • Halibut Point Marine | ~2.5 acres of uplands (no vendor space) |
| • Wrangell Marine Service Center | ~7 acres of uplands (includes vendor space) |
| • Hoonah Marine Industrial Center | ~3.5 acres of uplands |

- Cordova Shipyard ~3 acres of uplands (no vendor space)

GPIP remaining property for development near waterfront

Phase 1 property available for haul out and shipyard

Lot 9a	~62,000 SF (not including road easement and dock)
Lot 4	~19,000 SF (not including the 6,900 SF Building)
Lot 6	41,028 SF
Lot 7	32,879 SF
Lot 8	29,421 SF
	184,328 SF or 4.23 Acres

Phase 2 property available for shipyard

Lot 15	113,369 SF
Lot 9c	34,636 SF
	148,005 SF or 3.40 Acres

Multipurpose Dock Support Space

The GPIP Dock has a multi-purpose, floating dock facility to serve a range of industries, including but not limited to fishing and container/cargo shipping. The primary floating dock is a repurposed double hull steel barge, 250 feet long and 74 feet wide, and is accessible by a drive-down ramp with a minimum width of 14 feet. The structure can accommodate the handling of loaded containers, truck and trailers, and vehicles intended to support vessels with a maximum draft 40 feet.

When originally constructed the GPIP Board discussed yard space needed to support the GPIP Dock. The Board reviewed the following information.

The following information was sourced from the *Port Designer's Handbook (second edition)* by Carl A Thoresen. The Handbook suggests that primary and secondary yards combined should be ~985' deep behind the apron for a multi-purpose dock. Primary yards usually consist of 50-75% of total yard area.

GPIP potential yard requirement:

- Using Port Designer's Handbook suggested apron face and yard depths.
- 50% area needed for primary yard.

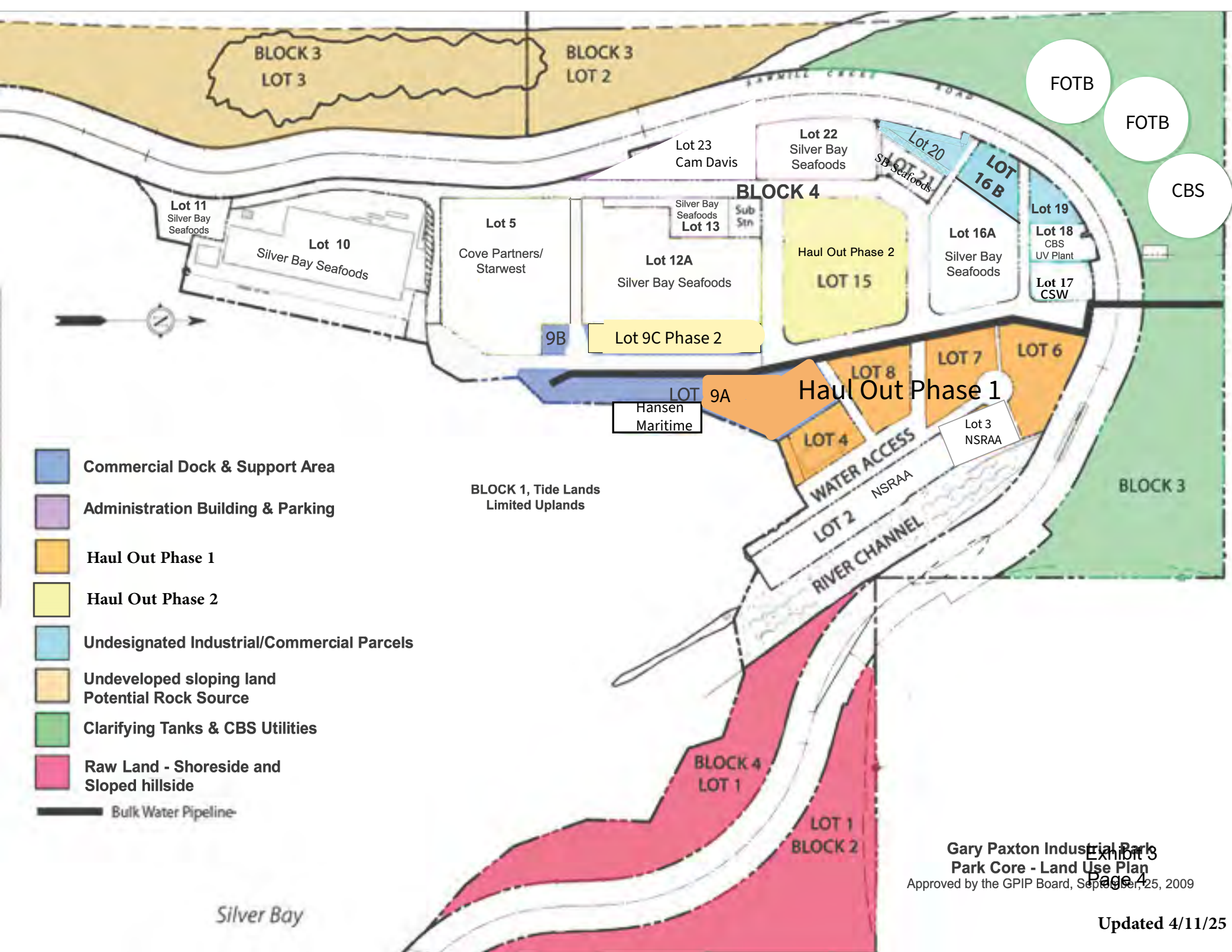
250' apron face x 985' yard depth = 5.65 acres * 50% = 2.82 acres suggested for primary yard area.

Comparable Terminal Yards in Sitka

- Sampson Tug and Barge Uplands 1.92 acres
- AML Uplands 3.42 acres
- Old Northern Sales uplands 1.4 acres

Action

- GPIP Board work session on future haul out and shipyard development.



Draft Shipyard Layout



Draft