



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Matt Hunter  
Vice-Deputy Mayor Benjamin Miyasato  
Aaron Swanson, Steven Eisenbeisz  
Tristan Guevin, and Michelle Putz*

*Municipal Administrator: Mark Gorman  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Colleen Ingman, MMC*

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Tuesday, January 27, 2015

6:00 PM

Assembly Chambers

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### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[15-004](#) Correspondence and Reminders

Attachments: [Reminders and Calendars](#)

[Thank You Letters](#)

[Presentation STF Replacement](#)

[Letter of Support](#)

V. CEREMONIAL MATTERS

[15-001](#) Certificate for retiring employee Brenda Calkins

Attachments: [Calkins Certificate](#)

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

VII. PERSONS TO BE HEARD

*Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.*

**VIII. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. CONSENT AGENDA**

*All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A**     [15-002](#)     Approve the minutes of the January 13, 2015 Assembly meeting

**Attachments:**   [Motion Minutes](#)  
                          [Minutes Jan. 13](#)

**X. UNFINISHED BUSINESS:**

- B**     [ORD 15-01](#)     Authorizing a lease amendment to the tidelands lease in Alaska  
                          Tidelands Survey 1160 to Wade and Gretchen Parrish

**Attachments:**   [Motion Ord 2015-01](#)  
                          [Memo and attachments](#)  
                          [Ord 2015-01](#)  
                          [Tidelands Lease Agreement](#)  
                          [Planning Comm. minutes, staff reports](#)

- C**     [ORD 15-02](#)     Adjusting the FY15 Budget

**Attachments:**   [Motion Ord 2015-02](#)  
                          [Ord 2015-02](#)

**XI. NEW BUSINESS:****New Business Items**

- D**     [15-003](#)     Appoint Doug Osborne to an unexpired term on the Health Needs and  
                          Human Services Commission

**Attachments:**   [Motion Appointment](#)  
                          [Osborne application](#)  
                          [Roster Health Needs and Human Services Commission](#)

**New Business First Reading as Amended**

- E      [ORD 15-03A](#)      Plans to issue a Request for Proposal(s) for an entity to take on the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka. Formally dissolving the Sitka Convention and Visitor's Bureau under the City's oversight once the Request for Proposal(s) is awarded. The CBS will provide a percentage of bed tax revenues for funding purposes
- Attachments:**   [Motion Ord 2015-03A](#)  
                          [Ord 2015-03A](#)  
                          [SCVB Overview](#)

**New Business First Reading**

- F      [RES 15-01](#)      Authorizing the application for a loan increase to the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund for the Channel, Lake, Monastery and Landfill lift stations
- Attachments:**   [Motion Res 2015-01](#)  
                          [Memo Res 2015-01](#)  
                          [Res 2015-01](#)
- G      [RES 15-02](#)      Supporting a community playground at Crescent Harbor Park
- Attachments:**   [Motion Res 2015-02](#)  
                          [Res 2015-02](#)
- H      [RES 15-03](#)      Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of certain of the Bond Bank's general obligation bonds, which provided funds to purchase the City's General Obligation Refunding Bond, 2005, and General Obligation Bond, 2008, under loan agreements between the City and the Bond Bank; and authorizing the City's finance director to approve a revised schedule of principal and interest payments with respect to the City's 2005 Bond and 2008 Bond, in accordance with the loan agreements, if the Bond Bank successfully refinances its bonds
- Attachments:**   [Motion Res 2015-03](#)  
                          [Res 2015-03](#)

- I      [RES 15-04](#)      Approving the sale of Block 4, Lot 17 building and property at Gary Paxton Industrial Park to Ed & Clara Gray D.B.A. Monarch Tannery, and authorizing the Municipal Administrator to sign the agreement
- Attachments:** [Motion Res 2015-04](#)  
                                 [Memo Monarch Tannery](#)  
                                 [Res 2015-04](#)  
                                 [Purchase and Sales Contract Monarch Tannery](#)  
                                 [Exhibit A Monarch Tannery](#)  
                                 [Monarch Tannery Offer](#)  
                                 [Ord 00-1568](#)
- J      [RES 15-05](#)      Approving the sale of Block 4, Lot 12A, Lot 13, Lot 9C and Block 4, Lot 11 building and property containing the former water treatment plant at Gary Paxton Industrial Park to Silver Bay Seafoods, LLC, and authorizing the Municipal Administrator to sign the agreements
- Attachments:** [Motion Res 2015-05](#)  
                                 [Memo Silver Bay Seafoods](#)  
                                 [Res 2015-05](#)  
                                 [Purchase Sales Contract Block 4 Lot 11](#)  
                                 [Exhibit A Block 4 Lot 11 Silver Bay Seafoods](#)  
                                 [Purchase Sales Contract Block 4 Lot 12A Lot 13 and Lot 9C](#)  
                                 [Exhibit A Block 4 Lot 12A Lot 13 and Lot 9C](#)  
                                 [Silver Bay Seafoods original proposal and amendments](#)  
                                 [GPIP Board Minutes](#)  
                                 [GPIP Strategic Plan](#)  
                                 [2014 Appraisal Summary](#)  
                                 [Ord 00-1568](#)
- K      [ORD 15-04](#)      Modifying Chapter 4.24 of the Sitka General Code, Hotel, Motel and Bed and Breakfast Transient Room Tax, by adding Section 4.24.070 which creates a special revenue fund entitled "Visitor Activities Enhancement Fund," which directs that all bed taxes collected are deposited in the fund, and which sets forth policy as to how such funds may be appropriated and used
- Attachments:** [Motion Ord 2015-04](#)  
                                 [Ord 2015-04](#)
- L      [ORD 15-05](#)      Adjusting the FY15 Budget
- Attachments:** [Motion Ord 2015-05](#)  
                                 [Ord 2015-05](#)

- M**      [ORD 15-06](#)      Adding a new title to Sitka General Code entitled "Title 7, Marijuana Regulations" to regulate and tax the use, possession, manufacture and sale of marijuana as well as provide penalties for violation as defined in Chapter 7.30, Section 7.30.010 entitled "Public Consumption"

**Attachments:**   [Motion Ord 2015-06](#)

[Ord 2015-06](#)

**XII.      PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

**XIII.     EXECUTIVE SESSION**

**XIV.     ADJOURNMENT**

*Sara Peterson, CMC  
Acting Municipal Clerk  
Publish: January 23*



## Legislation Details

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**File #:** 15-004      **Version:** 1      **Name:**  
**Type:** Item      **Status:** AGENDA READY  
**File created:** 1/22/2015      **In control:** City and Borough Assembly  
**On agenda:** 1/27/2015      **Final action:**  
**Title:** Correspondence and Reminders  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Reminders and Calendars](#)  
[Thank You Letters](#)  
[Presentation STF Replacement](#)  
[Letter of Support](#)

Date	Ver.	Action By	Action	Result
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# REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, January 27	Regular Meeting	6:00 PM
Friday, January 30	Government to Government Dinner (Westmark Banquet Room)	6:00 PM
Tuesday, February 10	Regular Meeting	6:00 PM



# Assembly Calendar

[2014](#)  
 [Jan](#)  
 [Feb](#)  
 [Mar](#)  
 [Apr](#)  
 [May](#)  
 [Jun](#)  
 [Jul](#)  
 [Aug](#)  
 [Sep](#)  
 [Oct](#)  
 [Nov](#)  
 [Dec](#)  
 [2016](#)

January 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 <b>Dec</b>	29	30	31	1 <b>Jan</b>	2	3
<b>Hackett</b>	<b>Hackett</b>	1:00pm SCVB Board		12:00pm - 1:30pm SEDA Board Meeting		
4	5	6	7	8	9	10
	<b>Eisenbeisz</b>	<b>Eisenbeisz</b> <b>Guevin</b> 7:00pm Planning 7:00pm <u>School</u>	<b>Eisenbeisz</b> <b>Guevin</b> 7:00pm Library Board	<b>Eisenbeisz</b> <b>Guevin</b> <b>Putz</b> 12:00pm LEPC 12:00pm Parks & Rec 6:00pm Worksession: GPIP Board and Assembly	<b>Eisenbeisz</b> <b>Guevin</b>	<b>Guevin</b>
11	12	13	14	15	16	17
<b>Guevin</b>		6:00pm <u>Reg Assembly Mtg</u>	6:00pm Historic Preservation			
18	19	20	21	22	23	24
	6:30pm <u>Marijuana Town Hall Meeting</u>	12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u> 7:00pm <u>School</u>	6:30pm STA	6:30pm <u>Hospital Board</u>		
25	26	27	28	29	30	31 <b>Feb</b>
		<b>Putz</b> 1:00pm SCVB Board 6:00pm <u>Regular Assembly Mtg</u>	<b>McConnell</b> 6:00pm Police and Fire Commission - Fire Hall	<b>McConnell</b>	6:00pm <u>Govt to Govt Dinner</u>	



# Assembly Calendar

[2014](#)   [Jan](#)   [Feb](#)   [Mar](#)   [Apr](#)   [May](#)   [Jun](#)   [Jul](#)   [Aug](#)   [Sep](#)   [Oct](#)   [Nov](#)   [Dec](#)   [2016](#)

February 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Feb	2	3	4	5	6	7
	Eisenbeisz	Eisenbeisz McConnell 7:00pm Planning 7:00pm <u>School</u>	Eisenbeisz 7:00pm Library Board	Eisenbeisz 12:00pm - 1:30pm SEDA Board Meeting	Eisenbeisz	Eisenbeisz
8	9	10	11	12	13	14
Eisenbeisz	Eisenbeisz	6:00pm <u>Reg Assembly Mtg</u>	6:00pm Historic Preservation 6:00pm Worksession with School Board at School District Office	12:00pm LEPC 12:00pm <u>Parks &amp; Rec</u>		
15	16	17	18	19	20	21
McConnell	McConnell	McConnell 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u> 7:00pm <u>School</u>	McConnell 6:30pm STA			
22	23	24	25	26	27	28 <i>Mar</i>
		1:00pm SCVB Board 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission - Fire Hall	6:30pm <u>Hospital Board</u>		



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

January 12, 2015

Patrick Williams  
209 Moller Avenue  
Sitka AK 99835

Dear Patrick,

On behalf of the City and Borough of Sitka, I want to thank you for your personal contributions of time and service to our community.

The Health Needs and Human Services Commission relies on the guidance and leadership of its board members; your commitment and personal sacrifice on behalf of this organization has indeed been helpful. The whole community is indebted to you for your valuable insight.

We wish you all the best and hope that you will find a way to stay involved in the future.

Warmest wishes,

Melissa Henshaw  
Assistant Clerk



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

January 12, 2015

Lori Hart  
100 Winchester Way  
Sitka AK 99835

Dear Lori,

On behalf of the City and Borough of Sitka, I want to thank you for your personal contributions of time and service to our community.

The Hospital Board relies on the guidance and leadership of its board members; your commitment and personal sacrifice on behalf of this organization has indeed been helpful. The whole community is indebted to you for your valuable insight.

We wish you all the best and hope that you will find a way to stay involved in the future.

Warmest wishes,

Melissa Henshaw  
Assistant Clerk



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

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January 16, 2015

Pauline Fredrickson  
PO Box 416  
Sitka AK 99835

Dear Pauline,

On behalf of the City and Borough of Sitka, I want to thank you for your personal contributions of time and service to our community.

The Hospital Board relies on the guidance and leadership of its board members; your commitment and personal sacrifice on behalf of this organization has indeed been helpful. The whole community is indebted to you for your valuable insight.

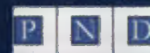
We wish you all the best and hope that you will find a way to stay involved in the future.

Warmest wishes,

Melissa Henshaw  
Assistant Clerk



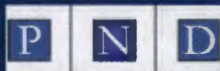
# Sitka Transient Float (STF) Replacement



January 14, 2015



## PND Design Team



**Dick Somerville, P.E.**  
Principal Civil Engineer



**Mark Morris, P.E.**  
Principal Electrical Engineer

## Tonight's Presentation Project Scoping Phase

- STF Development Goals, Objectives & Budget
- Site Conditions – Survey & Geotechnical
- Wave Conditions & Float Design Recommendations
- Concept Plans for Replacing STF
- Pole Tending Float Options
- Potable Water and Fire Suppression System
- Power & Lighting System Options
- Cost Estimates – Base Bid & Additive Alternate
- Preferred Scope to Move Forward to Final Design
- Proposed Project Schedule

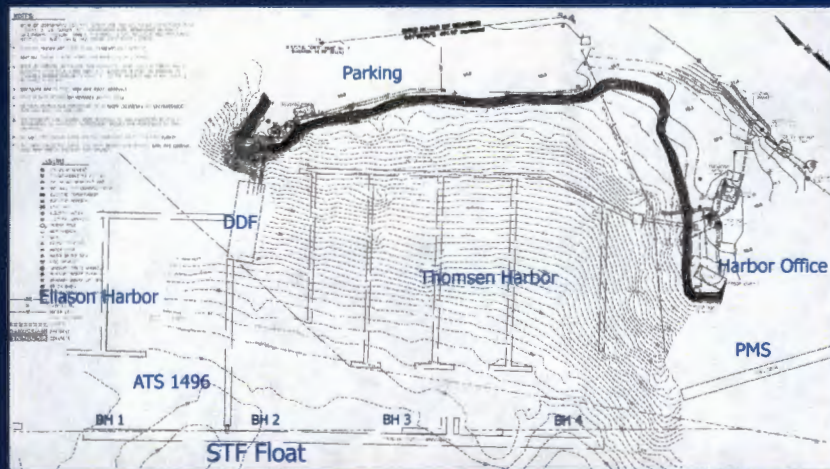
## STF Goals, Objectives & Budget

- Demolish existing concrete/timber float in its entirety
- New float must be durable, easy to maintain, must provide vessel moorage on both sides and comparable wave protection for the harbor
- Construct Pole Tending Float if budget allows
- Combined potable water and fire suppression system with heat trace
- Glare shielded LED lighting
- Power pedestals if budget allows
- Cathodic protection for piles – sacrificial anodes
- **Total Project Budget All In = \$6.15M**

## Aerial View of Project Site



## Site Conditions – Bathymetry, ATS Boundary & Geotechnical



# Site Conditions – Waves November 2011 Storm Sustained westerly winds @ 40 knots



## 2013-14 USACE Improvements



Figure 1. Site Harbor (NOAA Chart 17527)



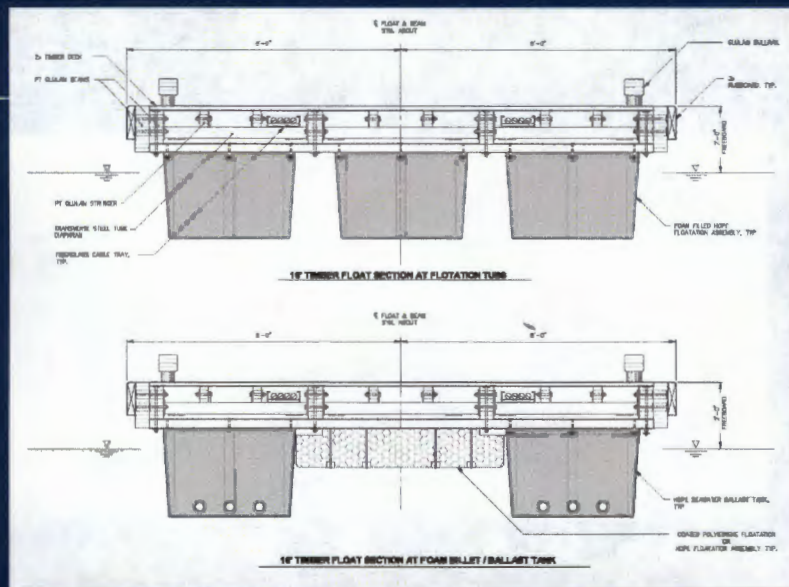
Figure 2. Aerial Photo – Channel Rock Breakwaters and Thomson Harbor (5/13/2013)



## Float Assessment & Design Recommendations

- Concrete & Timber Floats were assessed in 12', 16' and 21' widths.
- Long period surge & sea swell wave transmission into the harbor will be similar for all float options. Floating wave attenuators are not generally effective in these conditions.
- Wider floats are more effective for attenuating short period waves (3-4 seconds max.)
- Float motion is larger for narrower floats
- A minimum float width of 16' is recommended for pedestrian safety and attenuating short period waves
- Concrete floats typically have less wave transmission than timber floats due to greater mass and continuous deeper draft.
- Timber floats are preferred by CBS Harbor staff for routine maintenance & should be ballasted to increase mass

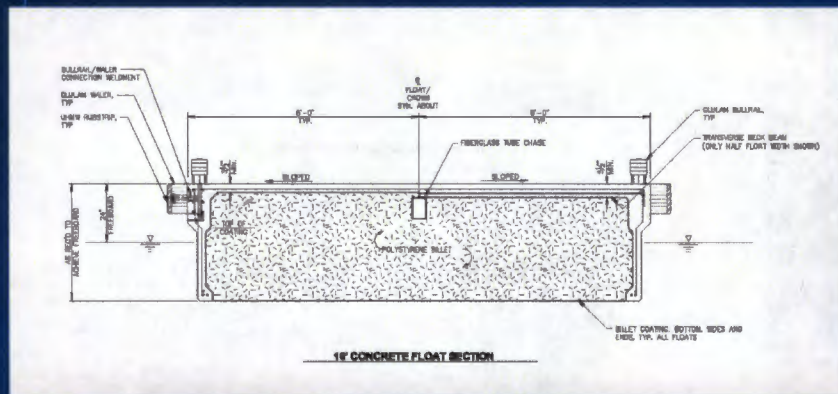
### HD Ballasted Timber & Polytub Float



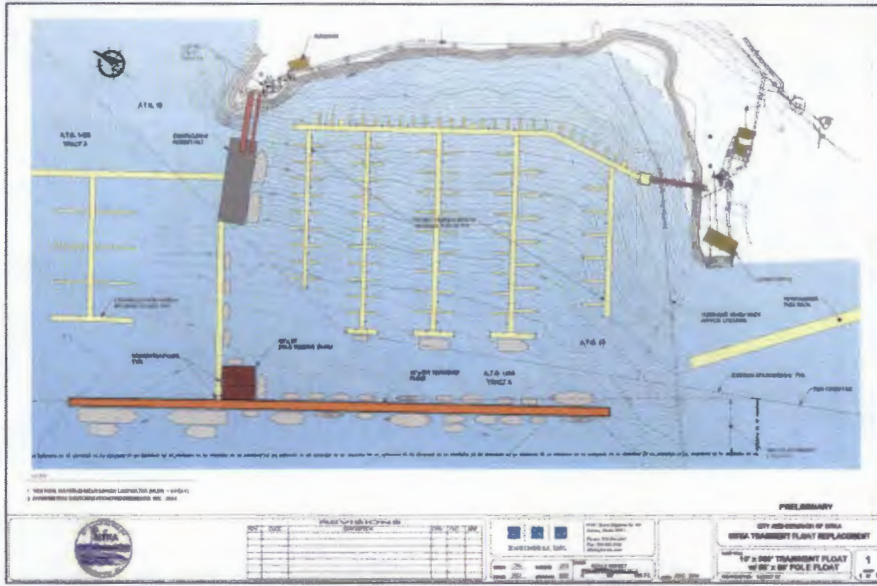
### HD Ballasted Timber & Polytub Float



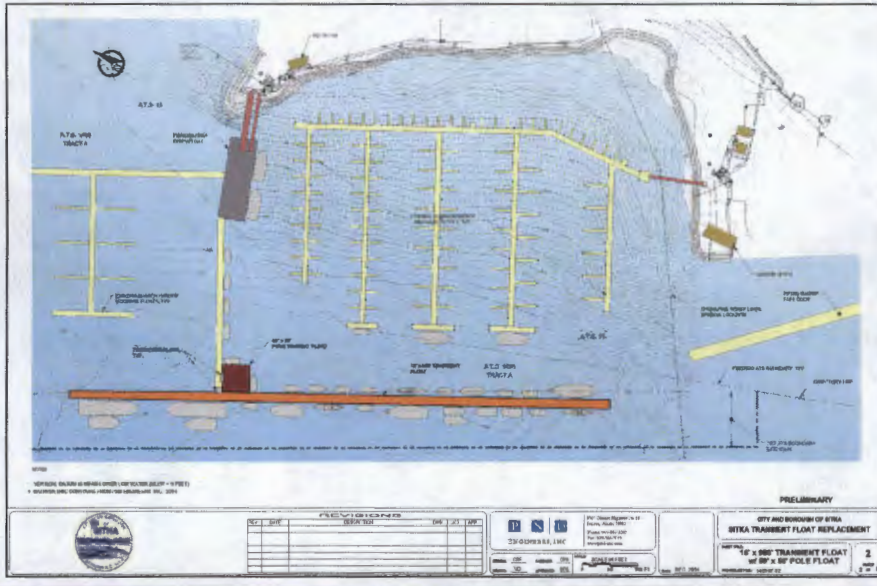
### Concrete Float Section



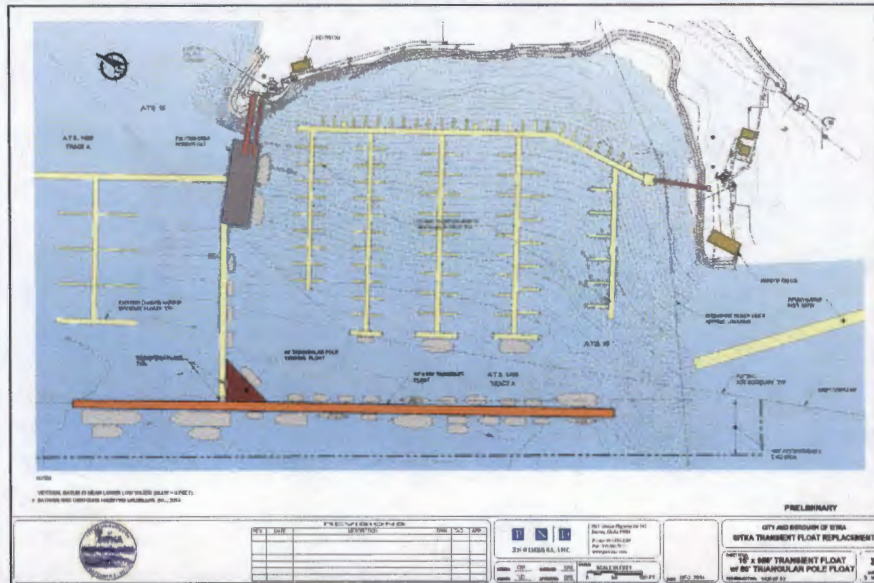
### 16' x 980' STF w/ 60x60 Pole Float



### 16' x 980' STF w/ 50x50 Pole Float



## 16' x 980' STF w/80' Triangular Float



## Potable Water & Fire Suppression System

- Combined potable water and fire system with single service pipe similar to ANB harbor
- Wet on demand system for both potable and fire water
- Year round service with heat traced pedestals
- (7) potable water pedestals will be spaced approximately 150' OC each with (2) ¾" hose connections
- (5) fire suppression pedestals will be evenly spaced on the float each with 1 ½" angle valves having fire hose thread connections
- Fire hose and extinguisher cabinets will also be provided

## Power and Lighting System Options

- Two options studied:
  - Option 1 – full electrical package with power, LED lighting and heat trace for water system on the new float. Dual service 30A/50A power pedestals would be spaced about 70' OC down both sides of float. Construction Bid Cost = \$850K
  - Option 2 – LED lighting and heat trace improvements only with main service equipment and feeder cables to connect power pedestals in the future. Construction Bid Cost = \$415K
- New upland service equipment required to separate from Eliason due to recent NEC ground fault protection requirements

## Power and Lighting System Options



## Cost Estimates - All In Construction + Contingency + Indirects

Description	Total Project Cost
Base Bid: 16'x980' Ballasted Timber Float w/ Electrical Option No. 2	\$6.311 M
Base Bid: 16'x980' Concrete Float w/ Electrical Option No. 2	\$7.274 M
Additive Alternate A: Pile Anodes	\$0.142 M
Electrical Option No. 1 Power Pedestals	\$0.608 M
60'x60' Pole Tending Float	\$0.947 M
50'x50' Pole Tending Float	\$0.682 M
80' Triangular Pole Tending Float	\$0.807 M

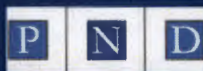
## CBS Preferred Scope to Move Forward to Final Design

Description	Total Project Cost
Base Bid: 16'x980' Ballasted Timber Float w/ Electrical Option No. 2	\$6.311 M
Additive Alternate A (AAA): Pile Anodes	\$0.142 M
Total Required Budget	\$6.453 M
Funds in Hand	\$6.150 M
<b>Additional Funds Required for Base Bid</b>	<b>\$0.161 M</b>
<b>Additional Funds Required for Base Bid + AAA</b>	<b>\$0.303 M</b>

## Proposed Project Schedule

Description	Timeframe
Confirm Preferred Scope to Move Forward	Tonight
Prepare Permit Applications & Submit to Agencies	Winter 2015
Complete Design Phase	Spring 2015
Bid & Construction Award Phase Complete	Early Summer 2015
Float Fabrication Complete	Fall 2015
Field Installation Complete	March 15, 2016

## STF Float Replacement Thank you for your comments!





# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

January 9, 2015

To Whom it May Concern:

I am pleased to support the Island Institute's grant proposal for the 2015 Sitka Symposium.

Our community is already seeing regional signs of climate change, from the rotting of our yellow cedars to the die-off of our sea stars to rising levels of ocean acidification. Given our reliance on fossil fuels to move around and to ship food and other products, we will also be widely affected by the wider global economic impacts of climate change. The Sitka Island Institute's upcoming initiatives to explore what it means to be a rural community in times of rapid climate change will be welcome in our town, and will go a long way towards fostering conversations that we need to have here in order to ensure that Sitka continues to prosper for generations to come.

Given the work that the Island Institute has done around important civic issues - ranging from conversations around the closing of the pulp mill in the 1990's to work around the Local Waste Management Plan or their more recent work as part of the Local Foods Assessment - I believe that they are uniquely qualified to lead humanistic explorations around the effect of climate change on small communities like our own.

The Island Institute has long cultivated a climate of conversation around big ideas here in Sitka, and I look forward to their work here on this deeply important topic. Please consider funding the initiatives comprising the 2015 Sitka Symposium.

Sincerely,

Mim, McConnell, Mayor  
City and Borough of Sitka





## Legislation Details

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File #: 15-001      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 1/20/2015      In control: City and Borough Assembly  
On agenda: 1/27/2015      Final action:  
Title: Certificate for retiring employee Brenda Calkins  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Calkins Certificate](#)

Date	Ver.	Action By	Action	Result
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# Service Award

*On behalf of the City and Borough of Sitka is hereby awarded to*

***Brenda Calkins***

In grateful appreciation of over 11 years of dedicated service to the City and Borough of Sitka. Your contributions have benefited this organization immensely. With our sincere gratitude.



*Sara Peterson*

ATTEST: Acting Municipal Clerk  
Sara Peterson

*Mim McConnell*

Mayor Mim McConnell



## Legislation Details

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File #: 15-002      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 1/20/2015      In control: City and Borough Assembly

On agenda: 1/27/2015      Final action:

Title: Approve the minutes of the January 13, 2015 Assembly meeting

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Minutes](#)  
[Minutes Jan. 13](#)

Date	Ver.	Action By	Action	Result
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If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

**I MOVE TO** approve the minutes of the January 13, 2015 Assembly meeting.



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell*  
*Deputy Mayor Matt Hunter*  
*Vice-Deputy Mayor Benjamin Miyasato*  
*Aaron Swanson, Steven Eisenbeisz*  
*Tristan Guevin, and Michelle Putz*

*Municipal Administrator: Mark Gorman*  
*Municipal Attorney: Robin L. Koutchak*  
*Municipal Clerk: Colleen Ingman, MMC*

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Tuesday, January 13, 2015

6:00 PM

Assembly Chambers

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### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

IV. CORRESPONDENCE/AGENDA CHANGES

14-253 Correspondence

V. CEREMONIAL MATTERS

None.

VI. **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)**

Lawrence SpottedBird, General Manager of STA, updated the Assembly on events and election of officers.

VII. PERSONS TO BE HEARD

Randy Hughes, Assessor, reminded the public the deadline for submitting exemption applications, boat surveys and property declaration forms was February 15.

Michelle Putz, speaking as a member of the public, invited the Assembly and the public to a presentation on Renewable Energy in Sitka January 21 at Harrigan Hall.

**VIII. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**

Mayor - Attended numerous meetings related to Sitka Community Hospital. Scheduled to talk on the phone with incoming Hospital Interim CEO Rob Allen and meet with him after he arrived. She looked forward to having him at his new post and there to help the Hospital staff and the community move forward in stabilizing the Hospital finances and continue to provide excellent health care services to the community. She noted change was hard but could bring good things and encouraged the Hospital employees and Sitkans to be patient during the transition. Attended the regular SEDA and SCVB meetings. Attended a Branding Steering Committee meeting: reviewed the results of the branding survey, expected outcomes of the project and ideas concerning how Sitka should be branded. A Wayfinding team member would be in Sitka later in the month and would meet to assess Sitka's wayfinding needs. Noted she would be attending the Mobilizing for Action through Planning and Partnerships training on January 20-21. She explained it was a broad community health assessment sponsored by the Health Needs and Human Services Commission and the Sitka Health Summit.

Administrator - Reported he and Jay Sweeney, Chief Finance and Administrative Officer (CFAO) had spent time assisting with Hospital matters, attended a joint worksession between the Gary Paxton Industrial Park Board and the Assembly, stated there would be a Town Hall meeting January 19 to hear ideas on how an ordinance should regulate and define marijuana public consumption. Jay Sweeney, CFAO, noted there was an opportunity to refinance General Obligation Bonds and a resolution would come forward at the January 27 meeting.

Attorney - Reported a majority of her time had been devoted to the Hospital issues, restated there would be a Town Hall meeting January 19 to discuss the issues with marijuana regulation, and noted she had been working with Delta Airlines regarding space at the airport.

Liaisons - Guevin reported on a School District Strategic Planning meeting he had attended, Hunter reported on a recent Port and Harbors Commission meeting and Miyasato reported on the Parks and Recreation Committee meeting.

Clerk - Reviewed Liaison assignments.

**IX. CONSENT AGENDA**

**A 14-248** Approve the minutes from the December 23, 2014 and January 2, 2015 Assembly meetings

This item was **APPROVED** on the Consent Agenda.

**B 14-250** Approve the Acting Municipal Administrator list for 2014

This item was **APPROVED** on the Consent Agenda.

**Approval of the Consent Agenda**

A motion was made by Putz to APPROVE the Consent Agenda. The motion PASSED by the following vote:

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**X. UNFINISHED BUSINESS:**

**C 14-239**

Board of Adjustment: Approve a conditional use permit, with conditions, for a horse stable at 5304 Halibut Point Road, filed by David Allen. The property is owned by Allen Marina, LLC

A motion was made by Hunter to convene as the Board of Adjustment. The motion PASSED by unanimous voice vote.

Maegan Bosak, Planner I, provided a summary of the request and briefly reviewed the findings and conditions as proposed by the Planning Commission.

Putz noted the subject property was known to be heavily populated by bears and wondered if this had been discussed at the Planning Commission level. Bosak stated the owners were aware of the issue and would be removing the maneur on a regular basis.

Lonnie Greenough, representing Dave Allen, stated the property owners would look into electric fencing if an issue arose between the bears and horses.

A motion was made by Hunter to APPROVE a conditional use permit request filed by David Allen on behalf of Allen Marine, LLC to build a horse stable with three stalls at 5304 Halibut Point Road under the following findings and conditions as proposed by the Planning Commission.

**Findings:**

The granting of the proposed conditional use permit will not:

- 1a. Be detrimental to the public health, safety, and general welfare;
- b. Adversely affect the established character of the surrounding vicinity; nor
- c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation, specifically:  
Section 2.3.1 To guide the orderly and efficient use of private and public land in a manner that maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations.  
Section 2.7.9 To assure that animal regulations in outlying areas and islands shall be as liberal as possible.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced. Specifically, the four conditions that have been added to the conditional use permit.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.

**6. Burden of proof: the applicant has met the burden of proof.**

The request is supported by general approval criteria as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures; specifically, that the proposed use is in a large lot with no downstream residential uses.
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

The following criteria determining impacts of conditional uses have been considered.

- a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses.
- b. Amount of noise to be generated and its impacts on surrounding land uses.
- c. Odors to be generated by the use and their impacts.
- d. Hours of operation.
- e. Location along a major or collector street.
- f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario.
- g. Effects on vehicular and pedestrian safety.
- h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site.
- i. Logic of the internal traffic layout.
- j. Effects of signage on nearby uses.
- k. Presence of existing or proposed buffers on the site or immediately adjacent the site.
- l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and objectives of the comprehensive plan.
- m. Other criteria that surface through public comments or planning commission assembly review.

Conditions:

1. The facility shall be operated consistent with the application and plans that were submitted with the request.
2. The facility shall be operated in accordance with the narrative that was submitted with the application.
3. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
4. Failure to comply with any of the conditions may result in revocation of the



conditional use permit.

The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

A motion was made by Hunter to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

**D ORD 14-41**

Amending SGC Section 2.04.020 to clarify who shall attend Assembly executive sessions

A motion was made by Swanson that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

**XI. NEW BUSINESS:**

**New Business First Reading**

**E ORD 15-01**

Authorizing a lease amendment to the tidelands lease in Alaska Tidelands Survey 1160 to Wade and Gretchen Parrish

Attorney Robin Koutchak provided an explanation of the ordinance.

Eisenbeisz thanked staff for finding a way to work with the applicant.

A motion was made by Miyasato that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**F ORD 15-02**

Adjusting the FY15 Budget

Jay Sweeney, CFAO, added there had been a cost savings to city enterprise funds and departments as a result of cutting back utility customer service office hours. He further explained the electric debt service increase was due to a fourth bonding for completion of the Blue Lake Expansion Project.

A motion was made by Swanson that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**G ORD 15-03**

Formally dissolving the Sitka Convention and Visitor's Bureau under the City's oversight effective July 1, 2015; with plans to issue a Request for Proposal(s) for an entity to take on the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka. The CBS will provide a percentage of bed tax revenues for funding purposes

Tonia Rioux, SCVB Director, spoke in support of the ordinance and noted SCVB was in the process of obtaining 501c3 status which was anticipated to take 2-6 months.

Rioux explained the organization had changed over the years and operated more as a non-profit. Rioux as well as the SCVB Board were concerned about a potential gap in marketing efforts during the transition.

Assembly members offered their opinions on the ordinance and discussed various options for amending the ordinance and alternative options. Evy Kinnear and Tonia Rioux spoke to the complexity of services provided by the SCVB and cautioned in delaying the ordinance. Concern was expressed with an effective date of July 1, 2015.

**A motion was made by Hunter to APPROVE this ordinance on first reading.**

**A motion was made by McConnell to amend line 33 and 34 to read, "...effective after an RFP has been awarded to an entity." The amendment PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**This item was PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

### **Additional New Business Items**

- H 14-252 Update on the Takatz Hydroelectric Feasibility Project**
- Utility Director, Chris Brewton, provided an update on a final study addressing the feasibility and costs involved in the Takatz project. Brewton stated the project would not be pursued at this time.
- I 14-249 Appoint Clay Davis to an unexpired term on the Port and Harbors Commission**
- Assembly members thanked the applicant for his willingness to serve.
- A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz
- J 14-251 Approve travel expenses for the Mayor to attend the Innovation Summit in Juneau on January 28 and 29**
- A motion was made by Putz to APPROVE this item. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

## **XII. PERSONS TO BE HEARD:**

Utility Director, Chris Brewton, noted there had been 37 applications submitted for the heat pump rebate program.

**XIII. EXECUTIVE SESSION**

None.

**XIV. ADJOURNMENT**

A motion was made by Hunter to ADJOURN. Hearing no objection the meeting ADJOURNED at 8:00pm.

ATTEST: \_\_\_\_\_  
Sara Peterson, CMC  
Acting Municipal Clerk



## Legislation Details

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File #: ORD 15-01    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 1/6/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Authorizing a lease amendment to the tidelands lease in Alaska Tidelands Survey 1160 to Wade and Gretchen Parrish

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-01](#)  
[Memo and attachments](#)  
[Ord 2015-01](#)  
[Tidelands Lease Agreement](#)  
[Planning Comm. minutes, staff reports](#)

Date	Ver.	Action By	Action	Result
1/13/2015	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-01 on second and final reading.



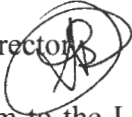
# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## Memorandum

**To:** Mark Gorman, Municipal Administrator  
Mayor McConnell and Assembly Members

**From:** Scott Brylinsky, Interim Planning Director 

**Subject:** Ordinance Authorizing an Addendum to the Lease of Approximately 0.04 Acres of Tidelands in Alaska Tidelands Survey 1160 to Wade and Gretchen Parrish

**Date:** December 30, 2014

The attached ordinance authorizes an addendum to a tidelands lease with Wade and Gretchen Parrish. That lease was renewed for a 30-year term in December of 2013. The addendum is to associate the lease with the upland property to provide a means for the Parrish's to obtain financing for their home.

General procedure set out in ordinance and by historical practice is that tidelands leases are reviewed by the Planning Commission, and authorized by the Assembly through ordinance. The Planning Commission reviewed and approved the addendum on December 16, 2014.

This action item is, so far as we know, the first of its kind to come before the Assembly. The Lessees have encountered a problem with financing of their home, an upland structure adjacent to the leased tidelands. That structure encroaches onto the city leased tidelands. The encroachment is approximately 2 feet in depth, by 6 feet in width on the long leg of the triangle. (Attachment A).

This addendum provides a means for the Parrish's to obtain financing for their property, by allowing their property interest in the tidelands lease to be mortgaged along with the upland property.

The transfer document of these tidelands from the State to the municipality (Attachment B) stipulates that the city may lease the land, but may not sell it. The Municipal Attorney assures us that the terms of the Addendum do not constitute a sale.

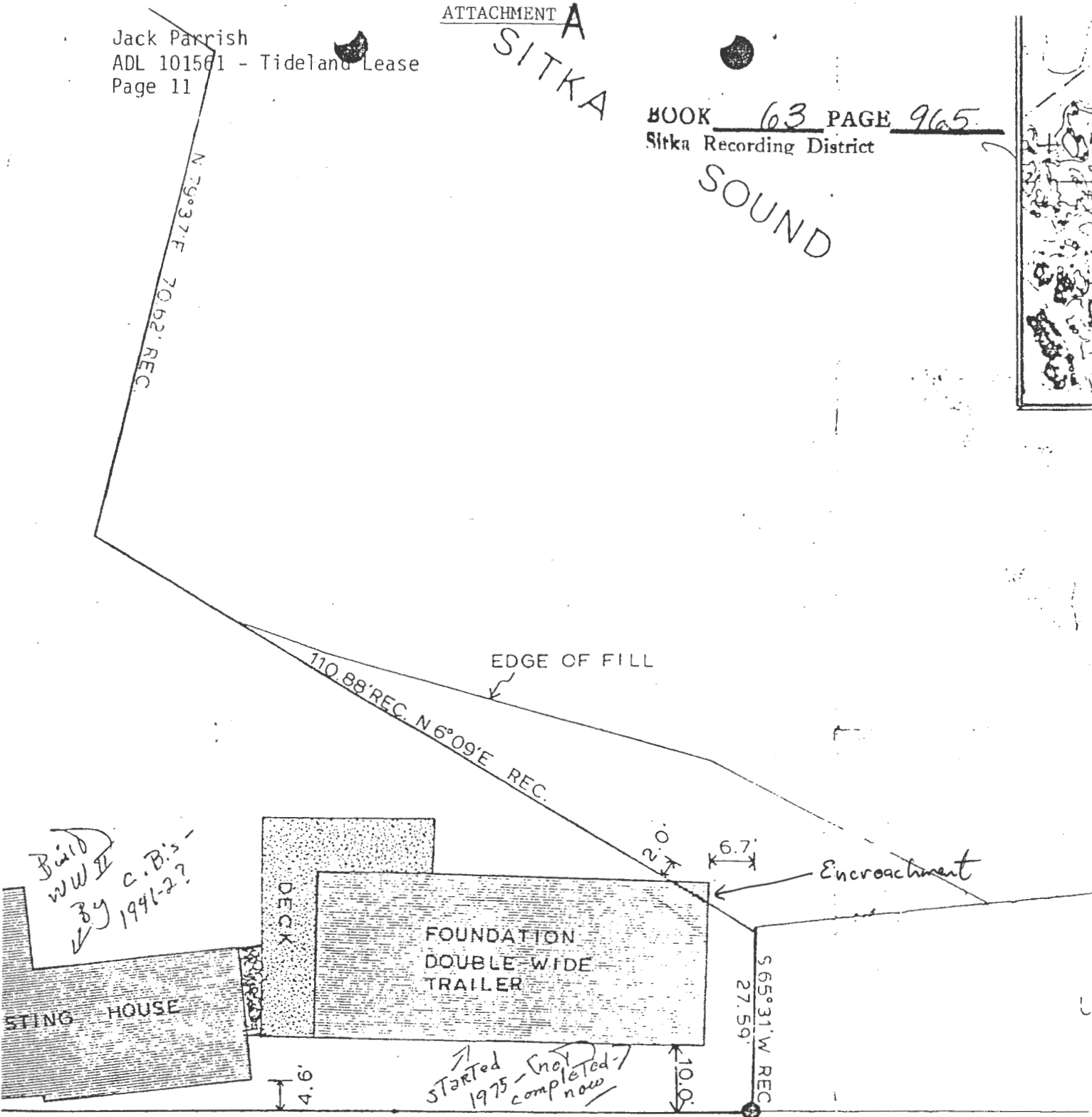
**Recommendation:** Authorize the Addendum.

Jack Parrish  
ADL 101561 - Tideland Lease  
Page 11

ATTACHMENT A  
SITKA

BOOK 63 PAGE 965  
Sitka Recording District

SOUND



8 4-0 2 8 2  
N/C

RECORDED-FILED  
SITKA REC.  
DISTRICT

FEB 3 3 08 PM '84

REQUESTED BY (AS/DL+WM)

ADDRESS \_\_\_\_\_

After Recording Mailto:

AK. Dept. of Nat. Resources  
Division of Land + Water Mgt.  
Contract Administration  
Pouch 7-005

# State of Alaska



## Tidelands Patent No. 439

ADL No. 106345

**Know Ye By These Presents** that the Grantor, the STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, 550 West 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579, pursuant to AS 38.05.825 the regulations promulgated thereunder, and the Final Finding and Decision dated August 11, 1997, for good and valuable consideration, grants and conveys to the Grantee, the CITY AND BOROUGH OF SITKA, whose mailing address of record is 100 Lincoln Street, Sitka, Alaska 99835, Grantee's successors and assigns, those tidelands situated in the Sitka Recording District, State of Alaska, and described as follows:

ALASKA TIDELANDS SURVEY NO. 580, CONTAINING 1.463 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE SITKA RECORDING DISTRICT ON JULY 16, 2007, AS PLAT 2007-19.

ALASKA TIDELANDS SURVEY NO. 1160, CONTAINING 0.04 ACRE, MORE OR LESS, ACCORDING TO THE SURVEY PLAT FILED IN THE SITKA RECORDING DISTRICT ON OCTOBER 26, 1982, AS PLAT 82-41.

VACATION AND REPLAT OF ALASKA TIDELANDS SURVEY NO. 1286, CONTAINING 0.664 ACRE, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE SITKA RECORDING DISTRICT ON MAY 22, 1990, AS PLAT 90-10.

TRACT A OF ALASKA TIDELAND SURVEY NO. 1496, CONTAINING 33.35 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT FILED IN THE SITKA RECORDING DISTRICT ON OCTOBER 5, 1995, AS PLAT 95-28.

AGGREGATING 35.517 ACRES, MORE OR LESS.

**Subject to:** valid existing rights, including reservations, easements, and exceptions in the U.S. Patent or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.





**Further subject to:** the terms and conditions of AS 38.05.825, including the condition the grantee may lease the land, but may not sell it; title to the land conveyed under this authority reverts to the State of Alaska upon dissolution of the municipality and the grantee takes title to the tidelands subject to the rights of the public under the Public Trust Doctrine.

**The Grantor** hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times for the purpose of opening, developing, drilling, and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

**To Have and to Hold** the said land, together with the tenements, hereditaments, and appurtenances thereunto appertaining, unto the said Grantee and Grantee's successors and assigns forever.

[Signature Page to Follow]



In Testimony Whereof the State of Alaska has caused these presents to be executed by the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, pursuant to delegated authority, this 21st day of August, 2009.

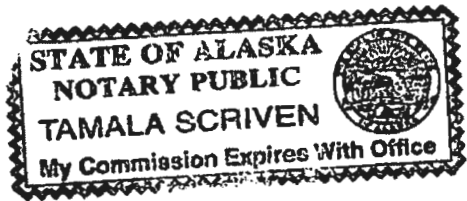
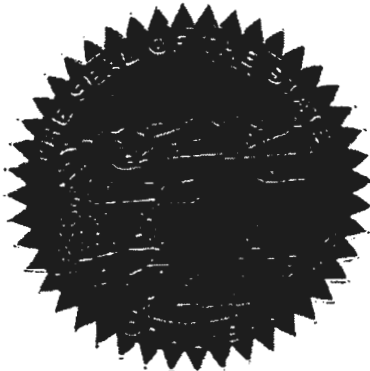
By: *Wyn Menefee*  
Wyn Menefee, Deputy Director  
Division of Mining Land & Water  
Department of Natural Resources

State of Alaska                    )  
  ) ss.  
Third Judicial District        )

This is to certify that on the 21st day of August, 2009, personally appeared before me WYN MENELEE, who is known to me to be the person who has been lawfully delegated the authority of Richard H. Mylius, the Director of the Division of Mining, Land & Water, Department of Natural Resources, State of Alaska, to execute the foregoing document under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated therein.

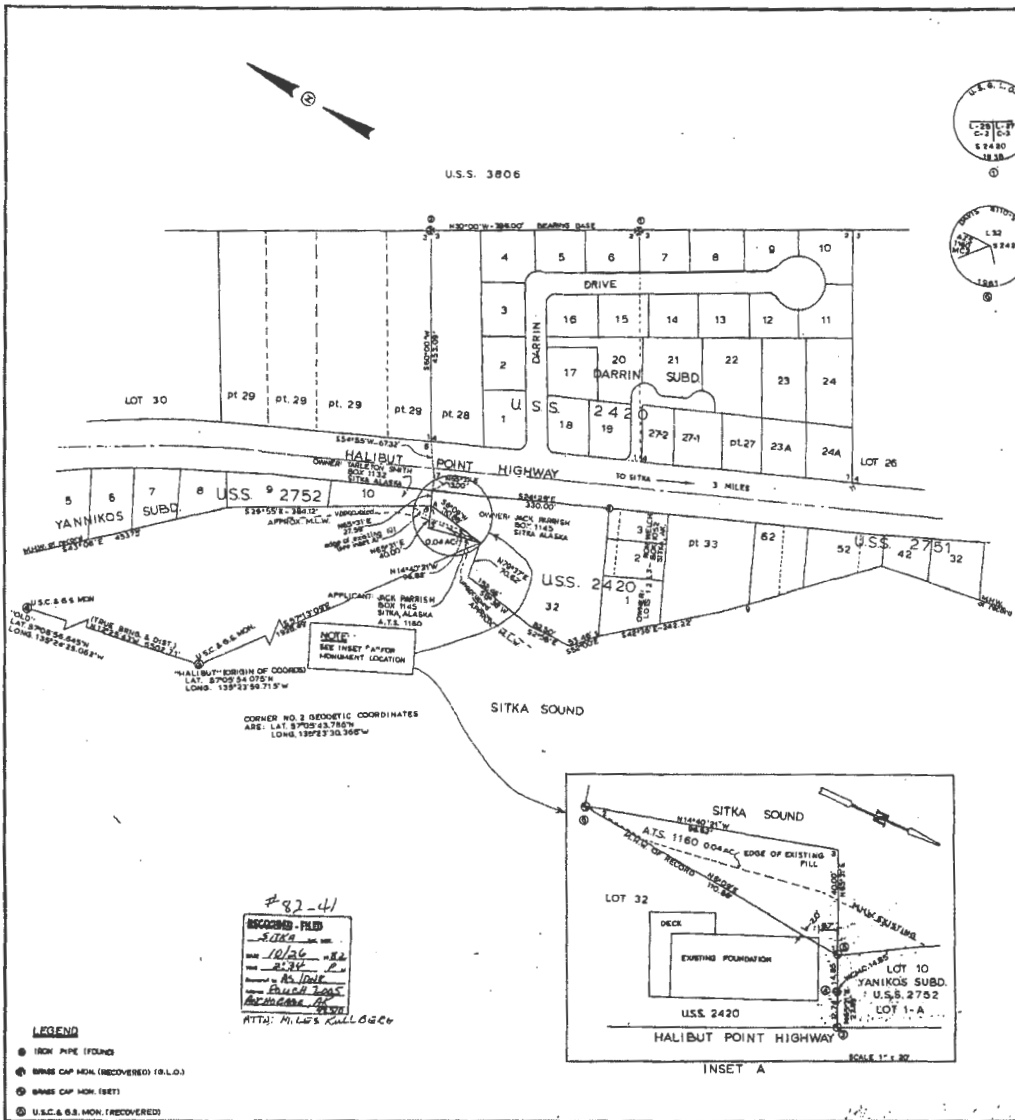
Witness my hand and official seal the day and year in this certificate first above written

*Tamala Scriven*  
Notary Public in and for the State of Alaska  
My commission expires with office



Tidelands Patent No. 439  
ADL No. 106345  
Location Index:  
T. 55 S., R. 63 E., C.R.M.  
Sections 16, 27, 34, 35





**LEGEND**

- IRON PIPE (FOUND)
- BRASS CAP MON. (RECOVERED) (R.L.O.)
- BRASS CAP MON. (SET)
- U.S.C. & G.S. MON. (RECOVERED)

**RECORDED - FILED**  
# 72-41  
5/16/92  
10/26/92  
2/24/92  
By: *April J. Farwell*  
Notary Public  
ATTS: *M. L. W. Kallonen*

**INSET A**  
SCALE 1" = 32'

**NOTES**

- TRICYCLE SUBJECT TO A SHARED PEDESTRIAN ACCESS BARRELY EXTENDING OVER THE ENTIRE TRACT BOUND LEASED.
- U.S.C. & G.S. STATIONS WERE USED TO ESTABLISH GEODETIC COORDINATES FOR THIS SURVEY ONLY AND THE RECOVERED UP-AND-A-LOUD MONUMENTS WERE USED FOR THE BASIS OF BEARINGS FOR THIS SURVEY.

**VICINITY MAP**  
SCALE 1" = 1 MILE  
SOURCE 1/8 S.E. QUAD, SITKA (A-31)

**CERTIFICATE OF LESSEE**  
WE HEREBY CERTIFY THAT WE ARE THE LEGAL CLAIMANTS OF THE PROPERTY SHOWN HEREON AND THAT WE HEREBY APPROVE THIS PLAT OF SURVEY.  
DATE 8-17-92  
Witness: *James P. Johnson* (Notary Public) *April J. Farwell* (Witness)

**NOTARY'S ACKNOWLEDGEMENT**  
U.S. OF AMERICA  
STATE OF ALASKA  
CITY & BOROUGH OF SITKA  
THIS IS TO CERTIFY THAT ON THIS 17th DAY OF August, 1992, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED *James P. Johnson* and *April J. Farwell*, TO ME KNOWN TO BE THE IDENTICAL INDIVIDUALS SO MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND ~~BE~~ ACKNOWLEDGED TO ME THAT THEY SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.  
WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.  
Notary Public in and for the State of Alaska  
MY COMMISSION EXPIRES 28-Aug-17, 1994

**SURVEYOR'S CERTIFICATE**  
I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.  
DATE 8-17-92  
REGISTRATION NO. 8110-S  
*James P. Johnson*  
REGISTERED LAND SURVEYOR

**OWNERSHIP CERTIFICATE**  
I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, ALASKA DIVISION OF TECHNICAL SERVICES, AND THAT THE STATE OF ALASKA IS OWNER OF A.T.S. 1180 AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT FOR THE STATE OF ALASKA.  
DATE 10-13-92  
Director, Division of Technical Services

**NOTARY'S ACKNOWLEDGEMENT**  
U.S. OF AMERICA  
STATE OF ALASKA  
CITY & BOROUGH OF SITKA  
THIS IS TO CERTIFY THAT ON THIS 13th DAY OF October, 1992, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED *James P. Johnson* and *April J. Farwell*, TO ME KNOWN TO BE THE IDENTICAL INDIVIDUALS SO MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND ~~BE~~ ACKNOWLEDGED TO ME THAT THEY SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.  
WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.  
Notary Public in and for the State of Alaska  
MY COMMISSION EXPIRES 28-12-94

**SAR SCALE**  
0m 25m 50m 75m 100m  
1 METER = 3.280833 U.S. SURVEY FEET  
V ADL NO. 101551  
PLAT FILED: 18 APRIL 1990  
DATE OF SURVEY: MARCH 8, 1981  
NAME OF SURVEYOR: PHIL OWEN  
STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF TECHNICAL SERVICES  
ANCHORAGE, ALASKA  
ALASKA TIDELANDS SURVEY NO. 1180  
WITHIN PROTRACTED SEC 16, T55S, R63E, CRM  
DRAWN BY: *April J. Farwell*  
DATE: APRIL 14, 1990  
SCALE: 1" = 100'  
OFFICIAL REGISTERED SURVEYOR  
FILE NO. ATTS-1180

PLAT # 72-41

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015 – 01

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING A LEASE AMENDMENT TO THE TIDELANDS LEASE IN ALASKA TIDELANDS SURVEY 1160 TO WADE AND GRETCHEN PARRISH**

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to approve a minor lease amendment to allow a leaseholder to obtain bank financing on their building on an upland parcel, a portion of which encroaches onto the lessee’s tidelands lease with the City and Borough.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough to:
  - A. A lease addendum to Tideland Lease ADL 101561 is hereby authorized with the following terms:
    - 1) Lessees shall be entitled to mortgage their interest in the Lease so long as (a) that mortgage also covers Lessee’s adjacent upland property, and, (b) that mortgage is secured through a financing entity licensed to business in the State of Alaska.
    - 2) Should Lessees default on their mortgage, their interest in the Lease shall be subject to foreclosure and transfer/sale along with, and only along with, the adjacent upland property, pursuant to the mortgage, and without consent of Lessor – so long as there is compliance with all lease terms. Mortgagee would have the right to acquire in its own name, or a designee, the rights of the Lessees upon foreclosure or assignment in lieu of foreclosure.
    - 3) During the term of the Lease, the City and Borough of Sitka will give the mortgaging entity 30 days advance written notice, duplicate to that provided in paragraph 2(f) of the Lease, of any conditions that might trigger a default of the lease, so long as the mortgaging entity has already given the office of the Municipal Attorney of the City and Borough of Sitka a mailing address for such notice(s).
    - 4) The parties understand that this addendum does not confer to the Lessee, the Mortgagee, or any other party an ownership right to the leased tidelands.
  - B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs tidelands leases, Tidelands Patent 439, and existing municipal policies and practices on tideland leases.

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5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 27th day of January, 2015.

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:

\_\_\_\_\_  
Sara Peterson, CMC  
Acting Municipal Clerk



Document Title: Tidelands Lease Agreement

Grantor: City and Borough of Sitka

Grantee: Wade and Gretchen Parrish

Recording District: Sitka Recording District

Property Description: 0.04 acres of Alaska Tidelands Survey No. 1160

After Recording Return to: Clerks Office - City and Borough of Sitka  
100 Lincoln Street  
Sitka, AK 99835

**THIS COVER SHEET HAS BEEN ADDED TO THIS DOCUMENT TO PROVIDE SPACE FOR THE RECORDING DATA. THIS COVER SHEET APPEARS AS THE FIRST PAGE OF THE DOCUMENT IN THE OFFICIAL PUBLIC RECORD.**

**DO NOT DETACH**

**WADE AND GRETCHEN PARRISH  
TIDELANDS LEASE AGREEMENT**

The City and Borough of Sitka ("CBS" or "Lessor") and Wade and Gretchen Parrish ("Parrish" or "Lessee"), collectively referred to as the "Parties," enter into this Tidelands Lease Agreement ("Lease"), based on the terms and conditions set out in this "Lease," and as approved by the City and Borough of Sitka Assembly in Ordinance 2013-45, effective December 24, 2013.

**WHEREAS**, the Lessor is the owner of certain tidelands within protracted Section 16, Township 55 South, Range 63 East, Copper River Meridian in Sitka, Alaska, comprising of approximately 0.04 acres in Alaska Tidelands Survey No. 1160, and graphically represented on the copy of the attached Exhibit A, hereafter referred to as the "Subject Property;" and

**WHEREAS**, the Assembly determines that the criteria in Sitka General Code 18.16.130 Preference Rights and Nonpreference Rights do not apply since the City and Borough of Sitka is the upland owner.

**NOW THEREFORE**, based on the consideration set out below, the Lessor and Lessee agree to the following terms and conditions:

1. Lessor leases to the Lessee, for a term of approximately thirty (30) years, expiring December 31, 2043, the Subject Property described as:

Alaska Tidelands Survey No. 1160, located within protracted Section 16, Township 55 South, Range 63 East, Copper River Meridian, according to the plat filed in the Sitka Recording District on October 26, 1982 as Plat 82-52 containing 0.04 acres, more or less.

2. Lessee, in consideration of this Lease, agrees as follows:

- a. Lease payments shall be made annually to Lessor. The annual lease payments shall be \$751.28 per year, which is the equivalent of 4.5% of the value of the Subject Property, which is valued at \$16,695.00. All subsequent annual lease payments shall be subject to adjustment in accordance with Sitka General Code ("SGC") Section 18.16.210, and any subsequent amendment to this code section.
- b. The current version of SGC Section 18.16.210 subjects the annual lease payment to adjustment on the seventh anniversary of the lease and each seven years thereafter, with the annual lease payment being changed by the percentage change in the amount established by dividing the grand total of the land value on the official municipal real property assessment roll for the initial tax year, compared with similar calculation using the figures seven years later. The base figure the initial tax year is \$16,695. The Lessee shall be subject to any adjustment to rent as set out in any subsequent amendment to SGC Section 18.16.210.
- c. Lessee shall pay sales tax to the City and Borough of Sitka, based on the amount of each annual lease payment.



- d. The first year's payment is due on the date the Lease is signed and executed by all of the parties to the Lease. All subsequent payments shall be made by that same date each year.
- e. The Lease may not be assigned or sublet by the Lessee without the consent of the Lessor.
- f. If the full lease payment is not timely paid, and Lessee fails to remedy default within thirty (30) days after receipt of written notice of any such lease payment arrears, the Lessor may immediately, or at any time thereafter while such default continues, terminate the lease, repossess the Subject Property, enter on Subject Property, expel Lessee and those claiming right to possession or to be on the Subject Property based on the rights of the Lessee, and remove Lessee's effects (forcefully if necessary) without being guilty of any trespass. These rights are in addition to any other rights and remedies, without prejudice, which might otherwise be used for arrears or lease payments, proceedings on breach of agreement, or collection on arrears.
- g. The Lessee agrees to pay any Local Improvement District assessments that may be levied against the Subject Property to the same extent and in the same amount as if the Lessee were the owner of the Subject Property which would be included in the Local Improvement District to be formed or contemplated. The Lessee shall share the Lessor's right as owner in all proceedings under the Local Improvement District (except for payment of assessments) in proportion that the remaining years of the lease bear to twenty (20). (For example: If the lease has five (5) years to run, the Lessee shall have the right to exercise 5/20ths of the Lessor's vote and the Lessor, 15/20ths.)

3. The Parties mutually agree as follows:

- a. The terms and conditions herein contained shall apply to and bind the heirs, successors, and agents of the respective Parties.
- b. Waiver by Lessor of any term or condition setout in this Lease shall not be considered a waiver of any subsequent breach of said term or condition.
- c. Lessee agrees to hold harmless, insure and indemnify the Lessor from any liability for property damage or personal injury to any person or persons on or about the Subject Property and to carry and provide proof of liability insurance in such amounts as may be agreed to between the parties to cover such liability, with the Lessor as an additional named insured.
- d. The Lease may be renewed if upon the expiration of the Lease, the Lessee desires a renewal lease on the Subject Property or property interests covered herein. Lessee shall within thirty (30) days before the expiration of the Lease, make a written request to the Lessor for renewal of lease in which Lessor must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which Lessee desires a renewal, and such other information as may be required.
- e. If Lessee occupies the Subject Property after the expiration date of this Lease without the consent of the Lessor, such possession shall be construed as an annual tenancy and Lessee





shall annually pay Lessor the amount of the rent paid during the last year of the Lease until the Lease is terminated by the Lessor.

- f. The Lessee may terminate the Lease upon giving the Lessor thirty (30) days prior written notice.
- g. At any termination of the Lease, all improvements placed on the Subject Property and attached to the land so as to become part of the real property by common law definition shall become the property of the Lessor.
- h. Each Party to the Lease represents that its representative or agent who signs and executes the Lease has been delegated and is authorized to legally bind each Party regarding this Lease.

LESSEE

Wade Parrish

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

LESSEE

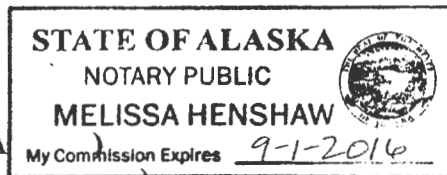
Gretchen Parrish

STATE OF ALASKA )

) ss.

FIRST JUDICIAL DISTRICT )

On this 30<sup>th</sup> day of December, 2013, Wade and Gretchen Parrish, whose identities are personally known to me or proved to me on the basis of satisfactory evidence, sign this Lease Agreement and affirms by signing this document to be authorized to sign and does so freely and voluntarily.



Notary Public for Alaska

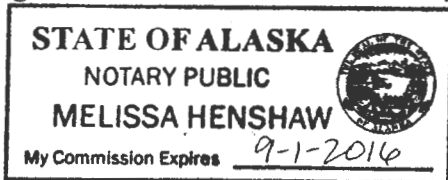
My Commission Expires: 9-1-2016

STATE OF ALASKA )

) ss.

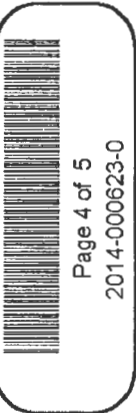
FIRST JUDICIAL DISTRICT )

On this 30<sup>th</sup> day of December, 2013, Mark Gorman, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.



Notary Public for Alaska

My Commission Expires: 9-1-2016



**CERTIFICATE OF OWNERSHIP AND DEDICATION**

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ACCEPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE 6/28/00  
 SIGNATURE Jon Parrish  
 OWNER/ TRUSTEE (SIGNATORIES)  
 STATE OF ALASKA TRUST

**NOTARY'S ACKNOWLEDGMENT**

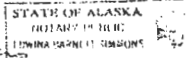
US OF AMERICA  
 STATE OF ALASKA  
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 28 DAY OF JUNE 2000 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED Jon Parrish, Trustee FOR STATE OF ALASKA TRUST

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND HE ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST

MY COMMISSION EXPIRES Nov. 18, 2001



HEREIN WRITTEN Jon Parrish  
 NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

**CERTIFICATE OF APPROVAL BY THE ASSEMBLY**

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK N/A PAGE N/A DATED N/A 2000 AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE 6/27/00  
 SIGNATURE [Signature]  
 MAYOR  
 CITY AND BOROUGH CLERK



**CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF: STATE OF ALASKA TRUST (CALL OWNERS OF RECORD), AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 28th DAY OF June 2000 AT SITKA, ALASKA

SIGNATURE [Signature]  
 FINANCE DIRECTOR  
 CITY & BOROUGH OF SITKA

**CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF: STATE OF ALASKA TRUST

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 2000, WILL BE DUE ON OR BEFORE AUGUST 7, 2000 DATED THIS 28th DAY OF June 2000.

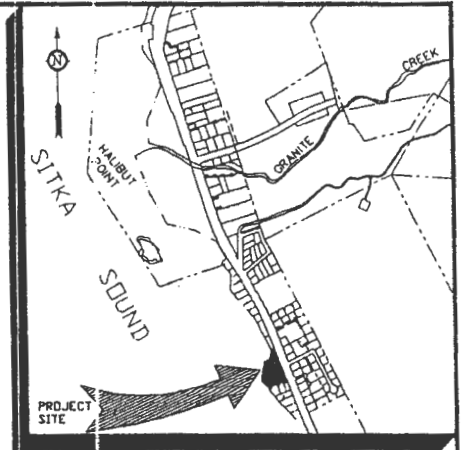
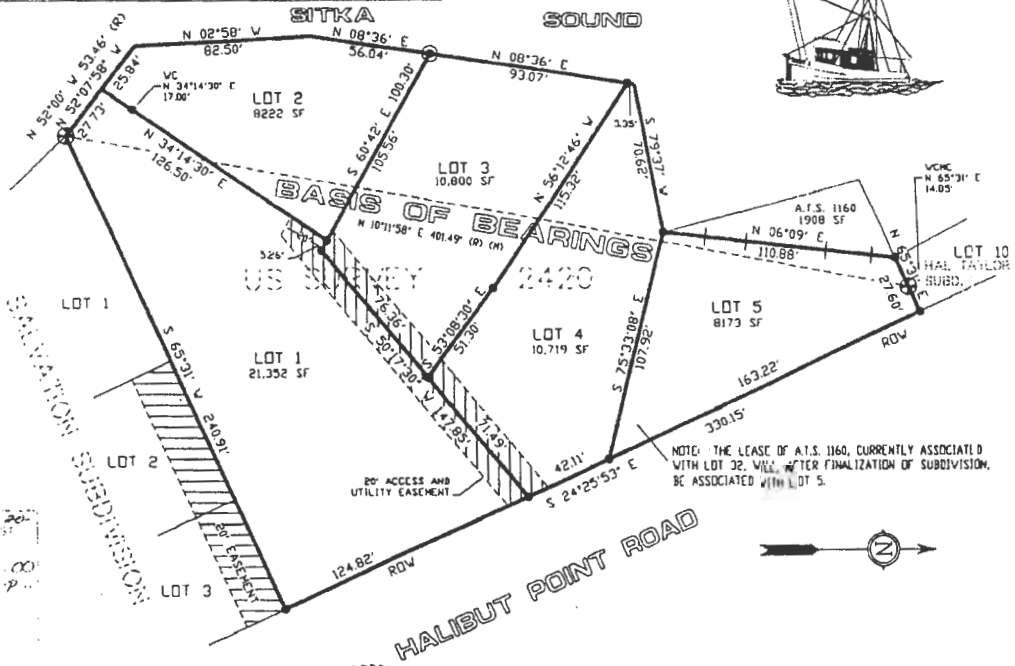
SIGNATURE [Signature]  
 ASSESSOR, CITY AND BOROUGH OF SITKA

**CERTIFICATE OF APPROVAL BY THE BOARD**

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. P00-4 DATED May 30 2000, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE 7-6-00  
 SIGNATURE [Signature]  
 CHAIRMAN, PLATTING BOARD  
 SECRETARY

2000-8  
 Sitka, Alaska  
 DATE 7-12-00  
 NAME [Signature]  
 PROJECT Scp



**VICINITY MAP**  
 SCALE 1"=1,000'

**LEGEND**

- ⊕ BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- ⊙ SECONDARY MONUMENT (SET)
- ⊞ 1 1/2" ALUM WOOD TABLET (SET)
- ⊞ 1x2 HUB SET
- ⊙ RECORDED DATA
- ⊙ COMPUTED DATA
- ⊙ MEASURED DATA

**PLAT NOTES**

1. THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE LOT 32 INTO 5 LOTS OF APPROXIMATELY EQUAL VALUE.
2. LOT 1 OF THIS SUBDIVISION MAY NOT BE FURTHER SUBDIVIDED UNLESS ALTERNATE ACCESS FROM HALIBUT POINT ROAD CAN BE PROVIDED.
3. NO NEW STRUCTURES MAY BE BUILT OR PLACED ON THE LOTS IN THIS SUBDIVISION UNLESS THE EXISTING UTILITIES ARE FIRST LOCATED ON THE LOT INVOLVED, AND THE NEW STRUCTURE DOES NOT INTERFERE WITH THOSE UTILITIES.
4. LOT 5 CAN BE ACCESSED ONLY FROM HALIBUT POINT ROAD.
5. THE SMALLER TRAILER ON LOT 3 MUST BE REMOVED WITHIN ONE YEAR OF THE RECORDING DATE OF THIS PLAT.

**O'NEILL**  
 SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835  
 (907) 747-6700

BY	DATE	REV	DESCRIPTION OF CHANGE



DESIGNED P. O'NEILL  
 DRAWN STIGAS/ACAR  
 CHECKED EM  
 DATE OF PLAT/AMENDMENT NOV 3 2000  
 SCALE: 1" = 80'  
 DRAWING NAME: 30224-01  
 PROJECT NO.: 30224-01-00

**SURVEYOR'S CERTIFICATE**  
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN CONDUCTING THIS SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL ENCLOSURES AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.  
 DATE 6/27/00  
 SIGNATURE [Signature]  
 PATRICIA M. O'NEILL, L.S. 4897

**PARRISH SUBDIVISION**

**LOT 32**  
**U. S. SURVEY 2420**

CLIENT: PARRISH ESTATE

SHEET 9 OF 10

**CITY AND BOROUGH OF SITKA  
Planning Commission  
Minutes of Meeting  
December 16, 2014**

**Present:** Richard Parmelee (Chair), Chris Spivey (Vice-Chair), Debra Pohlman (Member), Darrell Windsor (Member, Arrived at 7:11), Scott Brylinsky (Interim Planning Director), Maegan Bosak (Planner I), Erin Clay (Temporary Planner I), Dan Tadic (Municipal Engineer)

**Absent:** None

**Members of the Public:** Marjorie Hennessy, Sara and Dennis Peterson, Sam Smith, Amy and Dalton Bergman, Gretchen and Wade Parrish, Bart Meyer, Marie Murray, Michelle Huang, Jonathan Kreiss-Tomkins

Chair Parmelee called the meeting to order at 7:02 p.m.

**Roll Call:**

**PRESENT:** 4 – Parmelee, Spivey, Pohlman, Windsor

**Consideration of the Minutes from the December 2, 2014 meeting:**

**MOTION: M/S SPIVEY/POHLMAN** moved to approve the meeting minutes for December 2, 2014.

**ACTION:** Motion **PASSED unanimously 3-0** on a voice vote.

**The evening business:**

**VARIANCE  
101 MOLLY LANE  
SAM SMITH**

*Public hearing and consideration of a variance requested by Sam Smith at 101 Molly Lane. The variance request is for a reduction in the Price Street front property setback from 10ft to 8ft and for a reduction in the Molly Lane front property setback from 20ft to 18ft. The property is also known as Lot 1, Mountainview Subdivision.*

**STAFF REPORT:** Brylinsky described the application materials and discussed the variance request. One public comment was received by the Planning Department from a neighbor objecting to the variance requested on the Price Street front due to impacts on their view.

**APPLICANT:** Sam Smith came forward to describe his project. Smith stated that the building would be used for commercial purposes with one bay being used for his construction business and the other bay as a rental. Two apartments will be located above the bays. The building ridge will be 5ft below the maximum height allowed by code. The intent is to maximize the use of the lot and provide more operating room around the building.

~~**MOTION: M/S SPIVEY/ WINDSOR** moved to approve disposal of CBS property located at 105 Thomas Young Sr Circle, Kaasda Heen Shaak Subdivision. The parcel was acquired as a space for a future park during the Kaasda Heen Shaak Subdivision process. The Sitka Parks and Recreation Committee recently approved a non-objection to remove the restriction "Space for Future Park" from the lot.~~

~~**ACTION:** Motion **FAILED** unanimously **0-4** on a voice vote.~~

~~-----The Commission took a five minute recess from 8:13 to 8:18-----~~

**TIDELAND LEASE AMMENDMENT  
SEAWARD OF 3403 HALIBUT POINT ROAD  
GRETCHEN AND WADE PARRISH**

*Public hearing and consideration of an amendment to a CBS Tideland lease held by Wade and Gretchen Parrish. The tidelands are adjacent to 3403 Halibut Point Road.*

**STAFF REPORT:** Brylinsky discussed the history of the lease for tidelands that the city is able to lease but not sell. The Parrish house slightly encroaches on the leased tidelands. The purpose of the lease addendum is to attach the tidelands to the adjacent property so that the Parrish's are able to obtain a mortgage. The lease amendment has been reviewed by the legal department and does not constitute a sale or conflict with state requirements for the tidelands lease.

**PUBLIC COMMENT:** Gretchen Parrish came forward and reiterated that the amendment was needed for them to get a home mortgage.

**PLANNING COMMISSION DELIBERATION:** Commissioner Spivey commented that he could understand why the bank is requiring this action.

**MOTION: M/S SPIVEY/ POHLMAN** moved to approve an amendment to a CBS Tideland lease held by Wade and Gretchen Parrish. The tidelands are adjacent to 3403 Halibut Point Road.

**ACTION:** Motion **PASSED** unanimously **4-0** on a voice vote.

~~**VARIANCE  
KASEY DAVIS  
505 HIRST STREET**~~

~~*Public hearing and consideration of a variance requested by Kasey Davis at 505 Hirst Street. The variance request is for a reduction in the front property setback from 20ft to 15ft and for a reduction in the rear setback from 10ft to 9ft. The property is also known as Lot 13, Block 4, Sirstad Addition No. 1.*~~

~~**STAFF REPORT:** Brylinsky described the variance request. The lot is smaller than the minimum lot size and is located at the end of a dead end street.~~

~~**APPLICANT:** Kasey Davis came forward. Davis described the subject lot and how the existing drainage ditch, French drain and garden beds limit the proposed shed orientation.~~



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## **Sitka Planning Commission Agenda**

**Tuesday, December 16, 2014**

Held at Harrigan Centennial Hall

209 Lake Street, Sitka, Alaska

**7:00pm**

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE AGENDA
- III. CONSIDERATION OF THE MINUTES FROM December 2, 2014
- IV. THE EVENING BUSINESS

A. Public hearing and consideration of a variance requested by Sam Smith at 101 Molly Lane. The variance request is for a reduction in the Price Street front property setback from 10ft to 8ft and for a reduction in the Molly Lane front property setback from 20ft to 18ft. The property is also known as Lot 1, Mountainview Subdivision.

B. Public hearing and consideration of a proposed amendment to Sitka General Code Title 15 Public Utilities, adding a new section SGC 15.07 Storm Drainage. CBS Public Works requests Planning Commission consideration of this ordinance because of its relationship to subdivision development.

C. Public hearing and consideration of a proposal to dispose of CBS property located at 105 Thomas Young Sr Circle, Kaasda Heen Shaak Subdivision. The parcel was acquired as a space for a future park during the Kaasda Heen Shaak Subdivision process. The Sitka Parks and Recreation Committee recently approved a non-objection to remove the restriction "Space for Future Park" from the lot.

**D. Public hearing and consideration of an amendment to a CBS Tideland lease held by Wade and Gretchen Parrish. The tidelands are adjacent to 3403 Halibut Point Road.**

E. Public hearing and consideration of a variance requested by Kasey Davis at 505 Hirst Street. The variance request is for a reduction in the front property setback from 20ft to 15ft and for a reduction in the rear setback from 10ft to 9ft. The property is also known as Lot 13, Block 4, Sirstad Addition No. 1.

F. Discussion of possible modifications to the SGC requirements for Accessory Dwelling Units (ADU)s.

G. Appointment of a chair and vice-chair for the 2015 calendar year.

- V. PLANNING DIRECTOR'S REPORT
- VI. PUBLIC BUSINESS FROM THE FLOOR
- VII. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to [maegan@cityofsitka.com](mailto:maegan@cityofsitka.com), or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: December 8 and December 10

**Request:**

Review Addendum to Tideland  
Lease Agreement

**Zoning District: R2-MHP**

Front: 20 feet  
Rear: 10 feet  
Side: 8 feet

**Meeting Flow**

- o Report from Staff
- o Floor opened up for Public Comment
- o Comment period closed - brought back to the board
- o Motion to approve the lease amendment

**Tonight's Motions**

- o Move to recommend approval

**Amend Parrish Tideland Lease Agreement**

Approximately 0.04 Acres in Alaska Tideland Survey No. 1160  
Seaward of 3403 Halibut Point Road  
December 16, 2014

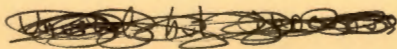
This action item is, so far as we know, the first of its kind to come before the Planning Commission. The request was initiated by Wade and Gretchen Parrish. This action item is to recommend Planning Commission Approval of an ordinance to authorize an addendum to a Tidelands lease with the estate of Jack Parrish (Attachment A). That lease was renewed for a 30-year term in December of 2013.

The Lessees have encountered a problem with financing of an upland structure adjacent to the leased tidelands. That structure encroaches onto the city leased tidelands. The encroachment is approximately 2 feet in depth, by 6 feet in width on the long leg of the triangle. (Attachment B).

This addendum is to provide a means for the Parrish's to obtain financing for their property.

The transfer document of these tidelands from the State to the municipality (Attachment C) stipulates that the city may lease the land, but may not sell it. The Municipal Attorney assures us that the terms of the Addendum do not constitute a sale.

Recommendation: Recommend Assembly approval of the Draft Ordinance.



1 CITY AND BOROUGH OF SITKA  
2 ORDINANCE NO. 2014 - XX  
3 AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING A  
4 LEASE AMENDMENT TO THE TIDELANDS LEASE IN ALASKA TIDELANDS SURVEY 1160  
5 TO ESTATE OF JACK N. PARRISH  
6

7 BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:  
8

9 1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a  
10 part of the Sitka General Code of the City and Borough of Sitka, Alaska.  
11

12 2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person  
13 or circumstance is held invalid, the remainder of this ordinance and application thereof to any  
14 person and circumstances shall not be affected thereby.  
15

16 3. PURPOSE. The purpose of this ordinance is to approve a minor lease amendment to allow  
17 a leaseholder to obtain bank financing on their building on an upland parcel, a portion of which  
18 encroaches onto the lessee's tidelands lease with the City and Borough.  
19

20 4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and  
21 Borough to:  
22

23 A. A lease addendum to Tideland Lease ADL 101561 is hereby authorized with the  
24 following terms:

- 25 1) Lessees shall be entitled to mortgage their interest in the Lease so long as (a)  
26 that mortgage also covers Lessee's adjacent upland property, and, (b) that  
27 mortgage is secured through a financing entity licensed to business in the  
28 State of Alaska.
- 29 2) Should Lessees default on their mortgage, their interest in the Lease shall be  
30 subject to foreclosure and transfer/sale along with, and only along with, the  
31 adjacent upland property, pursuant to the mortgage, and without consent of  
32 Lessor – so long as there is compliance with all lease terms. Mortgagee  
33 would have the right to acquire in its own name, or a designee, the rights of  
34 the Lessees upon foreclosure or assignment in lieu of foreclosure.
- 35 3) During the term of the Lease, the City and Borough of Sitka will give the  
36 mortgaging entity 30 days advance written notice, duplicate to that provided  
37 in paragraph 2(f) of the Lease, of any conditions that might trigger a default of  
38 the lease, so long as the mortgaging entity has already given the office of the  
39 Municipal Attorney of the City and Borough of Sitka a mailing address for  
40 such notice(s).
- 41 4) The parties understand that this addendum does not confer to the Lessee,  
42 the Mortgagee, or any other party an ownership right to the leased tidelands.  
43

44 B. The Administrator is authorized to execute a lease document consistent with the  
45 terms of this ordinance, SGC Title 18 that governs tidelands leases, Tidelands  
46 Patent 439, and existing municipal policies and practices on tideland leases.  
47

48  
49  
50 5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its  
51 passage.

52  
53  
54  
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59  
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61  
62  
63

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka,  
Alaska this XXth day of [month], 2014.

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:

\_\_\_\_\_  
Colleen Ingman, CMC  
Municipal Clerk



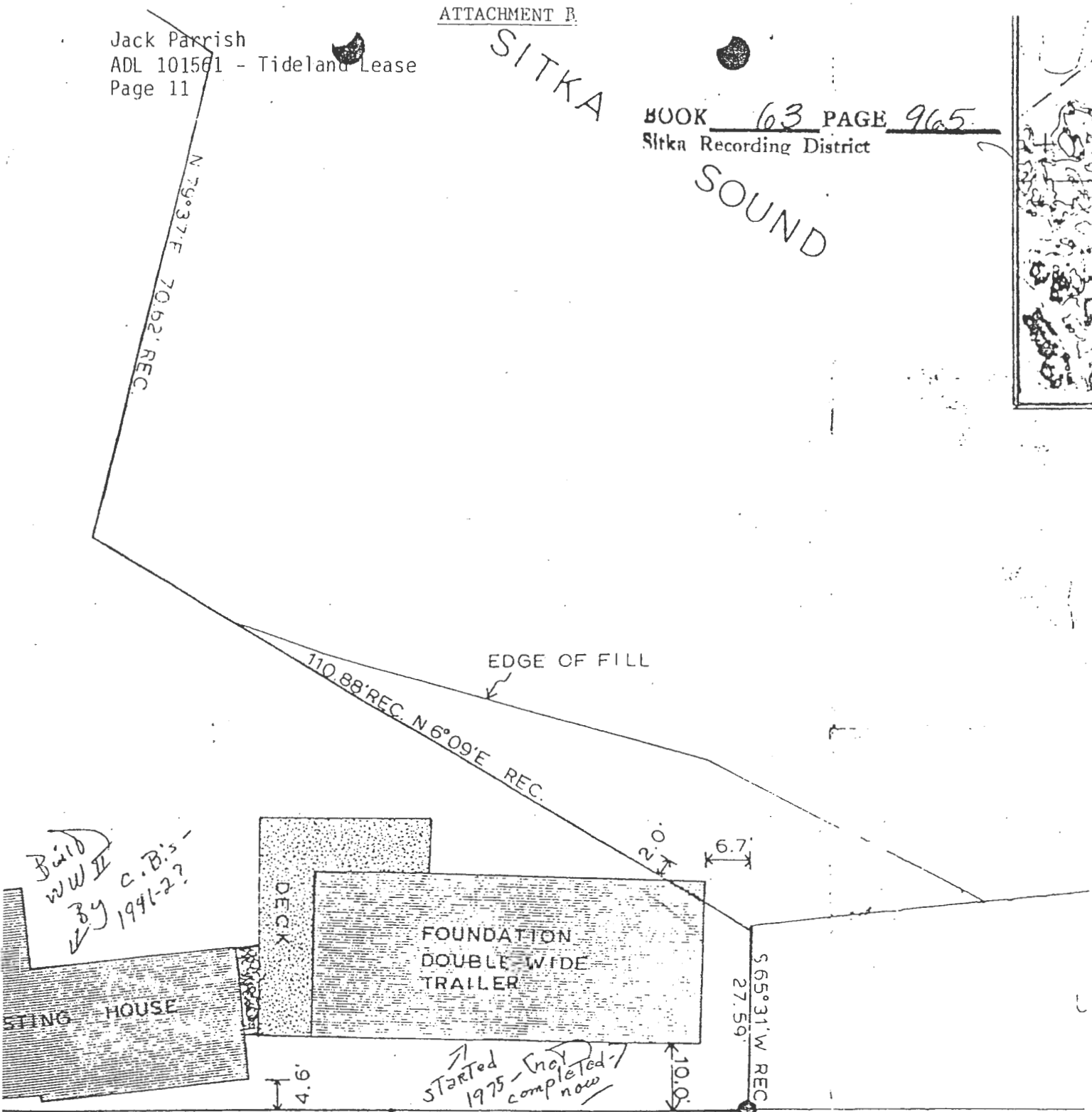
ATTACHMENT B

Jack Parrish  
ADL 101561 - Tideland Lease  
Page 11

SITKA

BOOK 63 PAGE 965  
Sitka Recording District

SOUND



8 4 - 0 2 8 2  
N/C

RECORDED-FILED  
SITKA REC.  
DISTRICT

FEB 3 3 08 PM '84  
REQUESTED BY (AS/DL+WM)

After Recording Mailto:

AK. Dept. of Nat. Resources  
Division of Land + Water Mgt.  
Contract Administration  
Pouch. 7-005

ADDRESS

# State of Alaska



## Tidelands Patent No. 439

ADL No. 106345

**Know Ye By These Presents** that the Grantor, the STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, 550 West 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579, pursuant to AS 38.05.825 the regulations promulgated thereunder, and the Final Finding and Decision dated August 11, 1997, for good and valuable consideration, grants and conveys to the Grantee, the CITY AND BOROUGH OF SITKA, whose mailing address of record is 100 Lincoln Street, Sitka, Alaska 99835, Grantee's successors and assigns, those tidelands situated in the Sitka Recording District, State of Alaska, and described as follows:

ALASKA TIDELANDS SURVEY NO. 580, CONTAINING 1.463 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE SITKA RECORDING DISTRICT ON JULY 16, 2007, AS PLAT 2007-19.

ALASKA TIDELANDS SURVEY NO. 1160, CONTAINING 0.04 ACRE, MORE OR LESS, ACCORDING TO THE SURVEY PLAT FILED IN THE SITKA RECORDING DISTRICT ON OCTOBER 26, 1982, AS PLAT 82-41.

VACATION AND REPLAT OF ALASKA TIDELANDS SURVEY NO. 1286, CONTAINING 0.664 ACRE, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE SITKA RECORDING DISTRICT ON MAY 22, 1990, AS PLAT 90-10.

TRACT A OF ALASKA TIDELAND SURVEY NO. 1496, CONTAINING 33.35 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT FILED IN THE SITKA RECORDING DISTRICT ON OCTOBER 5, 1995, AS PLAT 95-28.

AGGREGATING 35.517 ACRES, MORE OR LESS.

**Subject to:** valid existing rights, including reservations, easements, and exceptions in the U.S. Patent or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.



**Further subject to:** the terms and conditions of AS 38.05.825, including the condition the grantee may lease the land, but may not sell it; title to the land conveyed under this authority reverts to the State of Alaska upon dissolution of the municipality and the grantee takes title to the tidelands subject to the rights of the public under the Public Trust Doctrine.

**The Grantor** hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times for the purpose of opening, developing, drilling, and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

**To Have and to Hold** the said land, together with the tenements, hereditaments, and appurtenances thereunto appertaining, unto the said Grantee and Grantee's successors and assigns forever.

[Signature Page to Follow]



In Testimony Whereof the State of Alaska has caused these presents to be executed by the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, pursuant to delegated authority, this 21st day of August, 2009.

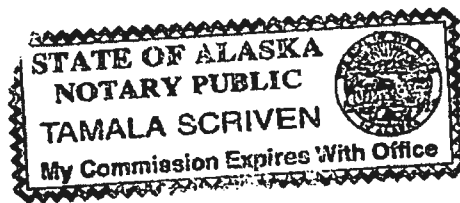
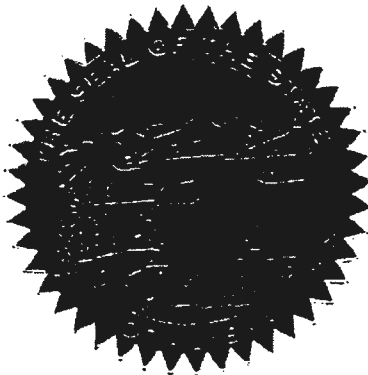
By: *Wyn Menefee*  
Wyn Menefee, Deputy Director  
Division of Mining Land & Water  
Department of Natural Resources

State of Alaska                    )  
  ) ss.  
Third Judicial District         )

This is to certify that on the 21st day of August, 2009, personally appeared before me WYN MENELEE, who is known to me to be the person who has been lawfully delegated the authority of Richard H. Mylius, the Director of the Division of Mining, Land & Water, Department of Natural Resources, State of Alaska, to execute the foregoing document under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated therein.

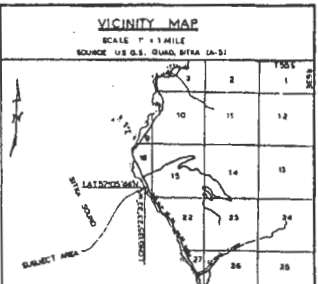
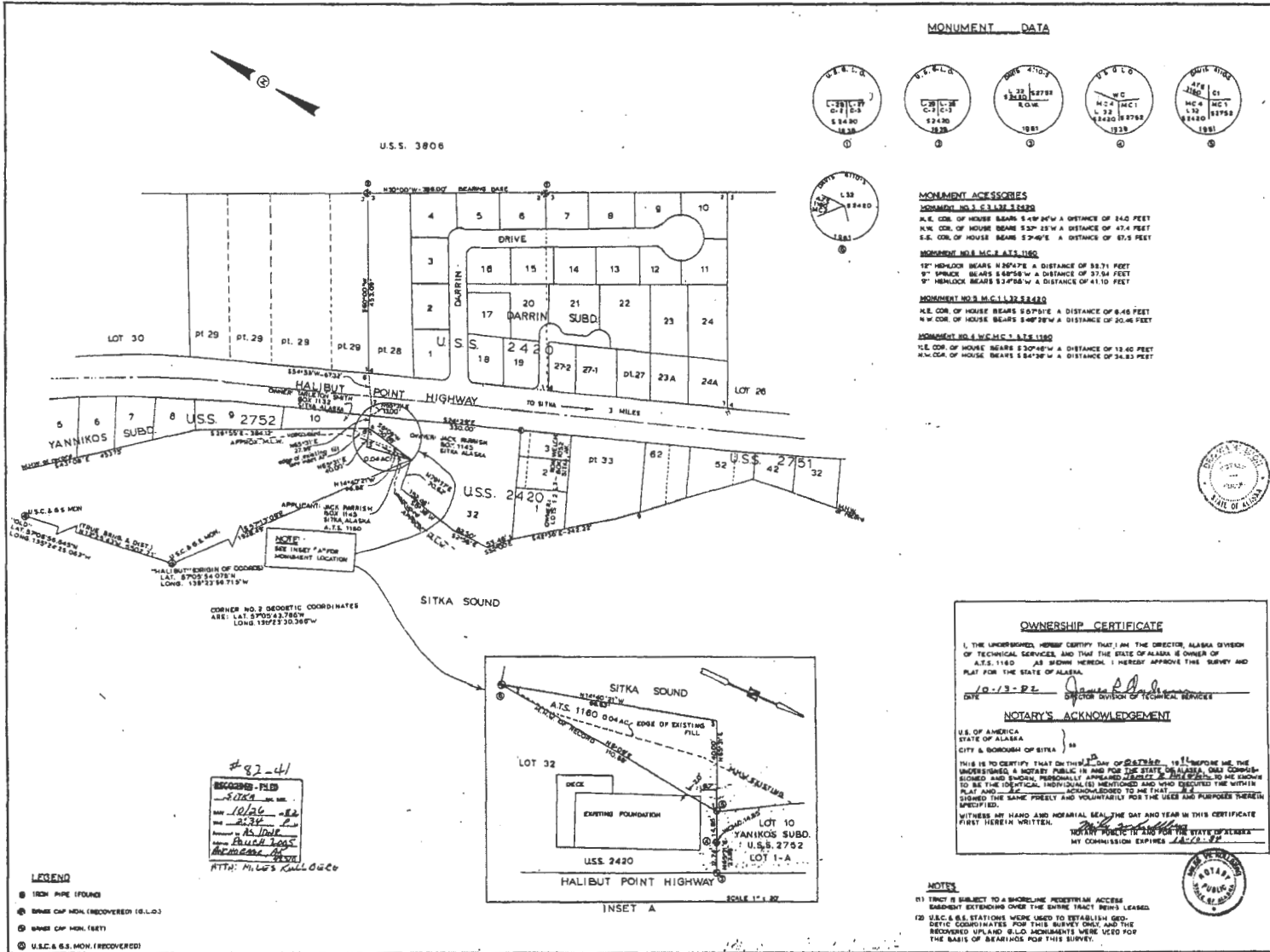
Witness my hand and official seal the day and year in this certificate first above written

*Tamala Scriven*  
Notary Public in and for the State of Alaska  
My commission expires with office



Tidelands Patent No. 439  
ADL No. 106345  
Location Index:  
T. 55 S., R. 63 E., C.R.M.  
Sections 16, 27, 34, 35





**CERTIFICATE OF LESSEE**

WE HEREBY CERTIFY THAT WE ARE THE LEGAL CLAIMANTS OF THE PROPERTY SHOWN HEREON AND THAT WE HEREBY APPROVE THIS PLAT OF SURVEY.

DATE: 9-17-92  
 JAMES P. DAVIS  
 WITNESS: JAMES P. DAVIS

**NOTARY'S ACKNOWLEDGEMENT**

U.S. OF AMERICA  
 STATE OF ALASKA  
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 17th DAY OF SEPTEMBER, 1992, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, ONE COMPELLED AND SWORN, PERSONALLY APPEARED JAMES P. DAVIS TO ME KNOWN TO BE THE INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND WAS ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

DATE: 9-17-92  
 JAMES P. DAVIS  
 NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA  
 MY COMMISSION EXPIRES 12-31-97

**SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

DATE: 9-17-92  
 REGISTRATION NO. 4110-5  
 JAMES P. DAVIS  
 REGISTERED LAND SURVEYOR

**BAR SCALE**

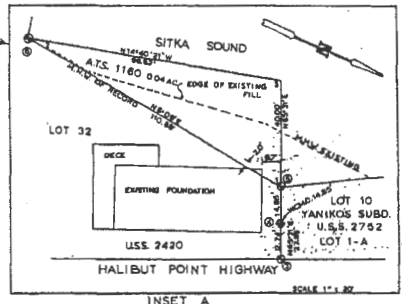
0 100 200 300 400  
 0 25m 50m 75m 100m  
 1 METER = 3.28083 U.S. SURVEY FEET  
 ADL NO. 101561

**ALASKA TIDELANDS SURVEY NO. 1180**  
 WITHIN PROTRACTED SEC. 16, T55S, R63E, CRM.

DATE OF SURVEY: MARCH 5, 1981  
 NAME OF SURVEYOR: JIMMIE DAVIS

DATE: APRIL 14, 1990  
 NAME OF SURVEYOR: JAMES P. DAVIS

SCALE: 1" = 100'



#92-41  
 RECORDED FILED  
 -SITKA-  
 MAR 10/92  
 BY: [Signature]  
 ATTEST: [Signature]  
 ATTN: M.L.S. KULLOGE

- LEGEND**
- ① IRON PIPE (FOUND)
  - ② BRASS CAP MON. (RECOVERED) (G.L.O.)
  - ③ BRASS CAP MON. (SET)
  - ④ U.S.C. & G.S. MON. (RECOVERED)

PLAT # 72-41



## Legislation Details

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File #: ORD 15-02    Version: 1    Name:  
Type: Ordinance    Status: AGENDA READY  
File created: 1/6/2015    In control: City and Borough Assembly  
On agenda: 1/27/2015    Final action:  
Title: Adjusting the FY15 Budget  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion Ord 2015-02](#)  
[Ord 2015-02](#)

Date	Ver.	Action By	Action	Result
1/13/2015	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-02 on second and final reading.

## CITY AND BOROUGH OF SITKA

## ORDINANCE NO. 2015-02

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY15 BUDGET

**BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY15 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY15 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2014 and ending June 30, 2015 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b>FISCAL YEAR 2015 EXPENDITURE BUDGETS</b>			
<b>GENERAL FUND</b>			
<b>Fire Department – Fixed Assets:</b>			
100-520-022-800-5223.000	Tools & Small Equipment		\$9,488
100-550-670-7106.022	Fixed Assets/Equipment	\$9,488	
<b>To Purchase a Fire Hose Transporter.</b>			
<b>Hospital Support:</b>			
100-550-660-953-5290.000	Other Expense	\$1,000,000	
<b>To recognize financial support in terms of a loan for the Sitka Community Hospital.</b>			
<b>Planning Department – Travel &amp; Training:</b>			
100-500-006-5212.000	Contracted/Purchased Services		\$3,200
100-500-006-5201.000	Travel & Training	\$3,200	
<b>To attend valuable training that was not budgeted for the interim Planning Director and the Planner I position.</b>			
<b>Finance Department – Operations:</b>			
100-500-004-5212.000	Contracted/Purchased Services	\$15,000	
<b>To pay for arbitrage rebate compliance fees (General Obligation Bonds).</b>			



<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b>GENERAL FUND (cont.)</b>			
<b>Finance Department – Wages &amp; Salaries:</b>			
100-500-004-5110.001	Wages		\$5,306
100-500-004-5120.002	SBS		\$330
100-500-004-5120.004	PERS		\$1,171
200-600-601-5214.000	Interdepartment Services		\$2,076
210-600-601-5214.000	Interdepartment Services		\$1,441
220-600-601-5214.000	Interdepartment Services		\$1,416
230-600-601-5214.000	Interdepartment Services		\$1,392
240-600-601-5214.000	Interdepartment Services		\$482
100-300-370-3701.200	Electric Interfund Billing		\$2,076
100-300-370-3701.210	Water Interfund Billing		\$1,441
100-300-370-3701.220	Wastewater Interfund Billing		\$1,416
100-300-370-3701.230	Solid Waste Interfund Billing		\$1,392
100-300-370-3701.240	Harbor Interfund Billing		\$482
To adjust the FY15 budget for the remaining budgeted amount of the half time Customer Service Position.			
<b>ENTERPRISE &amp; INTERNAL SERVICE FUNDS</b>			
<b>Electric Fund – Debt Service:</b>			
200-600-650-5295.000	Interest Expense	\$1,121,140	
Recognize Interest Payment on Bonds.			
<b>Electric Fund – Operations:</b>			
200-600-601-5212.000	Contracted/Purchased Services	\$10,000	
To pay for arbitrage rebate compliance fees.			
<b>Harbor Fund – Operations:</b>			
240-600-680-7200.000	Interfund Transfers Out	\$100,000	
To adjust the FY15 budget to authorize transfer of portion of raw fish tax to General Fund. Transfer in revenue was properly budgeted in General Fund, matching transfers out outlay was inadvertently omitted in Harbor Fund.			
<b>MIS Fund – Operations:</b>			
300-600-670-7106.000	Fixed Assets	\$28,114	
To adjust the budget for the remainder of the ERP.Net Project and to add an additional amount of \$20,000 for the Utilities Management Module expenses scheduled for February.			
<b>MIS Fund – Operations:</b>			
100-550-680-7200.000	Interfund Transfers Out	\$4,200	
300-300-390-3950.100	Transfer in General Fund	\$4,200	
300-600-670-7106.000	Fixed Assets	\$4,200	
To purchase a Purchase Card interface.			

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b>CAPITAL PROJECTS (cont.)</b>			
<b>Fund 706 – 2008 School Bond Project:</b>			
706-300-360-3610.000	Interest Income	\$279,239	
706-600-630-5212.000	Contracted/Purchased Services	\$279,239	
<b>To approve using interest earned from the Bond Issuance proceeds for the Blatchley Middle School Mechanical Upgrade Project #90640.</b>			

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68 **EXPLANATION**

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70 **Necessary revisions in the FY 2015 budget were identified. These changes involve the increase of**  
71 **expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short**  
72 **explanation of each budget revision is included.**

73

74 **5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its**  
75 **passage.**

76

77 **PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka,**  
78 **Alaska this 27th Day of January, 2015.**

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81 **ATTEST:**

\_\_\_\_\_  
**Mim McConnell, Mayor**

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85 \_\_\_\_\_  
86 **Sara Peterson, CMC**  
**Acting Municipal Clerk**



## Legislation Details

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File #: 15-003      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 1/21/2015      In control: City and Borough Assembly

On agenda: 1/27/2015      Final action:

Title: Appoint Doug Osborne to an unexpired term on the Health Needs and Human Services Commission

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Appointment](#)  
[Osborne application](#)  
[Roster Health Needs and Human Services Commission](#)

Date	Ver.	Action By	Action	Result
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## POSSIBLE MOTION

**I MOVE TO** appoint Doug Osborne to an unexpired term on the Health Needs and Human Services Commission.



Application for Appointment to Boards, Committees, and Commissions  
City and Borough of Sitka

Board/Commission/Committee: Health Needs  
Name: Doug Osborne Daytime Phone: 747-0373  
Address: \_\_\_\_\_ Evening Phone: 747-3752  
Email Address: dosborne@sitkahospital.org Fax Number: \_\_\_\_\_  
Length of Residence in Sitka: 11 1/2 years Registered to vote in Sitka?  Yes  No  
Employer: Sitka Community Hospital  
Organizations you belong to or participate in:

Sitka Health Summit

Explain your main reason for applying: To represent the Sitka Health Summit and to help Sitka be a health place to live.

What background, experience or credentials will you bring to the board, commission, or committee membership? I've worked in SEARHC's Health Promotion Department for 10 years.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 13 Jan 15

Signature: \_\_\_\_\_

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed?  Yes  No

Return to:

Sara Peterson, Deputy Clerk  
100 Lincoln Street  
Fax: 907-747-7403  
Email: sara@cityofsitka.com



Dear assembly members

I will be working as the director of Health Promotion at the Sitka Community Hospital. Patrick Williams has resigned and I'd like to take his spot. I have a personal passion for health, wellness and Sitka.

Thank you,

Doug



## Health Needs and Human Services Commission

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
WILLOW MOORE 700 Etolin St	747-4600 w 738-9082 c willow@braveheartvolunteers.org	10/22/13 11/10/14	10/22/14 11/10/17	<b>CHAIR</b>
PAUL BAHNA, MD 600 DeGross St #A	747-7749 w 623-0945 h bnbahna@uas.alaska.edu	11/12/13	10/22/15	<b>VICE-CHAIR</b> <i>Leccese term</i>
MYRON FRIBUSH, MD PO Box 303	738-1489 c 747-5377 h rfribush3@gmail.com	10/22/13	10/22/16	
AMY ZANUZOSKI PO Box 1991	747-3636 w 805-390-4194 c amyz@scpsak.org	10/22/13 10/28/14	10/22/14 10/28/17	
GALADRIEL MORALES 429 Katlian St	747-7221 w 738-0630 c glade.morales@sitkatriben-sn.gov	10/22/13	10/22/15	
VICKI D'AMICO PO Box 2191	747-3370 w 747-4729 h vdamico@safv.org	10/22/13	10/22/16	
<i>PATRICK WILLIAMS 209 Moller Avenue</i>	<i>747-0349 pwilliams@sitkahospital.org</i>	<i>10/14/14</i>	<i>10/14/17</i>	<i>Williams term</i>
Melissa Henshaw Assistant Clerk	747-1826 melissa@cityofsitka.com			Secretary
Tristan Guevin PO Box 6235	738-5415 c assemblyguevin@cityofsitka.com			Assembly Liaison

Established by Ordinance 2013-23

7 members 3-year terms (except for first commission): The first members appointed to the Commission shall, upon appointment, determine the length of the terms so that the terms of three (3) members shall be for one year, the terms of two (2) members shall be for two years, and the terms of two (2) members shall be for three years, resulting in staggered terms for members subsequently appointed. A vacancy on the commission shall be filled by appointment by the Assembly for any remainder of an unexpired term.

Meeting Schedule: 2<sup>nd</sup> Tuesday of each month or as needed – noon at Harrigan Hall; meets a minimum of four times per year.

Revised: January 12, 2015





## Legislation Details

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File #: ORD 15-03A Version: 1 Name:  
Type: Ordinance Status: FIRST READING  
File created: 1/8/2015 In control: City and Borough Assembly  
On agenda: 1/27/2015 Final action:  
Title: Plans to issue a Request for Proposal(s) for an entity to take on the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka. Formally dissolving the Sitka Convention and Visitor's Bureau under the City's oversight once the Request for Proposal(s) is awarded. The CBS will provide a percentage of bed tax revenues for funding purposes

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-03A](#)  
[Ord 2015-03A](#)  
[SCVB Overview](#)

Date	Ver.	Action By	Action	Result
1/13/2015	1	City and Borough Assembly		
1/13/2015	1	City and Borough Assembly		
1/13/2015	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-03A on first reading as amended.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. – 2015-03A

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS), ALASKA PLANS TO ISSUE A REQUEST FOR PROPOSAL(S) FOR AN ENTITY TO TAKE ON THE RESPONSIBILITIES FOR PLANNING, COORDINATING, PROMOTING AND EXECUTING ALL PHASES OF CONVENTIONS, TOURISM AND MARKETING FOR SITKA. FORMALLY DISSOLVING THE SITKA CONVENTION AND VISITOR’S BUREAU UNDER THE CITY’S OVERSIGHT ONCE THE REQUEST FOR PROPOSAL(S) IS AWARDED. THE CBS WILL PROVIDE A PERCENTAGE OF BED TAX REVENUES FOR FUNDING PURPOSES

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. PURPOSE. The Assembly, through passage of this ordinance, has determined that Sitka’s bed tax supported visitor services will be better served by an organization that is not under the municipality’s purview and responsibility. By dissolving the Sitka Convention and Visitor’s Bureau and issuing a request for proposals to assume the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka, that it will better serve the community and the city’s management structure.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 2.34 is deleted in its entirety at the time of award of the request for proposal.

Chapter 2.34

SITKA CONVENTION AND VISITORS’ BUREAU

Sections:

~~2.34.010~~ Formation.

~~2.34.020~~ Term.

~~2.34.030~~ Powers and duties.

~~2.34.040~~ Fiscal matters.

~~2.34.050~~ Voluntary association.

~~2.34.010~~ Formation.

45 ~~There shall be a board known as the Sitka convention and visitors' bureau, composed of seven members. The~~  
46 ~~members shall be nominated by the assembly and confirmed by a majority vote of the assembly members who~~  
47 ~~are present at any regular or special meeting. The bureau shall organize itself and function according to the~~  
48 ~~provisions of Chapter 2.60 of the Sitka General Code.~~

49 **2.34.020 Term.**

50 ~~The term of office of the Sitka convention and visitors' members shall be three years, but the first bureau~~  
51 ~~members shall be appointed and serve terms as follows:~~

52 ~~A.—Three members for a term of three years;~~

53 ~~B.— Three members for a term of two years;~~

54 ~~C.— One member for a term of one year.~~

55 ~~Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for~~  
56 ~~bureau membership.~~

57 **2.34.030 Powers and duties.**

58 ~~A.— The bureau shall be responsible for the formulation of policies governing the planning and execution of~~  
59 ~~programs dealing with all phases of convention and tourist promotion and service to tourists.~~

60 ~~All such policies and plans of operation, shall be approved by the assembly prior to execution, but after~~  
61 ~~approval, the bureau shall administer such programs to see that they are executed in line with assembly~~  
62 ~~authorization.~~

63 ~~B.—The bureau shall submit periodic reports to the assembly as may be determined by the assembly, but not~~  
64 ~~less than quarterly.~~

65 **2.34.040 Fiscal matters.**

66 ~~A.—The city may allocate funds from its budget to assist in programs of the bureau. The bureau may also~~  
67 ~~solicit funds from other sources, but all funds directly received become city property even though used~~  
68 ~~specifically for bureau purposes.~~

69 ~~B.—The bureau shall submit an annual budget and sources of income for the coming year, which shall be~~  
70 ~~approved by the assembly as part of the general fund budget of the municipality.~~

71 ~~C. Within the limits of the budgeted amounts, the bureau may incur expenses. Bills before payment shall be~~  
72 ~~approved by the assembly under the same procedures as ordinary bills.~~

73 **2.34.050 Voluntary association.**

74 ~~A. The bureau may form an auxiliary voluntary association to aid in the bureau purposes. Such purposes may~~  
75 ~~include the solicitation of funds. Any actions and solicitations by such an auxiliary shall make it clear that its~~  
76 ~~actions are not those of an official branch of the municipality, but rather those of a private voluntary~~  
77 ~~organization.~~

78 ~~B. Any funds received by such auxiliary shall be expended only with prior bureau approval. If any auxiliary~~  
79 ~~funds remain upon termination of the auxiliary, such funds revert to the Sitka general fund.~~

80 ~~C. Any disbursements by the auxiliary shall be reported to the assembly in no less than itemized quarterly~~  
81 ~~reports.~~

82 ~~D. The bureau may not guarantee payment of any auxiliary expense without prior assembly approval, nor~~  
83 ~~may the bureau donate any moneys to the auxiliary without prior assembly approval, nor may the bureau solicit~~  
84 ~~funds for the auxiliary.~~

85 ~~E. The auxiliary may be dissolved at any time by the bureau or the assembly.~~

86 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after  
87 the date of its passage.

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89 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and  
90 Borough of Sitka, Alaska this 24th day of February, 2015.

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Mim McConnell, Mayor

94 **ATTEST:**  
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Sara Peterson, CMC  
98 Acting Municipal Clerk

100  
101 First reading: 1/13/15  
102 First reading as amended: 1/27/15

103



# Sitka Convention & Visitors Bureau

## Current and Potential Organizational Structure

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*Mission: To market Sitka as a year-round visitor destination and meeting site, and to enhance the economy*

### Introduction

The Sitka Convention and Visitors Bureau (SCVB) was established by the City and Borough of Sitka in 1980 as Sitka's official destination marketing organization. Our mission is "To market Sitka as a year-round visitor destination and meeting site and to enhance the local economy". The agency fulfills its mission through a variety of mediums, some of which include:

**Marketing and Promotion:** design and publish annual visitors guide, place ads online and in print media, maintain social media pages, create and distribute promotional videos, promote Sitka through trade shows, maintaining [sitka.org](http://sitka.org), hosting media members and group tour operators, cruise line visits and Public Relations.

**Visitor Services:** respond to visitor inquiries in a variety of mediums, staff visitor information desks at both lightering facilities, mail requested information to visitors for trip-planning purposes, create and distribute printed information pieces for use by visitors while in Sitka.

**Convention Sales and Services:** solicit conventions and meetings to be held in Sitka through a variety of mediums, assist with conference planning (securing locales, bids, printed collateral, etc.), create and distribute convention delegate welcome folders and welcome signs in downtown businesses.

**Member Services:** update and include members in [sitka.org](http://sitka.org) and the annual visitor guide, as well as brochure displays, email newsletters, summer cruise ship calendar, educational seminars, customer service training, one-on-one marketing consultation, and international exposure through the SCVB's marketing and promotional efforts.

### Current Organizational Structure

#### Formation

The Sitka Convention & Visitors Bureau was formed under the City & Borough of Sitka (CBS) in 1980. It is identified as a "quasi-city" organization because it is neither a non-profit nor a city department. City of Sitka and Borough General Code Chapter 2.34 (Appendix A) includes details relating to the formation, powers, duties and financial structure of the SCVB. This section of the code is out of date and does not reflect current SCVB operations. The following paragraphs describe current SCVB operations.

#### Term (Board Assignment)

The SCVB board is comprised of seven members, each serving a term of three years. Those interested in serving on the SCVB board must complete a CBS Board/Commission Application Form. The application is submitted to the deputy clerk; the CBS Assembly then nominates and approves board members by a majority vote.

## **Powers and duties**

### **Policies governing planning and execution**

See the introduction

### **Reporting to the assembly**

Reports provided at each SCVB board meeting.

### **Employees**

**Hiring:** The executive director is hired and supervised by the SCVB Board; all other employees are hired and supervised by the executive director.

**Benefits:** Year-round employees are eligible for basic medical benefits and a \$25,000 life insurance policy. Employees must pay 100% of costs to add dependents or family members to their medical insurance policy.

### **Relationship to Tourism-related Commissions / Community Groups**

The SCVB does everything in its power to stay connected to local commissions, groups, and planning events that impact the tourism sector. Currently, the SCVB has an assigned seat on the Tourism Commission, although the seat has been empty for some time.

## **Fiscal matters**

### **Funding**

**Bed Taxes:** Currently, the SCVB is funded using a formula of 92% of projected bed taxes (that is, 92% of what is expected to be brought in the coming fiscal year). Although this is the historical funding calculation, there is no set or written methodology for funding the SCVB through bed taxes.

**Member Dues:** The SCVB has over 200 active memberships. Rates vary from just over \$100 for a non-profit to \$770 for large airlines or boat operators.

**Ad Sales:** Members are able to promote their businesses through paid print ads in the annual vacation guide, banner ads on the SCVB website, and on the airport phone board.

**Finances:** The SCVB has its own bank accounts and CD accounts. A bookkeeper is employed by the SCVB to manage payroll and process accounts payable. All accounts receivable invoicing is handled in-house, as are deposits of cash and checks (receipts and coding are forwarded to the bookkeeper for the GL). The SCVB is audited with the City in October of each year. All financial reports, information, and receipts are submitted to the City for the audit process

## **Future Organizational Structure**

The issue of SCVB organizational structure has been an ongoing topic for years. The Board's original preference was to modify the general code to align with the SCVB's current mode of operation. However, the Board was notified by an assembly member that the agency could not remain quasi-city, which only left the options of becoming a non-profit or a for-profit agency. The Board agreed that if non-profit was the only option, then a 501(c)3 would be the best choice. During the paperwork process, the SCVB was notified that the majority vote of the Assembly was required to become a non-profit. It is still the Board's opinion that remaining quasi-city would be the most desirable option. The possibility of becoming a department of the City and Borough of Sitka was widely dismissed because of the perceived cost to the city to absorb the SCVB as a department.

As we see it there are three options for the SCVB's future organizational structure, these options are described in detail below.

## **Option 1: Modify Current Ordinance**

### **Formation**

City of Sitka General Code Chapter 2.34 would be modified to fit the current operational structure of the SCVB. Several documents exist highlighting problem areas of the current code and suggest modifications. These suggestions were approved by the SCVB Board but were never brought forward to the City Assembly.

### **Term (Board Assignment)**

Board assignment would remain the same as it is currently structured.

### **Powers and duties Relationship to Tourism-related Commissions / Community Groups**

The SCVB Board is in favor of bringing the Tourism Commission and other willing tourism-related groups under the SCVB as active subcommittees to the SCVB Board. The purpose of the subcommittees would be to systematically explore and implement relevant projects and ideas from Visitor Industry Plan (VIP) 2.0 and other projects as identified by the subcommittees, SCVB Board, community, and Assembly. Unifying these groups would be more efficient, help prevent duplication of efforts, and ensure that all groups are operating with a common vision. Additionally, it would and prevent duplication of efforts, allow for resource sharing, and would provide a vehicle for review and implementation of additional worthwhile visitor industry plans that have remained dormant (such as those outlined in VIP 2.0).

### **Perceived Benefits**

- From the SCVB standpoint, this option allows for the most seamless transition.
- The current operational structure has worked well over the years for the SCVB.
- The Tourism Commission and other tourism-related community groups can be brought under one umbrella.

### **Perceived Risks**

- It is unknown if the current quasi-city status is a legally valid operational structure (especially regarding paid memberships, etc.).
- The SCVB would retain bank accounts, payroll, and finances completely independent of the CBS, therefore, the city has little control over the agency's finances.

### **Additional Resources Needed**

The SCVB would need to hire an additional person if the Assembly agreed to place the Tourism Commission under the SCVB. This person would convene/advertise meetings, create subcommittee packets, take minutes, and be responsible for following up and completing any tasks related to the subcommittees. In order to hire someone with the appropriate experience, we would need an additional \$15,000 year, based a contract employee rate of \$30/hour for 40 hours per month.

### **Employees**

Employee procedures would remain unchanged from the current organizational structure.

### **Fiscal matters**

#### **Funding**

Funding would be similar, but the SCVB Board prefers that a set funding formula be developed guaranteeing ongoing funding of the SCVB. For a long time the SCVB has requested to be forward-funded in order to help with planning, long-term marketing planning and campaigns.



## **Finances**

All financial procedures would remain unchanged from the current organizational structure

## **Option 2: 501(c)3**

**Note: Currently, all CVBs in larger Alaskan cities are 501(c)6 non-profits. Due to the fact that we have not engaged in political lobbying and don't plan to (that has been the place of the City Assembly) Foraker agreed that 501(c)3 would likely be a better form for the SCVB.**

## **Formation**

The SCVB began the process of becoming a 501(c)3 with the assistance of Foraker. We have all of the paperwork and are aware of all the next-steps required to move ahead with 501(c)3 status.

## **Board Assignment**

There are several options for board assignment, but it is typical for visitor bureaus and other member organizations to either 1) have the board assign future members or 2) let the membership vote new board members in.

## **Powers and duties**

### **Relationship to Tourism-related Commissions / Community Groups**

In this organizational structure, it would be difficult to bring the Tourism Commission to be brought underneath the SCVB, since the City Assembly would essentially have no authorization to assign projects to a non-profit group. Other tourism-related groups, such as the Downtown Revitalization Group, would still be able to be absorbed by the agency.

## **Perceived Benefits**

- Non-profit status would cleanly separate of the SCVB from CBS, which greatly reduces CBS liability regarding SCVB operations
- The SCVB would have greater freedom in operations without the quasi-city status
- All donations and member fees would be tax-deductible
- Additional grants *may* be available

## **Perceived Risks**

- CBS would have less control over the SCVB
- If a funding mechanism/formula wasn't clearly defined, it could have a drastically negative impact on visitor marketing efforts
- Board members would no longer be assigned by the assembly
- Increased workload for staff to maintain requirements of 501(c)3 status

## **Additional Resources Needed**

No additional resources would be necessary, as paperwork is mostly completed and the cost of retaining an attorney to help with the process has already been paid.

## **Employees**

Employee procedures would remain unchanged from the current organizational structure.

## **Fiscal matters**

### **Funding**

In order for the SCVB to continue receiving bed taxes, an MOA would need to be established between the agency and CBS. It is assumed that this would require an annual refresh, although the SCVB Board would prefer something be established with more longevity.

### **Finances**

Finances would remain as they are in their current structure; however, the SCVB would no longer be included in annual audits with the CBS.

## **Option 3: SCVB becomes a City Department**

### **Formation**

Additional research will be required to determine the process of integrating the SCVB as a department of CBS.

### **Board Assignment**

As a department of the CBS, the SCVB would likely have a commission, similar to the Library Commission or Police & Fire Commission. Commission members would be assigned by the Assembly.

### **Powers and duties**

#### **Relationship to Tourism-related Commissions / Community Group**

The Tourism Commission would likely be replaced by the Convention & Visitors Bureau Commission, although work could still be done to forward viable VIP 2.0 and other identifiable goals by convening subcommittees.

### **Perceived Benefits**

- Full control and oversight by the CBS
- Funding secured as a city department
- Significantly improved benefits for employees
- Some current expenses (such as bookkeeping and legal) would be covered as part integration into CBS.

### **Perceived Risks**

- Increased expense to CBS
  - Potential decrease in personnel or marketing budget due to increased personnel/benefit costs and lack of membership and ad sales funding
- Lack of membership offers no recourse if a business has multiple complaints – they will still automatically be represented

### **Additional Resources Needed**

Significant resources would be required to incorporate the SCVB as a department of the CBS. It was estimated that the current personnel structure would increase the SCVB budget by \$100,000; these costs could potentially be offset by a reduction in staff or by increasing the CBS bed taxes by 2%.

### **Employees**

All employees would be hired and retained per CBS personnel policies, including full benefit packages currently offered to city employees.

## **Fiscal matters**

### **Funding**

As a city department, the SCVB would be included in the CBS budget and could still receive bed tax revenue as a funding source. Membership and ad sales (~\$78,000 in FY14) would likely no longer be permitted.

### **Finances**

All financial items would be handled by the CBS finance department and existing bank accounts would be dissolved and moved into accounts of the CBS.

## Appendix A.

### City of Sitka and Borough General Code Chapter 2.34

#### SITKA CONVENTION AND VISITORS' BUREAU

Sections:

[2.34.010](#) Formation.

[2.34.020](#) Term.

[2.34.030](#) Powers and duties.

[2.34.040](#) Fiscal matters.

[2.34.050](#) Voluntary association.

#### **2.34.010 Formation.**

There shall be a board known as the Sitka convention and visitors' bureau, composed of seven members. The members shall be nominated by the assembly and confirmed by a majority vote of the assembly members who are present at any regular or special meeting. The bureau shall organize itself and function according to the provisions of Chapter [2.60](#) of the Sitka General Code. (Ord. 80-431 § 4 (part), 1980.)

#### **2.34.020 Term.**

The term of office of the Sitka convention and visitors' bureau members shall be three years, but the first bureau members shall be appointed and serve terms as follows:

- A. Three members for a term of three years;
- B. Three members for a term of two years;
- C. One member for a term of one year.

Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for bureau membership. (Ord. 80-431 § 4 (part), 1980.)

#### **2.34.030 Powers and duties.**

- A. The bureau shall be responsible for the formulation of policies governing the planning and execution of programs dealing with all phases of convention and tourist promotion and service to

tourists.

All such policies and plans of operation, shall be approved by the assembly prior to execution, but after approval, the bureau shall administer such programs to see that they are executed in line with assembly authorization.

B. The bureau shall submit periodic reports to the assembly as may be determined by the assembly, but not less than quarterly.

(Ord. 80-431 § 4 (part), 1980.)

#### **2.34.040 Fiscal matters.**

A. The city may allocate funds from its budget to assist in programs of the bureau. The bureau may also solicit funds from other sources, but all funds directly received become city property even though used specifically for bureau purposes.

B. The bureau shall submit an annual budget and sources of income for the coming year, which shall be approved by the assembly as part of the general fund budget of the municipality.

C. Within the limits of the budgeted amounts, the bureau may incur expenses. Bills before payment shall be approved by the assembly under the same procedures as ordinary bills.

(Ord. 80-431 § 4 (part), 1980.)

#### **2.34.050 Voluntary association.**

A. The bureau may form an auxiliary voluntary association to aid in the bureau purposes. Such purposes may include the solicitation of funds. Any actions and solicitations by such an auxiliary shall make it clear that its actions are not those of an official branch of the municipality, but rather those of a private voluntary organization.

B. Any funds received by such auxiliary shall be expended only with prior bureau approval. If any auxiliary funds remain upon termination of the auxiliary, such funds revert to the Sitka general fund.

C. Any disbursements by the auxiliary shall be reported to the assembly in no less than itemized quarterly reports.

D. The bureau may not guarantee payment of any auxiliary expense without prior assembly approval, nor may the bureau donate any moneys to the auxiliary without prior assembly approval, nor may the bureau solicit funds for the auxiliary.

E. The auxiliary may be dissolved at any time by the bureau or the assembly.

(Ord. 80-431 § 4 (part), 1980.)



## Legislation Details

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File #: RES 15-01    Version: 1    Name:

Type: Resolution    Status: AGENDA READY

File created: 1/20/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Authorizing the application for a loan increase to the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund for the Channel, Lake, Monastery and Landfill lift stations

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Res 2015-01](#)  
[Memo Res 2015-01](#)  
[Res 2015-01](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2015-01 on  
first and final reading.

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## MEMORANDUM

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**To:** Mayor McConnell and Members of the Assembly  
Mark Gorman, Municipal Administrator

**From:** Dan Tadic, P.E., Municipal Engineer *DT*  
David Longtin, P.E. Senior Engineer *OLL*  
Mike Middleton, Deputy Finance Director *MM*

**Reviewed:** Tori Fleming, Contract Coordinator *TF*  
Michael Harmon, P.E., Public Works Director *MH*  
Mark Buggins, Environmental Superintendent *MB*

**Date:** January 20, 2015

**Subject:** Alaska Department of Environmental Conservation  
Application to increase existing loan for lift station construction

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### Background

Each year, Public Works submits loan applications to the Alaska Department of Environmental Conservation (ADEC) Alaska Clean Water Fund (ACWF) program. On June 12, 2014, ADEC sent a "letter of binding commitment" to the City and Borough of Sitka (CBS), indicating that the state would make a \$1,379,170 loan available to CBS to upgrade the Channel, Lake Street and Monastery Street lift stations. CBC Construction Inc. is in the process of replacing the Lake Street and Monastery Street lift stations under a CBS contract.

The Environmental Division has since identified serious problems at the Landfill Lift Station, which pumps landfill leachate from a closed municipal landfill and residential wastewater from four lots on Tilson Street. The corrosive leachate has contributed to excessive pump maintenance and five force main breaks in the last 12 years, the most recent in November 2014.

ADEC has agreed to allow CBS to add the Landfill lift station to the scope of the existing \$1.38 million loan. However, due to the cost of the Lake Street and Monastery Street lift station repairs, there will not be enough money remaining in the loan to complete repairs at the Channel and Landfill lift stations. Public Works is seeking Assembly authorization to submit a loan increase application to ADEC in the amount of \$775,000.



## **Analysis**

Terms of the loan increase would be the same as for the existing loan: a 20-year term at 1.5 percent interest. Design would begin in 2015 and construction would follow in 2016.

The Landfill lift station pumps approximately 200,000 gallons per day, with the pumps running 8 hours per day. Its replacement will be composed of corrosion-resistant parts and more efficient pumps. Since 2005, the Environmental Division has spent over 900 hours servicing the lift station.

## **Fiscal Note**

The cash flow from operations in the Wastewater Fund necessary to provide for debt service coverage is currently forecasted to be \$602,000. Current debt service is \$367,536 annually. Sufficient positive cash flow from operations exists in order to support additional debt. It must be noted, however, that any additional debt service will negatively impact the growth of undesignated working capital.

## **Recommendations**

Approve Resolution 2015-01 authorizing the City and Borough to apply for and execute a loan increase of \$775,000 to the Alaska Department of Environmental Conservation Clean Water Fund for a total loan commitment of \$2,154,170.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2015-01

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA, AUTHORIZING THE APPLICATION FOR A LOAN INCREASE TO THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION UNDER THE ALASKA CLEAN WATER FUND FOR THE CHANNEL, LAKE, MONASTERY AND LANDFILL LIFT STATIONS

Whereas, the City and Borough of Sitka (CBS) seeks to obtain the necessary financial assistance to construct wastewater improvements; and

Whereas, the State of Alaska Department of Environmental Conservation is able to offer funding through the Alaska Clean Water Fund; and

Whereas, the Municipality wishes to apply for a loan increase for this important capital project.

Now therefore be it resolved by the Assembly of the City and Borough of Sitka that the Administrator is authorized to apply to the Alaska Department of Environmental Conservation for a loan increase from the Alaska Clean Water Fund for planning, design, and construction of the above-referenced sewer project and to execute the loan agreement if the project is funded.

Passed and approved by the Assembly of the City and Borough of Sitka, Alaska on this 27th day of January, 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC Acting Municipal Clerk



## Legislation Details

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File #: RES 15-02    Version: 1    Name:  
Type: Resolution    Status: AGENDA READY  
File created: 1/21/2015    In control: City and Borough Assembly  
On agenda: 1/27/2015    Final action:  
Title: Supporting a community playground at Crescent Harbor Park  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion Res 2015-02](#)  
[Res 2015-02](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2015-02 on  
first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2015 - 02

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA, SUPPORTING A COMMUNITY PLAYGROUND AT CRESCENT HARBOR PARK

WHEREAS, the City and Borough of Sitka constructed the Crescent Harbor park in 1972 with the last upgrade to a play structure in 2002;

WHEREAS, the City and Borough of Sitka "Comprehensive Plan" and "Sitka Sustainable Outdoor Recreation Plan" have as goals to provide healthy activities that benefit citizens of all ages;

WHEREAS, the Community Playground was a goal of the Sitka Health Summit 2011 and in 2014 the project received the third most votes;

WHEREAS, the City and Borough of Sitka Assembly has listed the project as a State Legislative priority for three years;

WHEREAS, the City and Borough of Sitka Parks Division and Sitka Parks and Recreation Committee have listed the upgrade of playgrounds as a deferred maintenance priority since 2006;

WHEREAS, all children need access to safe playgrounds regardless of their abilities and currently Sitka is lacking a playground that is classified as fully accessible to children of all abilities; and

WHEREAS, full accessibility will be possible and safety will be enhanced by expanding the playground to include one of the three Crescent Harbor Park tennis courts; and

WHEREAS, a well-designed 21<sup>st</sup> Century playground will stimulate active and imaginative play, attract more youth to participate in healthy activity; and

WHEREAS, the new playground will be built from sustainable and safe materials that will require minimum maintenance in the years to come; and

WHEREAS, the Parks and Recreation Committee, Historic Preservation Commission and Planning Commission, neighbors and attendees of a community playground public meeting have voiced support for the use of Crescent Harbor Park and one of the three tennis courts; and

WHEREAS, the Community Playground Group is committed to partnering with the CBS Parks and Recreation Division and the Parks and Recreation Committee to build an upgraded, vibrant community playground project, to make it a reality by extensively fund raising and

48 soliciting in-kind contributions and to help create an engaging community space: A space that  
49 honors Sitka's cultural diversity and inspires multi-generational play.

50

51 **WHEREAS**, Community Playground project is a collaborative, partnership project  
52 between the City Parks Division, the Sitka Parks and Recreation Committee, the citizen  
53 Community Playground Group, Rotary and Southeast Alaska Independent Living, all  
54 organizations which recognize the importance of playground that engages Sitka's children in  
55 active and imaginative play;

56

57 **THEREFORE, BE IT RESOLVED** that the Assembly of the City and Borough of Sitka,  
58 Alaska supports the location of the Community Playground at Crescent Harbor Park.

59

60 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
61 Alaska on this 27th day of January 2015.

62

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\_\_\_\_\_  
Mim McConnell, Mayor

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ATTEST:

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\_\_\_\_\_  
Sara Peterson, CMC

Acting Municipal Clerk

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## Legislation Details

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File #: RES 15-03    Version: 1    Name:

Type: Resolution    Status: AGENDA READY

File created: 1/21/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of certain of the Bond Bank's general obligation bonds, which provided funds to purchase the City's General Obligation Refunding Bond, 2005, and General Obligation Bond, 2008, under loan agreements between the City and the Bond Bank; and authorizing the City's finance director to approve a revised schedule of principal and interest payments with respect to the City's 2005 Bond and 2008 Bond, in accordance with the loan agreements, if the Bond Bank successfully refinances its bonds

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Res 2015-03](#)  
[Res 2015-03](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2015-03 on  
first and final reading.



CITY AND BOROUGH OF SITKA, ALASKA

RESOLUTION NO. 2015-03

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA, APPROVING THE CITY'S PARTICIPATION IN A PROPOSED REFINANCING BY THE ALASKA MUNICIPAL BOND BANK OF CERTAIN OF THE BOND BANK'S GENERAL OBLIGATION BONDS, WHICH PROVIDED FUNDS TO PURCHASE THE CITY'S GENERAL OBLIGATION REFUNDING BOND, 2005, AND GENERAL OBLIGATION BOND, 2008, UNDER LOAN AGREEMENTS BETWEEN THE CITY AND THE BOND BANK; AND AUTHORIZING THE CITY'S FINANCE DIRECTOR TO APPROVE A REVISED SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS WITH RESPECT TO THE CITY'S 2005 BOND AND 2008 BOND, IN ACCORDANCE WITH THE LOAN AGREEMENTS, IF THE BOND BANK SUCCESSFULLY REFINANCES ITS BONDS**

**WHEREAS**, the City and Borough of Sitka, Alaska (the "City"), issued and sold its General Obligation Bond, 2000, in the original principal amount of \$5,000,000 (the "2000 Bond"), to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 00-1563 and Resolution No. 00-771 of the City (the "2000 Bond Legislation"), on the terms and conditions set forth in the 2000 Bond Legislation and in a loan agreement dated May 15, 2000 (the "Original 2000 Loan Agreement"); and

**WHEREAS**, the Bond Bank issued and sold its General Obligation Bonds, 2000 Series B (the "2000 Bond Bank Bonds"), to provide funds to purchase the 2000 Bond, as provided in the Original 2000 Loan Agreement; and

**WHEREAS**, in 2005, Resolution No. 2005-04 of the City authorized the refinancing of the 2000 Bond to achieve debt service savings for the City and delegated authority to the City's finance director to accept a revised debt service schedule if the Bond Bank successfully refinanced the 2000 Bond Bank Bonds; and

**WHEREAS**, the Bond Bank issued its General Obligation Refunding Bonds, 2005 Series A (the "2005 Bond Bank Bonds"), in an advance refunding, to refinance the 2000 Bond Bank Bonds; and

**WHEREAS**, in connection with the issuance of the 2005 Bond Bank Bonds, the City and the Bond Bank entered into an amendatory loan agreement dated as of March 1, 2005 (the "2005 Amendatory Loan Agreement"), in accordance with the Original 2000 Loan Agreement and as authorized by Resolution No. 2005-04, under which the City and the Bond Bank agreed to a revised debt service schedule; and

**WHEREAS**, as further authorized by Resolution No. 2005-04, the revised debt service schedule agreed to in the 2005 Amendatory Loan Agreement was set forth in the City's General

47 Obligation Refunding Bond, 2005, in the original principal amount of \$4,745,000 (the “2005  
48 Bond”), issued to the Bond Bank in exchange for the 2000 Bond; and  
49

50 **WHEREAS**, in 2008, to provide funds for capital improvements to certain of the City’s  
51 schools, the City issued and sold its General Obligation Bond, 2008, in the original principal  
52 amount of \$7,150,000 (the “2008 Bond,” and together with the 2005 Bond, the “Sitka Bonds”),  
53 to the Alaska Municipal Bond Bank (the “Bond Bank”), as authorized by Ordinance No. 2008-24  
54 of the City (the “2008 Bond Ordinance”), on the terms and conditions set forth in the 2008 Bond  
55 Ordinance and in a loan agreement dated July 1, 2008 (the “2008 Loan Agreement,” and together  
56 with the 2000 Loan Agreement, as amended by the 2005 Amendatory Loan Agreement, the  
57 “Loan Agreements”); and  
58

59 **WHEREAS**, the Bond Bank issued and sold its General Obligation Bonds, 2008  
60 Series Two (the “2008 Bond Bank Bonds,” and together with the 2005 Bond Bank Bonds, the  
61 “Bond Bank Bonds”), to provide funds to purchase the 2008 Bond, as provided in the 2008 Loan  
62 Agreement; and  
63

64 **WHEREAS**, Section 6 of each of the Loan Agreements provides that the debt service  
65 schedule for the Sitka Bonds may be revised if the Bond Bank is able to achieve debt service  
66 savings by refunding the Bond Bank Bonds; and  
67

68 **WHEREAS**, the Bond Bank now wishes to refinance the Bond Bank Bonds to achieve  
69 debt service savings for borrowers including the City by issuing a series of its general obligation  
70 refunding bonds (the “2015 Bond Bank Bonds”), to refund the outstanding Bond Bank Bonds;  
71 and  
72

73 **WHEREAS**, the Assembly wishes to approve the City’s participation in this refinancing  
74 and to authorize the City’s finance director to accept a revised debt service schedule for the Sitka  
75 Bonds, to be set forth on new bonds issued to the Bond Bank in exchange for the Sitka Bonds, if  
76 the Bond Bank successfully refinances the Bond Bank Bonds;  
77

78 **NOW, THEREFORE, BE IT RESOLVED** by the Assembly of the City and Borough  
79 of Sitka, Alaska, as follows:  
80

81 Section 1. Approval of Refinancing. The Assembly hereby approves the City’s  
82 participation in the Bond Bank’s refinancing of the Bond Bank Bonds and authorizes the Finance  
83 Director to approve revised schedules of principal payment amounts and interest rates for one or  
84 both of the Sitka Bonds, in accordance with Section 6 of each of the Loan Agreements, so long  
85 as the revised debt service schedules are financially advantageous to the City. The revised  
86 schedules of debt service on the Sitka Bonds and other provisions as may be required by the  
87 Bond Bank will be set forth in Amendatory Loan Agreements and refunding bonds (the “2015  
88 Bonds”) to be issued in exchange for the Sitka Bonds. The Finance Director is authorized to  
89 execute and deliver the Amendatory Loan Agreements on behalf of the City and to deliver the  
90 2015 Bonds, executed in accordance with the provisions of the 2000 Bond Legislation, the 2008  
91 Bond Ordinance, and this resolution, as applicable, to the Bond Bank in exchange for the Sitka  
92 Bonds. The Finance Director and other appropriate officers and employees of the City are also

93 hereby authorized to provide financial information about the City that the Bond Bank may  
94 require for the official statement for the 2015 Bond Bank Bonds.

95  
96 Section 2. Tax Covenants; Special Designation. The City covenants to undertake all  
97 actions required to maintain the tax-exempt status of interest on the 2015 Bonds under  
98 Section 103 of the Internal Revenue Code of 1986, as amended.

99 Section 3. General Authorization. The Mayor, Administrator, Finance Director,  
100 Clerk, Attorney, and any other appropriate officers, agents, attorneys and employees of the City  
101 are each hereby authorized and directed to cooperate with the Bond Bank and to take such steps,  
102 do such other acts and things, and execute such letters, certificates, agreements, papers, financing  
103 statements, assignments or instruments as in their judgment may be necessary, appropriate or  
104 desirable to carry out the terms and provisions of, and complete the transactions contemplated  
105 by, this resolution.

106  
107 Section 4. Prior Acts. Any and all acts heretofore taken by officers, agents, attorneys  
108 and employees of the City in connection with refinancing the Sitka Bonds are hereby ratified and  
109 confirmed.

110  
111 Section 5. Effective Date. This resolution will take effect immediately upon its  
112 adoption.

113  
114 **PASSED, APPROVED, AND ADOPTED** this 27th day of January, 2015.

115  
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117  
118  
119 By \_\_\_\_\_  
120 Mim McConnell, Mayor

121  
122 ATTEST:

123  
124  
125 \_\_\_\_\_  
126 Sara Peterson, Acting Municipal Clerk  
127  
128

CLERK'S CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Sitka, Alaska (the "City"), and keeper of the records of the Assembly (the "City"), DO HEREBY CERTIFY:

1. That the attached resolution (the "Resolution") is a true and correct copy of Resolution No. 2015-03 of the City, as adopted at a regular meeting of the Assembly held on January 27, 2015, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been fully fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this January \_\_, 2015.

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Clerk  
City and Borough of Sitka, Alaska



## Legislation Details

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File #: RES 15-04    Version: 1    Name:

Type: Resolution    Status: AGENDA READY

File created: 1/21/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Approving the sale of Block 4, Lot 17 building and property at Gary Paxton Industrial Park to Ed & Clara Gray D.B.A. Monarch Tannery, and authorizing the Municipal Administrator to sign the agreement

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Res 2015-04](#)  
[Memo Monarch Tannery](#)  
[Res 2015-04](#)  
[Purchase and Sales Contract Monarch Tannery](#)  
[Exhibit A Monarch Tannery](#)  
[Monarch Tannery Offer](#)  
[Ord 00-1568](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2015-04 on  
first reading.



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

January 20, 2015

## MEMORANDUM

To: Mark Gorman – CBS Administrator

From: Garry White, Director

Subject: Monarch Tannery Lot 17 Purchase Request

### **Introduction**

Ed and Claire Gray dba Monarch Tannery request to purchase Lot 17 at the GPIIP for the construction of a building for tannery operations. The Gray's will partner with Dale Adams on the purchase and construction of the building.

The GPIIP Board met with Monarch Tannery at its December 17<sup>th</sup> meeting and passed the following motion:

**MOTION: M/S Miller/Fondell moved to** recommend that the Assembly approve the sale of Block 4, Lot 17 to Monarch Tannery for the 2014 appraised value of \$110,000.

### **Background**

Monarch Tannery has been a tenant of the Administration Building at the GPIIP since April 2011, operating out of room 11a in the basement. Monarch is looking to expand their business and need additional space. The lease with Monarch was meant to be temporary in nature as the operation of a tannery in the Administration Building was not an ideal fit for other tenants of the building.

### **Additional Information**

- A recent 2014 appraisal completed by Alaska Appraisal Associates, Inc. values Lot 17 at \$110,000. Please see attached valuation from appraisal. (*Full appraisal available at [www.sawmillcove.com](http://www.sawmillcove.com)*)
- Recent property sale requests at the GPIIP have been structured as short term leases with performance benchmarks to be met before the sale of the property is executed to ensure property is developed as proposed.
  - The GPIIP did not require benchmarks for the Monarch Tannery transaction as Monarch has been a successful tenant of the park for over three years and is being displaced by board action, and due to Lot 17 location in perimeter of the GPIIP property.

- Lot 17 has a fire water line running through the middle of the property. Construction of a building over the water line is prohibited.

**Action**

- Assembly approval of GPIIP Board recommendation.



CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2015-04

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA APPROVING THE SALE OF BLOCK 4, LOT 17 BUILDING AND PROPERTY AT GARY PAXTON INDUSTRIAL PARK TO ED & CLARA GRAY D.B.A. MONARCH TANNERY, AND AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO SIGN THE AGREEMENT**

**WHEREAS**, the Assembly established Gary Paxton Industrial Park (“GPIP”) 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 GPIP Board of Directors (“Board”) which “. . . shall generally exercise all powers necessary and incidental to operation of all GPIP 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 GPIP 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 received an offer to purchase Block 4, Lot 17 building and property from Monarch Tannery; and

**WHEREAS**, the Board reviewed and evaluated the submitted proposal and determined that the proposal was acceptable and in the best interest of GPIP; and

**WHEREAS**, the Board recommends to the Assembly to accept the proposal submitted by Monarch Tannery for the sale of Block 4, Lot 17 and building; and

**WHEREAS**, the attached Purchase And Sales Contract Between City And Borough Of Sitka And Monarch Tannery (“Agreement”) has been modeled after other GPIP purchase agreements; and

**WHEREAS**, SBS is offering to pay \$110,000 for the property which is good and fair value for the property.

**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

49 Agreement in substantially the same form as attached, to Monarch Tannery, which contains in  
50 part the following key provisions:

- 51
- 52 1) CBS will sell to Monarch Tannery, Block 4, Lot 17 building and property, subject  
53 to reservations, exceptions, easements, covenants, conditions and restrictions of  
54 record as set forth in the attached Agreement;
  - 55
  - 56 2) Monarch Tannery will pay CBS the sum of One Hundred Ten Thousand Dollars  
57 (\$110,000.00) at the time of Closing;
  - 58
  - 59 3) GPIP property sales are not required to be by competitive bid;
  - 60
  - 61 4) This sale is consistent with GPIP goals as set out in the Sitka General Code at  
62 28.38. *et seq.*, including creating jobs; and
  - 63
  - 64 5) CBS authorizes the Municipal Administrator to sign the attached Agreement or a  
65 substantially similar version.
  - 66

67 **PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
68 Alaska, on this 27<sup>th</sup> day of January, 2015.

69

70

71 \_\_\_\_\_  
Mim McConnell  
72 Mayor

73 ATTEST:

74

75 \_\_\_\_\_  
76 Colleen Ingman, MMC  
77 Municipal Clerk

78

1           **PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 17 OF THE**  
2                                   **GARY PAXTON INDUSTRIAL PARK,**  
3           **BETWEEN CITY AND BOROUGH OF SITKA AND ED & CLARA GRAY D.B.A.**  
4                                   **MONARCH TANNERY**

5  
6           This PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 17  
7 BUILDING AND PROPERTY, BETWEEN CITY AND BOROUGH OF SITKA AND ED &  
8 CLARA GRAY D.B.A. MONARCH TANNERY (“Agreement”) is entered into between the  
9 CITY AND BOROUGH OF SITKA (“Seller”), a home rule municipality and municipal  
10 corporation whose address is 100 Lincoln St., Sitka, Alaska 99835, and ED & CLARA GRAY  
11 D.B.A. MONARCH TANNERY, 137 Shelikof, Sitka, Alaska 99835 (“Purchaser”) collectively  
12 referred to as “Parties.”

13  
14           1.     **PROPERTY.** Upon the terms, conditions and covenants set forth in this  
15 Agreement, the Purchaser and Seller agree as follows regarding the property subject to purchase  
16 under this Agreement:

17  
18 Purchaser agrees to purchase and Seller agrees to sell to Purchaser the following Gary Paxton  
19 Industrial Park (“GPIP”) real property with related building (hereinafter referred to as the  
20 "Property"):

21                   GPIP Block 4, LOT 17, being approximately 16,997 square feet of raw  
22 land, more particularly identified in EXHIBIT A, excluding all utility  
23 easements, public use easements, and public easements, right of ways,  
24 roads, public improvements, and utility improvements.

25  
26           NOTE: Block 4, LOT 17 has a fire water line running through the middle of  
27 the property. Construction of a building over the water line, or disturbance of  
28 the water line is prohibited.

29  
30 **Legal Description:** Lot 17, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1,  
31 according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka  
32 Recording District, First Judicial District, State of Alaska.

33  
34  
35           2.     **PURCHASE PRICE.** The purchase price for the Property ("Purchase Price") shall  
36 be One Hundred Ten Thousand DOLLARS (US \$110,000.00). The Purchase Price shall be paid  
37 to Seller immediately at Closing.

38  
39           3.     **SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

40  
41           (a)    Purchaser acknowledges and understands that Seller owns the Property  
42 and intends that as a result of the transaction contemplated in this Agreement, Seller will have no  
43 further responsibility or liability for the Property. Purchaser and Seller have specifically

44 negotiated this Agreement with the goal that after Closing of the transactions contemplated in  
45 this Agreement that the Seller will have no responsibility or liability for the Property, for events  
46 occurring after the Closing Date.

47  
48 Notwithstanding anything to the contrary set forth in this Agreement, Purchaser is acquiring the  
49 Property "AS IS", "WHERE IS," with all faults and defects. Purchaser acknowledges and agrees  
50 that Seller (or any agent of Seller) has not made and does not make, and Seller specifically  
51 disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any  
52 kind or character whatsoever, whether express or implied, oral or written, past, present or future,  
53 of, as to, concerning or with respect to:

54  
55 (i) the nature, quality or condition of the Property, including without  
56 limitation, the water, soil and geology of, or the presence or absence of any pollutant, hazardous  
57 waste, gas of substance or solid waste on or about, or deriving from the Property,

58  
59 (ii) the income to be derived from the Property,

60  
61 (ii) the suitability of the Property for any and all activities and uses  
62 which Purchaser may intend to conduct thereon,

63  
64 (iii) the compliance of or by the Property or its operations with any  
65 laws, rules, ordinances or regulations of any government authority or body having jurisdiction  
66 over the Property, including but not limited to environmental laws, such as CERCLA and RCRA,  
67 zoning laws, platting laws and building codes,

68  
69 (iv) the habitability, merchantability or fitness for a particular purpose  
70 of the Property,

71  
72 (v) any matter regarding tax consequences, the presence of asbestos,  
73 utilities, valuation, governmental approvals, the truth, accuracy or completeness of the items  
74 delivered, and

75  
76 (vi) any other matter related to or concerning the Property, except as  
77 expressly set forth in this Agreement or the Exhibits.

78  
79 Purchaser shall not seek recourse (or seek any remedy, including rescission) against Seller on  
80 account of any loss, cost or expenses suffered or incurred by Purchaser with regard to any of the  
81 matters described in (i) through (vi) above.

82  
83 4. SELLER'S DISCLAIMERS

84  
85 Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the  
86 Property, is relying solely on its own investigation of the Property and not on any information  
87 provided or to be provided by Seller. Purchaser further acknowledges that no independent  
88 investigations or verifications have been or will be made by Seller with respect to any

89 information supplied by Seller concerning the Property, and that Seller makes no representation  
90 as to the accuracy or completeness of such information. Purchaser will conduct prior to Closing,  
91 such investigations of the Property, including but not limited to, the physical and environmental  
92 conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the  
93 Property and the existence or nonexistence of curative action to be taken with respect to any  
94 hazardous or toxic substances on or discharged from the Property, and except as expressly set  
95 forth in this Agreement, will rely solely upon same and not upon any information provided by or  
96 on behalf of Seller or its agents or employees with respect thereto. Upon Closing, Purchaser  
97 shall accept the risk that adverse matters, including but not limited to, construction defects and  
98 adverse physical and environmental conditions, may not have been revealed by Purchaser's  
99 investigations, and except as expressly set forth in this Agreement, Purchaser upon Closing, shall  
100 be deemed to have waived, relinquished and released Seller from and against any and all claims,  
101 demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs  
102 and expenses (including attorneys' fees and court costs) of any and every kind or character,  
103 known or unknown, which Purchaser might have asserted or alleged against Seller at any time by  
104 reason of or arising out of any of the subject areas listed in this Section 4 and violations of any  
105 applicable laws (including any environmental laws) and any and all other acts, omissions, events,  
106 circumstances or matters regarding the Property. Purchaser acknowledges that the purpose of  
107 this section is for Purchaser, to the fullest extent possible at law, to waive, relinquish, release and  
108 disclaim, any claim or liability of or against Seller as the result of any condition or state of facts  
109 relating or pertaining to the Property on the Closing Date, except as expressly set forth in this  
110 Agreement. Purchaser shall verify the accuracy and completeness of such information itself.

111  
112 Purchaser bears the risk of any costs or expenses suffered or incurred by Purchaser with regard to  
113 any lack of information, incorrect information or inadequate information relating to any of the  
114 matters described in (i) to (vi) above.

115  
116 (b) Upon its purchase, the condition and use of the Property are still as  
117 provided in and/or subject to the applicable provisions of EXHIBITS A, B, C, and D, which are  
118 titled as follows and attached to this Agreement:

- 119
- 120 EXHIBIT A                      Legal description of the Property (GPIP Block 4, LOT 17)
  
- 121 EXHIBIT B -                      Prospective Purchaser Agreement between the State of Alaska and  
122 the City-Borough of Sitka for the Former Alaska Pulp Corporation  
123 Pulp Mill Property
  
- 124 EXHIBIT C -                      Agreement to Convey between Alaska Pulp Corporation and the  
125 City and Borough of Sitka
  
- 126 EXHIBIT D -                      Management Requirements at Gary Paxton Industrial Park
  
- 127 EXHIBIT E -                      Quit Claim Deed

128 (c) Upon its purchase, the condition and use of the Property is provided in  
129 and/or subject to all applicable federal, state, and municipal laws, including GPIP ordinances,  
130 rules and regulations.

131  
132 (d) All required action necessary to authorize Seller to enter into this  
133 Agreement and to carry out Seller's obligations under this Agreement has been taken or will be  
134 taken by the Closing Date.

135  
136 (e) The representations and warranties set forth above are made as of the  
137 Execution Date and shall be deemed made also as of the Closing Date. If Purchaser knows prior  
138 to Closing that any representation or warranty above is untrue, then Purchaser shall give Seller  
139 written notice of such fact. If (a) such representation and warranty is not remedied by Seller  
140 prior to Closing, or (b) the representation and warranty, as remedied, has an adverse affect on any  
141 decision made by Purchaser to proceed with this transaction, or (c) any representation or  
142 warranty made by Seller is untrue and such fact is not disclosed to Purchaser until Closing, and  
143 same has a material and adverse affect on Purchaser's decision to purchase the Property, then  
144 Purchaser may either (i) terminate this Agreement, and neither Party shall have any further  
145 rights, duties or obligations pursuant to this Agreement except as expressly provided herein, or  
146 (ii) waive its objections to any such untrue representation or warranty and this Agreement shall  
147 remain in full force and effect. Purchaser shall have a period of one (1) year and one (1) day  
148 from the Closing Date to bring any action against Seller for the breach of any such representation  
149 or warranty.

150  
151 (f) The provisions of this Section 4 survive the Closing or termination of this  
152 Agreement.

153  
154 5. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.  
155 Purchaser represents, warrants, covenants, and agrees with Seller to the following as of the  
156 Execution Date and as of the Closing Date:

157  
158 (a) Purchaser has the full right, power, and authority to purchase the Property  
159 from Seller as provided in this Agreement and to carry out Purchaser's obligations under this  
160 Agreement; and all required action necessary to authorize Purchaser to enter into this Agreement  
161 and to carry out Purchaser's obligations under this Agreement has been taken. The individual  
162 executing this Agreement on behalf of Purchaser has the authority to do so.

163  
164 (b) There are no pending, or to the knowledge of Purchaser threatened,  
165 actions, suits, claims, proceedings or litigation against Purchaser that would prevent Purchaser  
166 from entering into this Agreement, or adversely affect Purchaser's ability to perform under this  
167 Agreement, or that would in any way result in any liability to Seller.

168  
169 (c) There are no attachments, executions, assignments for the benefit of  
170 creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy  
171 or pursuant to any other debtor relief laws contemplated or filed by Purchaser or to the best  
172 knowledge of Purchaser pending against Purchaser.

173  
174 (d) The representations and warranties set forth above are made as of the  
175 Execution Date and shall be deemed made also as of the Closing Date. It shall be a condition of  
176 Seller's obligation to close that the representations and warranties made hereunder are true on the  
177 Closing Date. In the event any representation or warranty made by Purchaser as of the Closing  
178 Date is untrue, Seller must bring any action with respect to such breach of the representation and  
179 warranty within two (2) years and (1) day of the Closing Date.  
180

181 6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in  
182 the offices of the Seller or at such other place as is mutually agreed to in writing between Seller  
183 and Purchaser. The "Closing Date" shall be within 30 calendar days of execution of this  
184 Agreement, unless another date is agreed in writing between Seller and Purchaser prior to 30  
185 calendar days after execution of this Agreement, which may not be more than a thirty (30)  
186 calendar day extension, at a time to be agreed upon by Seller and Purchaser.  
187

188 (a) At Closing, Seller, at Seller's expense, shall deliver to Purchaser:

189 (i) Executed Quit Claim Deed in the format attached as EXHIBIT E;

190 (ii) Owner's policy of title insurance for the property.

191 (iii) Any and all other documents reasonably required to be executed by  
192 Purchaser to consummate this transaction,  
193

194 (b) At Closing, Purchaser, at Purchaser's expense, shall deliver to Seller:

195 (i) The Purchase Price; and

196 (ii) Any and all other documents reasonably required to be executed by  
197 Seller to consummate this transaction.  
198

199 7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne  
200 as follows:  
201

202 (a) Seller shall be obligated for and shall pay:

203 (i) Survey and platting costs;

204 (ii) Owner's policy of title insurance, and

205 (iii) Seller's attorneys' fees.  
206

207 (b) Purchaser shall be obligated for and shall pay:

208 (i) Purchaser's due diligence;  
209  
210  
211  
212  
213  
214  
215  
216  
217

- 218  
219 (iii) Any fees and expenses incurred by Purchaser in connection with  
220 Purchaser obtaining financing for its purchase of the Property;  
221  
222 (iv) Appraisal fee of \$875;  
223  
224 (iii) Recording fee; and  
225  
226 (iv) Purchaser's attorneys' fees.  
227

228 All other closing costs not mentioned herein and for which no provision is made in this  
229 Agreement shall be paid equally by the Seller and Purchaser.  
230

231 8. DEFAULT AND REMEDIES. In the event that this transaction is not  
232 consummated by reason of Seller's or Purchaser's default, both Parties sole remedy shall be  
233 termination of this Agreement.  
234

235 9. INDEMNITY. Purchaser will hold harmless, indemnify and defend Seller, its  
236 employees, elected and unelected officials from and against any and all losses, claims, actions,  
237 demands, damages or other liabilities of any and every nature ("Claims") arising from the  
238 Property after the Closing Date of this Agreement.  
239

240 10. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by  
241 Purchaser, without Purchaser having to first obtain the consent of Seller.  
242

243 11. NOTICES. Any notices to be given by either Party to this Agreement shall be  
244 given in writing and may be effected by personal delivery, facsimile transmittal, delivery by  
245 overnight Federal Express or similar courier service, or mailed through the United States Postal  
246 Service, as follows:  
247

248 To Purchaser: Ed & Clara Gray d.b.a. Monarch Tannery  
249 137 Shelikof  
250 Sitka, AK 99835  
251

252 To Seller: Administrator, Mark Gorman  
253 City and Borough of Sitka  
254 100 Lincoln Street  
255 Sitka, Alaska 99835  
256 Telephone: (907) 747-1808  
257 Telecopy/Fax: (907) 747-7403  
258

259 The Parties hereto shall have the right from time to time to change their respective addresses, and  
260 each shall have the right to specify as its address any other address by at least five (5) calendar  
261 days prior written notice to the other Party as herein provided. Notice shall be effective and  
262 deemed given upon actual receipt or upon the fifth (5th) business day after same is sent as  
263 specified above, whichever is earlier; provided, however, notice given by facsimile transmittal



264 shall be effective upon actual receipt and telephonic confirmation that such notice has been  
265 received in its entirety.

266  
267 12. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be  
268 modified or amended except by a written instrument signed by Seller and Purchaser. Purchaser  
269 and Seller may waive any of the conditions contained in this Agreement or any of the obligations  
270 of the other party under this Agreement, but any such waiver shall be effective only if in writing  
271 and signed by the party waiving such condition or obligation.

272  
273 13. BINDING EFFECT. This Agreement shall be binding upon and inure to the  
274 benefit of the Parties and their respective heirs, successors, legal representatives and, subject to  
275 Section 11, assigns.

276  
277 14. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits,  
278 constitutes the entire agreement and understanding between the Parties and supersedes all prior  
279 and contemporaneous agreements and undertakings of the Parties in connection herewith. No  
280 statements, agreements or understandings, representations, warranties or conditions not  
281 expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret,  
282 change or restrict the provisions of this Agreement unless such is in writing signed by both  
283 Parties hereto and by reference made a part of this Agreement.

284  
285 The terms of this Agreement are contractual and not a mere recital. The rule of construction that  
286 a document is more strictly construed against the drafter shall not apply in the interpretation of  
287 this Agreement. The purpose of this Agreement is to ensure the full, complete, and final  
288 resolution of any disputes and claims between the Seller and Purchaser regarding the subjects  
289 discussed in this Agreement, including but not limited to the purchase of the Property, Parties'  
290 obligations and liabilities regarding the Property.

291  
292 15. GOVERNING LAW. This Agreement shall be construed and interpreted in  
293 accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation  
294 and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka,  
295 Alaska.

296  
297 16. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the  
298 agreements that are the subject of this Agreement that results in litigation, the prevailing party in  
299 such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the  
300 Court.

301  
302 17. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be  
303 executed in counterparts, each of which shall be deemed an original. Each Party agrees that its  
304 signature page may be attached to an identical counterpart of this Agreement so that there are  
305 signature pages of each such Party to such counterpart of this Agreement.

306  
307 18. CAPTIONS. Captions and headings throughout this Agreement are for  
308 convenience and reference only, and they shall not define, limit, modify or add to the

309 interpretation or meaning of any provisions of this Agreement or in any way affect the scope,  
310 intent or effect of this Agreement.

311

312 19. SEVERABILITY. If any one or more of the provisions contained in this  
313 Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such  
314 invalidity, illegality or unenforceability shall not affect any other provision of this Agreement,  
315 and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had  
316 never been contained.

317

318 20. EXHIBITS. All exhibits attached to this Agreement are made a part of this  
319 Agreement for all purposes whatsoever.

320

321 21. SURVIVAL. All provisions of this Agreement shall survive Closing.

322

323 22. ASSEMBLY APPROVAL. This Agreement is subject to approval by the  
324 Assembly for the City and Borough of Sitka regarding its being consistent with the terms and  
325 conditions outlined and approved by the Assembly on \_\_\_\_\_ 2015. This  
326 Agreement, together with any modifications, changes, or amendments to this Agreement, cannot  
327 be enforced against the Seller unless the Assembly for the City and Borough of Sitka has  
328 approved this Agreement and any modification, changes, or amendments to this Agreement.

329

330

331

332 EXECUTED by the Parties as of the date set forth below the signature of each party, with  
333 the Effective Date of this Agreement to be the date first listed in this Agreement.

334  
335 CITY AND BOROUGH OF SITKA, SELLER

336  
337 \_\_\_\_\_  
338 Mark Gorman, Administrator

339  
340 STATE OF ALASKA )  
341 ) ss:  
342 FIRST JUDICIAL DISTRICT )

343  
344 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me MARK  
345 GORMAN, whose identity is personally known to me or proved to me on the basis of  
346 satisfactory evidence, and who states under oath by signing this document that he has the  
347 authority as Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and  
348 does so freely and voluntarily.

349  
350 \_\_\_\_\_  
351 Notary Public for Alaska  
352 My Commission Expires: \_\_\_\_\_

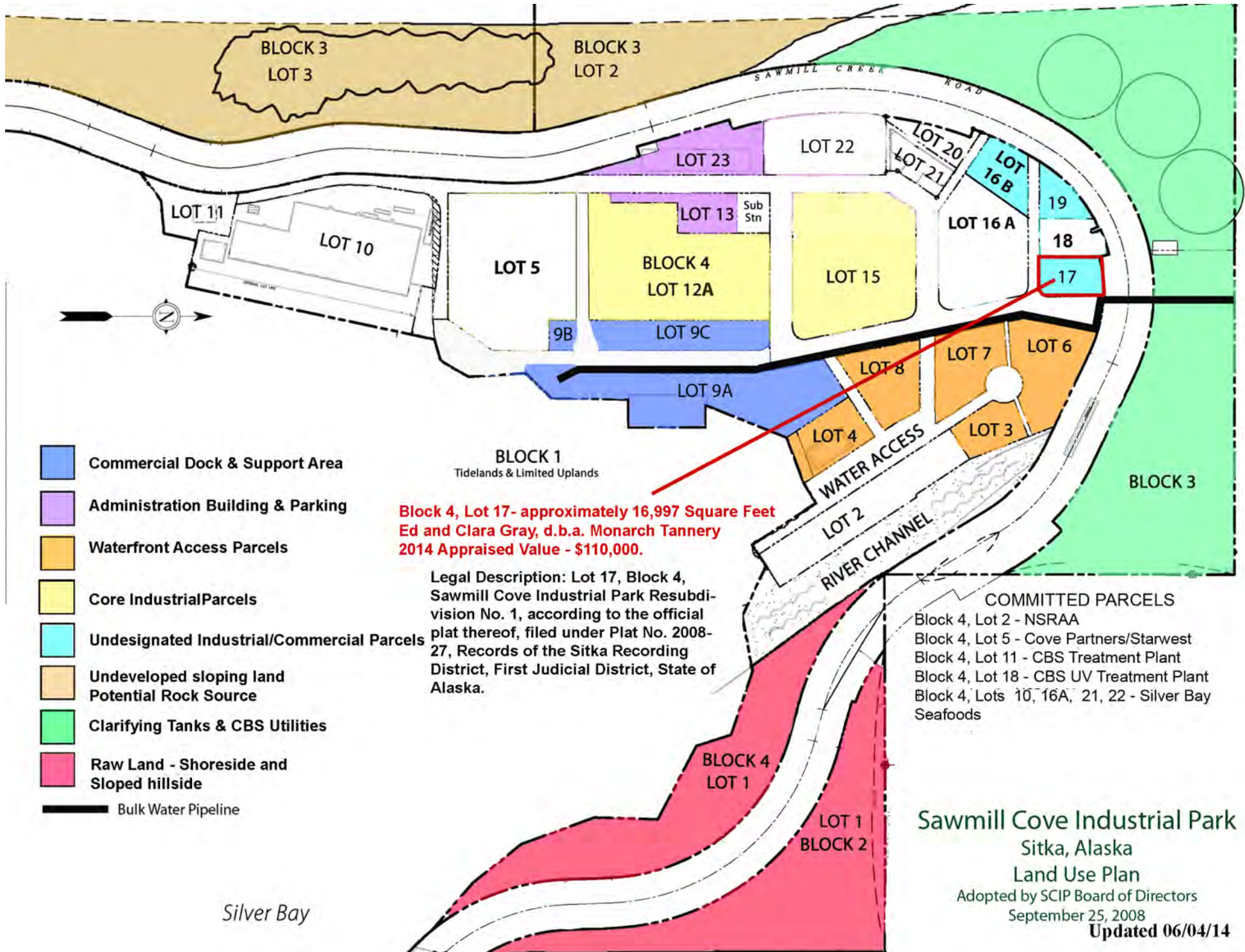
353  
354  
355 ED and CLARA GRAY D.B.A. MONARCH TANNERY, Purchaser

356  
357  
358  
359 \_\_\_\_\_  
360 Ed Gray

361  
362 STATE OF ALASKA )  
363 ) ss:  
364 FIRST JUDICIAL DISTRICT )

365  
366 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me ED  
367 GRAY, whose identity is personally known to me or proved to me on the basis of satisfactory  
368 evidence, and who states under oath by signing this document that he has the authority d.b.a.  
369 Monarch Tannery to sign on its behalf, and does so freely and voluntarily.

370  
371 \_\_\_\_\_  
372 Notary Public for Alaska  
373 My Commission Expires: \_\_\_\_\_



BLOCK 3  
LOT 3

BLOCK 3  
LOT 2

SAWMILL CREEK ROAD

LOT 11

LOT 10

LOT 5

LOT 23

LOT 22

LOT 20

LOT 21

LOT 16B

19

18

17

LOT 16A

LOT 13 Sub Stn

BLOCK 4  
LOT 12A

LOT 15

9B

LOT 9C

LOT 9A

LOT 8

LOT 7

LOT 6

LOT 4

LOT 3

WATER ACCESS  
RIVER CHANNEL

BLOCK 3

BLOCK 1

Tidelands & Limited Uplands

**Block 4, Lot 17- approximately 16,997 Square Feet  
Ed and Clara Gray, d.b.a. Monarch Tannery  
2014 Appraised Value - \$110,000.**

Legal Description: Lot 17, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1, according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka Recording District, First Judicial District, State of Alaska.

COMMITTED PARCELS

- Block 4, Lot 2 - NSRAA
- Block 4, Lot 5 - Cove Partners/Starwest
- Block 4, Lot 11 - CBS Treatment Plant
- Block 4, Lot 18 - CBS UV Treatment Plant
- Block 4, Lots 10, 16A, 21, 22 - Silver Bay Seafoods

BLOCK 4  
LOT 1

LOT 1  
BLOCK 2

**Sawmill Cove Industrial Park**  
Sitka, Alaska  
Land Use Plan

Adopted by SCIP Board of Directors  
September 25, 2008

Updated 06/04/14

- Commercial Dock & Support Area
- Administration Building & Parking
- Waterfront Access Parcels
- Core Industrial Parcels
- Undesignated Industrial/Commercial Parcels
- Undeveloped sloping land  
Potential Rock Source
- Clarifying Tanks & CBS Utilities
- Raw Land - Shoreside and  
Sloped hillside
- Bulk Water Pipeline


Silver Bay

Ed Gray and Dale Adams on behalf of Monarch Tannery offer to purchase Lot 17 at Sawmill Cove industrial Park. The offer is to purchase at current assessed value with a single cash payment for purchase price plus agreed upon fees.

Purchase is contingent upon agreement of standard real estate agreements.

Upon transfer of property a Tannery Building will be constructed and Monarch Tannery will move Tannery Processing from current leased location in the administration building.

Ed Gray 11/29/2014

 11/29/14

CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 00-1568

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING TITLE 2 OF THE SITKA GENERAL CODE ADDING CHAPTER 2.38, ESTABLISHING RULES AND PROCEDURES GOVERNING LEASES AND PROPERTY MANAGEMENT AT THE FORMER ALASKA PULP CORPORATION MILL SITE

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. 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.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Title 2 of the Sitka General Code is amended to add Chapter 2.38, which shall read as follows:

- A. Chapter 2.38 Sawmill Cove Industrial Site
- 2.38.010 Designation
  - 2.38.020 Sawmill Cove Industrial Park Board of Directors
  - 2.38.030 Board of Directors organization
  - 2.38.040 Vacancies
  - 2.38.050 Meetings
  - 2.38.060 Coordination
  - 2.38.070 Membership in associations
  - 2.38.080 General powers
  - 2.38.090 Leasing powers
  - 2.38.100 Adoption of regulations
  - 2.38.110 Sawmill Cove Industrial Park Director designated appointment
  - 2.38.120 Director duties and responsibilities
  - 2.38.130 Schedule of fees and charges
  - 2.38.140 Industrial Park fees
  - 2.38.150 Preparation and submission of a budget
  - 2.38.160 Other fiscal matters
  - 2.38.170 Employee relations
  - 2.38.180 Definitions

#### 2.38.010 Designation.

The former Alaska Pulp Corporation mill site is designated as the Sawmill Cove Industrial Park (Sawmill Cove). As described in Exhibit A, attached hereto and incorporated herein by reference. The Sawmill Cove Industrial Park is a municipal department subject to assembly general oversight.

#### 2.38.020 Sawmill Cove Industrial Park Board of Directors.

There is established the board of directors of the City and Borough of Sitka, which shall be known as the City and Borough of Sitka Sawmill Cove Industrial Park Board of Directors. The Sawmill Cove Industrial Park Board shall consist of five members appointed by the assembly to serve without compensation for staggered two-year terms. Terms shall commence on June 1.

No employee or the spouse of an employee or a member of the immediate family or household of a member of the board of the Sawmill Cove Industrial Park may be a member of the board. To the extent possible, appointments to the board shall include persons having marine, engineering, financial, or other skills relevant to industrial park matters. One member of the board shall hold a seat at large. The Conflict of Interest provisions set out in this code and the Charter shall apply to actions of the Board of Directors. A written disclosure by each board member of his or her ownership interests in lessees and lessee applicants shall be filed with the municipal clerk by March 15<sup>th</sup> annually.

Members of the Board of Directors shall serve at the pleasure of the Assembly and may be removed by the Assembly at any time.

#### 2.38.030 Board of Directors organization.

The board shall elect annually from its members a chair and vice chair and such other officers as it deems necessary.

#### 2.38.040 Vacancies.

(a) A vacancy shall exist under the following conditions:

(1) If a person appointed to membership fails to qualify and take office within thirty days of appointment;

(2) If a member departs from the city and borough with the intent to remain away for a period of ninety or more days;

(3) If a member submits his or her resignation to the assembly;

(4) If a member is physically unable to attend board and standing committee meetings for a period of more than ninety days; or

(5) If a member misses more than forty percent of the board and standing committee meetings in a twelve-month period.

(b) The chair of the board shall notify the assembly of any vacancy on the board. Upon notification, the assembly shall appoint a new member for the unexpired term.

#### 2.38.050 Meetings.

The board shall meet at least once each month at a place and time to be designated by the chair. Meetings of the board or any duly constituted committee of the board shall be subject to the state and local open meeting laws.

#### 2.38.060 Coordination.

The board shall submit to the assembly, at least quarterly, a report on Industrial Park operations and pending issues.

The Municipal Administrator or his designee shall be made an ex-officio member of the board.

The board shall adopt safety policies acceptable to the municipal risk manager or such other officer as the Director may designate.

In emergencies the Industrial Park shall, to the extent necessary to resolve the emergency, be under the control of the fire chief or such other officer as the Municipal Administrator may designate.

#### 2.38.070 Membership in associations.

The Board of Directors may maintain membership in any local, state, or national group or association organized and operated for the promotion, improvement, or assistance in the administration of port and harbor facilities, or industrial park facilities and, in connection therewith, pay dues and fees thereto. The Assembly shall select one of its members to serve as the liaison to the Board.

#### 2.38.080 General powers.

(a) Subject to state laws and municipal ordinances, the Board of Directors shall generally exercise all powers necessary and incidental to operation of all Sawmill Cove Industrial Park facilities in the public interest and in a sound business manner. In particular, and without limitation on the foregoing, the board:

1. Shall be responsible for the operation, maintenance, development, and marketing of the municipally owned and operated Sawmill Cove Industrial Park, including such facilities as site development, docks, and facilities appurtenant thereto.
2. Shall approve annual budgets prepared by the Industrial Park Director to be submitted to the assembly for final approval and adoption.
3. Shall formulate and prepare Planning Documents for the ongoing development of the Industrial Park.
4. Shall enforce all rules and regulations necessary for the administration of the facilities under its management. Said rules and regulations shall be prepared and amended by the Board and subject to the final approval of the assembly before implementation.
5. Shall prescribe the terms under which persons and vessels may use the facilities and shall establish and enforce standards of operation, consistent with the Prospective Purchasers Agreement and the State of Alaska Department of Environmental Conservation Management Plan and the Conveyance Agreement with Alaska Pulp Corporation.
6. Shall, within the Industrial Park appropriation and in general conformity with the rates of pay established for municipal positions of similar responsibility, establish, and may amend, the pay plan for Industrial Park municipal employees.
7. Shall administer and dispose of tideland, submerged land, and other land identified by the assembly by ordinance as subject to Sawmill Cove Industrial Park administration, subject to the following limitations:



(A) Any sale, purchase, or trade of land other than short term lease (which may be approved by the Municipal Administrator) shall be subject to approval by the assembly by resolution.

(B) All land transactions by the board in accordance with this section shall be governed by this chapter rather than Title 18 of this code, as follows:

1. The long term leasing of all of the property at the Sawmill Cove Industrial Park is hereby authorized regardless of value.
2. Leases shall be granted to the highest responsible bidder unless the assembly, determines that because of the nature of the trust to be leased, the nature of the business being sought for the lease of seeking a lease, or the number of jobs to be produced, that competitive bidding is inappropriate and the terms of the proposed lease, including price, should be negotiated. Applications for non-bid dispositions shall be referred to the board for recommendations.

8. May propose capital improvement projects to and apply for funding from state and federal agencies; provided that such request shall be subject to prioritization by the assembly with other municipal capital improvement funding requests.

9. Shall, on behalf of the municipality, enter into memoranda of understanding, permit negotiations and similar agreements with public agencies for Industrial Park purposes. The board may negotiate and enter into contracts for goods and services pursuant to regulations set out in this ordinance; provided that all legal services shall be provided by or under the supervision of the Municipal Attorney. All services provided by a municipal agency other than the Municipal Attorney shall be pursuant to a memorandum of understanding or other instrument providing for payment or such other settlement as the Municipal Administrator and board may approve. Contracts for public improvements and, whenever practicable, other purchase of supplies, materials, equipment, and services, except professional services and services of officers and municipal employees, shall be by competitive bid and awarded to the lowest qualified bidder according to the procedures established in SGC Title 18. all contracts, and purchased items specifically identified within the Sawmill Cove Industrial Park budget shall not require prior assembly approval. All contracts and purchases shall require Municipal Administrator approval.

#### 2.38.090 Leasing powers.

All leases of land, whether uplands or tidelands, within the Sawmill Cove Industrial Park are subject to the leasing provisions set forth in this chapter.

#### 2.38.100 Adoption of regulations.

The Board of Directors shall adopt regulations for the administration of the industrial park. The Board shall submit regulations to the Assembly for review prior to final adoption.

#### 2.38.110 Sawmill Cove Industrial Park Director designated appointment.

The Director of the Sawmill Cove Industrial Park shall be the Director appointed by the assembly upon the affirmative recommendation of a majority of the entire board. The board shall interview and recommend candidates to Assembly for final approval. The Director serves at the pleasure of the board. For purposes of SGC Title 2, the Director shall have the status of a department head as defined in SCG Chapter 2.08. The Assembly shall establish the compensation and benefits to be provided to the Director.

The Assembly may alternatively elect to enter into a services contract with another entity to perform all duties and functions of the Director of the Sawmill Cove Industrial Park as described in Section 2.38.110 below.

#### 2.38.120 Director duties and responsibilities.

(a) The Director is responsible for the overall supervision and direction of the affairs of the Sawmill Cove Industrial Park. The authority and duties of the Director shall include the following:

1. To be responsible for carrying out all applicable laws, ordinances, rules, and regulations.
2. To be responsible for carrying out policies established by the Board of Directors and assembly.
3. To prepare and submit to the Board of Directors for approval, a plan of organization and a job classification plan for the personnel employed in the Sawmill Cove Industrial Park.
4. To prepare an annual budget as required by municipal ordinance.
5. To select, employ, control, and discharge all Sawmill Cove Industrial Park employees and such other employees as the Assembly by ordinance hereafter places under the supervision of the Director subject to the provisions of the municipal personnel policies, except that the Director may recommend changes to the personnel plan to allow for the peculiarities of the operation of Sawmill Cove Industrial Park.
6. To prepare such reports as may be required on any phase of Industrial Park activity.
7. To attend all meetings of the Board of Directors.
8. To perform any other duty that may be necessary in the interest of the Industrial Park area.

#### 2.38.130 Schedule of fees and charges.

1. A schedule of fees and charges for use of the Industrial Park Public Dock and other Industrial Park facilities shall be submitted to the Assembly annually or more often as deemed necessary, for approval.
2. The Assembly, prior to imposing any fee on activities related principally to or property located in the Sawmill Cove Industrial Park, shall consider the extent to which such fee is necessary to support municipal services delivered by or facilities provided by the municipality.

#### 2.38.140 Industrial Park fees.

(LEAVE BLANK FOR NOW. TO BE DETERMINED)

## 2.38.150 Preparation and submission of a budget.

The Director shall prepare the budget in accordance with approved city and borough procedure and format and shall submit it to the Board of Directors for approval and recommendation to the Assembly. The Board of Directors shall modify the budget as it deems necessary and forward it to the Municipal Administrator for transmittal to the Assembly. The board shall annually prepare and submit to the Municipal Administrator a proposed six-year capital improvements program for submittal to and consideration by the Assembly.

## 2.38.160 Other fiscal matters.

All other fiscal matters, including, but not limited to, custody of and expenditure of funds, accounting, and collection shall be governed by the municipal charter and ordinances.

## 2.38.170 Employee relations.

For purposes of that chapter, the Director is a municipal employee Department Head as defined in SGC 2. who formulates, determines, or effectuates management policies.

## 2.38.180 Definitions.

Whenever the following words and terms are used in this Title, they shall have the meaning ascribed to them in this Chapter, unless the context clearly indicates otherwise.

"Board" or "Board of Directors" means the Sawmill Cove Industrial Park Board.

"Boats" means all vessels, ships, boats, skiffs, and water craft of every kind and description, and aircraft using or present in the boat harbor. The essential element of a boat is that its purpose and use is navigation as a means of transportation.

"city and borough" means the City and Borough of Sitka, Alaska.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage and shall sunset on June 30, 2002 unless reenacted by the Assembly of the City & Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 25<sup>th</sup> day of April, 2000.

  
 Stan J. Filler, Mayor

ATTEST:

  
 Linda Strickland  
 Acting Municipal Clerk

## EXHIBIT "A"

Order Number: 99-S-5158

PARCEL # 1 - U.S. Survey 2797. Sitka Recording District, First Judicial District, State of Alaska.

PARCEL # 2 - U.S. Survey 3551. Sitka Recording District, First Judicial District, State of Alaska.

PARCEL # 3 - All Lots One (1), Two (2), Three (3), and Four (4), U.S. Survey 3665. Sitka Recording District, First Judicial District, State of Alaska.

PARCEL # 4 - Alaska Tideland Survey No. 6. (State Patent # 20). Sitka Recording District, First Judicial District, State of Alaska.

PARCEL # 5 - Access Easement Vacation Plat; according to the plat thereof filed October 5, 1981 as Plat No. 81-40. Sitka Recording District, First Judicial District, State of Alaska

END OF LEGAL DESCRIPTIONS





## Legislation Details

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File #: RES 15-05    Version: 1    Name:  
Type: Resolution    Status: AGENDA READY  
File created: 1/21/2015    In control: City and Borough Assembly  
On agenda: 1/27/2015    Final action:  
Title: Approving the sale of Block 4, Lot 12A, Lot 13, Lot 9C and Block 4, Lot 11 building and property containing the former water treatment plant at Gary Paxton Industrial Park to Silver Bay Seafoods, LLC, and authorizing the Municipal Administrator to sign the agreements

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Res 2015-05](#)  
[Memo Silver Bay Seafoods](#)  
[Res 2015-05](#)  
[Purchase Sales Contract Block 4 Lot 11](#)  
[Exhibit A Block 4 Lot 11 Silver Bay Seafoods](#)  
[Purchase Sales Contract Block 4 Lot 12A Lot 13 and Lot 9C](#)  
[Exhibit A Block 4 Lot 12A Lot 13 and Lot 9C](#)  
[Silver Bay Seafoods original proposal and amendments](#)  
[GPIP Board Minutes](#)  
[GPIP Strategic Plan](#)  
[2014 Appraisal Summary](#)  
[Ord 00-1568](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2015-05 on  
first reading.



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

January 19th, 2015

## MEMORANDUM

To: Mark Gorman – CBS Administrator  
From: Garry White, Director  
Subject: Silver Bay Seafoods – Real Estate Purchase Proposal

### Introduction

Silver Bay Seafoods (SBS), a local seafood processing company, has proposed to purchase property at the Gary Paxton Industrial Park (GPIP) for the expansion of its seafood processing business and the development of a marine service center. Please see SBS' attached proposal.

The GPIP Board met with SBS in May and September 2014 and recommended Assembly approval of a portion of the SBS proposal at their December 2014 meeting, passing the following motion:

**MOTION: M/S Miller/Fondell moved to** recommend that the Assembly sell to Silver Bay Seafoods Block 4, Lot 11, Lot 9c, Lot 12a, and Lot 13 for the 2014 appraised value and to approve a lease to purchase agreement for Block 4, Lot 23 based on the following terms:

- Property is leased in current condition for \$1 per year with lessee responsible for all building expenses, including repairs.
- CBS agrees to sell the parcel to Silver Bay Seafoods at the 2014 appraised value as soon as the U.S. EDA grant covenants have been met.
- Upon execution of the lease, it becomes a purchase agreement.

*\*Minutes from the December 17, 2014 meeting are attached in the packet.*

Please note, the GPIP Board has not made a decision on the remaining portion of the SBS proposal. Since the December 17, 2014 meeting, the board has held a joint work session with the Assembly on January 8<sup>th</sup> and met again on January 15<sup>th</sup>. The board has taken no other official action on the SBS proposal other than to direct the GPIP Director to investigate the costs associated with the CBS constructing marine haul out piers and a drive down ramp with floating dock in the area of Lot 4.

### Background

The GPIP Board of Directors has a strategic plan for the development of the industrial park (see attached). The plan was adopted by the Assembly in 2009. The GPIP Board has actively worked the plan since its inception, including most recently starting the process of investigation



the feasibility of a marine services industry at the GPIIP. The mission of the GPIIP is the following:

***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 in conformance with established community plans and policies.***

The industrial park has been nearly fully leased for the past two years during the Blue Lake Dam Expansion project. As the expansion project started to wrap up, the GPIIP Board of Directors received multiple proposals to lease and/or purchase a majority of remaining property at the industrial park.

### **Property Sale History**

The CBS acquired the GPIIP in 1999; in 2000 the CBS Assembly approved an ordinance that established rules and procedures governing leases and property management at the GPIIP. The purpose section of the enabling ordinance states; *“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.”*

The GPIIP Board of Directors has made multiple lease and sales recommendations to the CBS Assembly based off the enabling ordinance and the Guiding Principles of its Strategic Plan.

### **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.

### **Previous Property Sales**

- Lot 5 (Bottling Plant)
  - Property sold in 2006 to True Alaska Bottling Company (TAB) per property purchase request for use as a water bottling facility.
  - 3 acre parcel containing a 73,000 building for a sales price of \$722,720
    - Sales price set by outside appraisal firm.
      - \$4.00/SF for property
      - \$2.74/SF for building

- The CBS placed “reversion clauses” in the purchase agreement which required TAB to complete elements of their purchase proposal by set benchmark dates or the property would revert back to the CBS.
  - TAB failed to meet reversion clauses.
  - The CBS eventually amended their claim on the property Deed of Trust to release its reversionary interest in the property through negotiation with TAB’s legal representation.
- Lots 10 (Pulp Dock/Warehouse) & Lot 21 (Old APC Warehouse)
  - Property sold to SBS per property purchase request for use as a fish processing facility and bunkhouse.
  - Pulp Dock/ Warehouse - 187,252 SF parcel consisting of a ~75,000 SF warehouse, 600’ long dock, and 60,000 SF of tidelands. Old APC Warehouse – 18,315 SF containing a dilapidated building that was demolished.
    - Sale price of \$1,000,000 with purchase price to be refunded with certified repair costs of \$3,000,000 expended to fix failing dock infrastructure.
  - Pulp dock deemed unsafe by outside engineering firm. Engineering estimates to repair ranged from \$3 million for short-term fix to \$20 million for permanent repair. CBS did not have ability to fund repair, therefore the CBS chose to divest itself from the problem property.
- Lot 22 (Stores & Maintenance Building)
  - Property sold to SBS via RFP process for use as a fisherman support center and value added/secondary processing.
    - The City received two responses to RFP.
  - 49,846 SF parcel containing a 38,347 SF building for a sales price of \$245,000.
    - Sales price set by SBS offer in response to RFP.
      - Next highest bidder’s offer was \$15,000.
  - Property was determined by CBS Building Official to not be in a leasable condition at time of sale due to lack of fire suppression equipment, leaking roof, and flooding in the building.
- Lot 16a (Carpenter Shop and Tire Shop)
  - Property sold to SBS via RFP process for use as a fisherman/fleet storage and construction of bunkhouse.
    - SBS was the only responder to the RFP
  - 66,491 SF parcel including the ~ 5,000 Carpenter Shop (the area of the tire shop was not determined as the shop was not in useable condition). Sales price of \$235,000.
    - Sales price set by SBS offer in response to RFP.
  - Property was not in leasable condition at the time of sale due to the lack of fire suppression equipment, no working utilities, and leaking roof.
- Lots 3, 6 & 7 (raw land)

- Pending property sale to I Water LLC based on a property purchase request from I Water LLC for the construction and use of parcels as a water bottling facility.
- 107,810 SF of total raw land for a pending sales price of \$567,000.
- I Water entered into a 30 month lease of the property with the CBS with option to purchase property when certain elements of their purchase proposal are completed.

**Proposed Lease/Purchase Agreement Terms**

The following proposed terms have been discussed with SBS and have been recommended by the GPIIP Board for approval by the Assembly. (Please note the GPIIP Board has not provided recommendation on the remaining property requested by SBS in their proposal.)

*\*In addition to the terms below, all standard lease and purchase agreement terms will apply.*

Each parcel will be discussed in relation to the purchase proposal by SBS. Please attached SBS proposal for further details on use of the property.

**Lot 11 – SBS proposed area A**

Lot 11 is a 25,606 SF waterfront parcel containing a 2,760 SF building located near the existing SBS fish processing plant.

- SBS purposes to purchase the property and existing building for use of a seafood by-product/oil plant.

Recommended Terms:

- Parcel is sold in current condition for 2014 appraised value.
  - Equipment inside of building (former CBS waste water treatment plant related) is sold or removed for a negotiated value agreed on between CBS WWTP Department and SBS representative.

2014 Appraised Value (Full GPIIP appraisal available at [www.sawmillcove.com](http://www.sawmillcove.com))

● Lot 11 Land (25,606 SF)	\$195,00
● Lot 11 Bldg (2,760 SF)	\$124,000
Total	\$319,000

**Lot 23 (Administration Building) – SBS proposed area B**

Lot 23 is a 37,244 SF parcel containing a 32,000 SF building located adjacent to SMC Rd.

- SBS proposes purchase the property and existing building for use as corporate offices of SBS and administration offices for the marine service center.

Property Concerns

- Lease revenues have traditionally not covered operational costs of the building resulting in negative cash flow.
- The building was remodeled in 2001 using EDA funds. Sale of building is limited by EDA covenants which exist for another ~7 years.

Recommended Terms:

- Parcel is leased in current condition for \$1/YR with lessee responsible for all building expenses, including repairs.
  - CBS agrees to sell parcel to SBS at 2014 appraised value when US EDA grant covenants have been met.

2014 Appraised Value (Full GPIIP appraisal available at www.sawmillcove.com)

• Lot 23 Land (37,244 SF)	\$233,000
• <u>Lot 23 Bldg (32,000 SF)</u>	<u>\$0</u>
Total	\$233,000

**Lots 9c, 12a, & 13 – SBS proposed area C**

Lots total 173,054 SF or 3.97 acres of raw land located in the center of the GPIIP, adjacent to the proposed multi-purpose dock location in the center of the park. (*Note: Parcel 9b has been removed from SBS's original proposal*)

- SBS proposes to use the property for seafood value-added reprocessing and cold storage area.

Recommended Terms:

- Property is sold in current condition for 2014 appraised value.

2014 Appraised Value (Full GPIIP appraisal available at www.sawmillcove.com)

• Lot 9c (34,636 SF)	\$182,000
• Lot 12a (117,608 SF)	\$529,000
• <u>Lot 13 (20,810 SF)</u>	<u>\$114,000</u>
Total value of C	\$825,000

**Total property value of discussed properties.**

The CBS had an appraisal completed on the GPIIP property in the fall of 2014 which resulted in the following property values.

• Lot 11 Land (25,606 SF)	\$195,00
• Lot 11 Bldg (2,760 SF)	\$124,000
• Lot 23 Land (37,244 SF)	\$233,000
• Lot 23 Bldg (32,000 SF)	\$0
• Lot 9c (34,636 SF)	\$182,000
• Lot 12a (117,608 SF)	\$529,000
• <u>Lot 13 (20,810 SF)</u>	<u>\$114,000</u>
Total Property Value	\$1,377,000

**Additional Considerations**

- The CBS recently received \$7.5 million for the construction of a multi-purpose dock from the State of Alaska. Public access and use must be ensured.
- The CBS is currently working with an engineering firm to construct a multi-purpose dock, which will increase the marketability of the GPIIP.
- The GPIIP commissioned a study on the potential for a marine services industry at the GPIIP with Northern Economics. The Preliminary Screening-Level Feasibility Assessment and Planning Study for a Marine Center Report can be found on the [www.sawmillcove.com](http://www.sawmillcove.com) site.
- Current zoning at GPIIP needs to be addressed. GPIIP zoning code was established to allow flexibility in use, with Assembly approval of leases or sales resulting in a permitted zoning use. With the sale of property, new zoning will need to be established for the GPIIP which will codify any future uses of the property after initial sale or lease.
- Access to CBS utilities and utility easements must be preserved as a majority of utilities were established with federal grant funds.
- A majority of the raw land at the GPIIP has had minimal use since the CBS took ownership of the property.
- As stated above the Administration Building has had minimal tenancy and has resulted in negative cash flow to the industrial park enterprise fund.
- The GPIIP is one of the last available developable properties in the immediate Sitka area without topographical constraints and with utilities available on site.

### **Action**

- Approval of GPIIP Board recommendations

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2015-05

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA APPROVING THE SALE OF BLOCK 4, LOT 12A, LOT 13, LOT 9C and BLOCK 4, LOT 11 BUILDING AND PROPERTY CONTAINING THE FORMER WATER TREATMENT PLANT AT GARY PAXTON INDUSTRIAL PARK TO SILVER BAY SEAFOODS, LLC, AND AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO SIGN THE AGREEMENTS

WHEREAS, the Assembly established Gary Paxton Industrial Park (“GPIP”) 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 GPIP Board of Directors (“Board”) which “. . . shall generally exercise all powers necessary and incidental to operation of all GPIP 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 Gary Paxton 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 received a property purchase proposal from Silver Bay Seafood regarding the above described property; and

WHEREAS, the Board reviewed and evaluated the submitted proposal and determined that the proposal was acceptable; and

WHEREAS, the Board recommends to the Assembly to sell BLOCK 4, LOT 12A, LOT 13, LOT 9C and BLOCK 4, LOT 11 BUILDING AND PROPERTY, and accept the proposal submitted by SBS; and

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

WHEREAS, SBS is offering to pay \$825,000 for BLOCK 4, LOT 12A, LOT 13, LOT 9C; and

50 **WHEREAS**, SBS is offering to pay \$319,000 for BLOCK 4, LOT 11 BUILDING AND  
51 PROPERTY; and

52  
53 **NOW, THEREFORE, BE IT RESOLVED** that the Assembly for the City and Borough of  
54 Sitka approves the sale, and authorizes the Municipal Administrator to execute the Purchase  
55 Agreement in substantially the same form as attached, which contains in part the following key  
56 provisions:

- 57
- 58 1) CBS will sell to SBS property BLOCK 4, LOT 12A, LOT 13, LOT 9C and  
59 BLOCK 4, LOT 11 BUILDING AND PROPERTY, subject to reservations,  
60 exceptions, easements, covenants, conditions and restrictions of record as set forth  
61 in the attached Agreement;
  - 62
  - 63 2) SBS will pay CBS the sum of Eight Hundred Twenty-Five Thousand Dollars  
64 (\$825,000) for BLOCK 4, LOT 12A, LOT 13, LOT 9C and Three Hundred  
65 Nineteen Thousand Dollars (\$319,000) for BLOCK 4, LOT 11 BUILDING AND  
66 PROPERTY at the time of Closing;
  - 67
  - 68 3) GPIP property sales are not required to be by competitive bid;
  - 69
  - 70 4) This sale is consistent with GPIP goals as set out in the Sitka General Code at  
71 28.38. *et seq.*, including creating jobs; and
  - 72
  - 73 5) CBS authorizes the Municipal Administrator to sign the attached Agreement or a  
74 substantially similar version.
  - 75

76 **PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
77 Alaska, on this 27<sup>th</sup> day of January, 2015.

78  
79  
80  
81

\_\_\_\_\_  
Mim McConnell  
Mayor

82 ATTEST:  
83  
84 \_\_\_\_\_  
85 Sara Peterson, CMC  
Acting Municipal Clerk

1 **PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 11 BUILDING**  
2 **AND PROPERTY OF THE GARY PAXTON INDUSTRIAL PARK,**  
3 **BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC**  
4

5 This PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 11  
6 BUILDING AND PROPERTY, BETWEEN CITY AND BOROUGH OF SITKA AND SILVER  
7 BAY SEAFOODS, LLC ("Agreement") is entered into between the CITY AND BOROUGH OF  
8 SITKA ("Seller"), a home rule municipality and municipal corporation whose address is 100  
9 Lincoln St., Sitka, Alaska 99835, and SILVER BAY SEAFOODS, LLC ("Purchaser"), an  
10 Alaskan limited liability corporation whose address is 4400 Sawmill Creek Road, Sitka, Alaska,  
11 collectively referred to as "Parties."

12  
13 1. **PROPERTY.** Upon the terms, conditions and covenants set forth in this  
14 Agreement, the Purchaser and Seller agree as follows regarding the property subject to purchase  
15 under this Agreement:

16  
17 Purchaser agrees to purchase and Seller agrees to sell to Purchaser the following Gary Paxton  
18 Industrial Park ("GPIP") real property with related building (hereinafter referred to as the  
19 "Property"):

20 GPIP Block 4, Lot 11 (Former Water Treatment Building and Property),  
21 more particularly identified in EXHIBIT A, excluding all utility  
22 easements, public use easements, and public easements, right of ways,  
23 roads, public improvements, and utility improvements.  
24

25 **Legal Description:** Lot 11, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1,  
26 according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka  
27 Recording District, First Judicial District, State of Alaska  
28

29  
30 2. **PURCHASE PRICE.** The purchase price for the Property ("Purchase Price") shall  
31 be Three Hundred Nineteen Thousand DOLLARS (US \$319,000.00). The Purchase Price shall  
32 be paid to Seller immediately at Closing.  
33

34 3. **SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**  
35

36 (a) Purchaser acknowledges and understands that Seller owns the Property  
37 and intends that as a result of the transaction contemplated in this Agreement, Seller will have no  
38 further responsibility or liability for the Property. Purchaser and Seller have specifically  
39 negotiated this Agreement with the goal that after Closing of the transactions contemplated in  
40 this Agreement that the Seller will have no responsibility or liability for the Property, for events  
41 occurring after the Closing Date.  
42

43 Notwithstanding anything to the contrary set forth in this Agreement, Purchaser is acquiring the  
44 Property "AS IS", "WHERE IS," with all faults and defects. Purchaser acknowledges and agrees



45 that Seller (or any agent of Seller) has not made and does not make, and Seller specifically  
46 disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any  
47 kind or character whatsoever, whether express or implied, oral or written, past, present or future,  
48 of, as to, concerning or with respect to:

49  
50 (i) the nature, quality or condition of the Property, including without  
51 limitation, the water, soil and geology of, or the presence or absence of any pollutant, hazardous  
52 waste, gas or substance or solid waste on or about, or deriving from the Property,

53  
54 (ii) the income to be derived from the Property,

55  
56 (ii) the suitability of the Property for any and all activities and uses  
57 which Purchaser may intend to conduct thereon,

58  
59 (iii) the compliance of or by the Property or its operations with any  
60 laws, rules, ordinances or regulations of any government authority or body having jurisdiction  
61 over the Property, including but not limited to environmental laws, such as CERCLA and RCRA,  
62 zoning laws, platting laws and building codes,

63  
64 (iv) the habitability, merchantability or fitness for a particular purpose  
65 of the Property,

66  
67 (v) any matter regarding tax consequences, the presence of asbestos,  
68 utilities, valuation, governmental approvals, the truth, accuracy or completeness of the items  
69 delivered, and

70  
71 (vi) any other matter related to or concerning the Property, except as  
72 expressly set forth in this Agreement or the Exhibits.

73  
74 Purchaser shall not seek recourse (or seek any remedy, including rescission) against Seller on  
75 account of any loss, cost or expenses suffered or incurred by Purchaser with regard to any of the  
76 matters described in (i) through (vi) above.

77  
78 4. SELLER'S DISCLAIMERS

79  
80 Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the  
81 Property, is relying solely on its own investigation of the Property and not on any information  
82 provided or to be provided by Seller. Purchaser further acknowledges that no independent  
83 investigations or verifications have been or will be made by Seller with respect to any  
84 information supplied by Seller concerning the Property, and that Seller makes no representation  
85 as to the accuracy or completeness of such information. Purchaser will conduct prior to Closing,  
86 such investigations of the Property, including but not limited to, the physical and environmental  
87 conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the  
88 Property and the existence or nonexistence of curative action to be taken with respect to any  
89 hazardous or toxic substances on or discharged from the Property, and except as expressly set

90 forth in this Agreement, will rely solely upon same and not upon any information provided by or  
91 on behalf of Seller or its agents or employees with respect thereto. Upon Closing, Purchaser  
92 shall accept the risk that adverse matters, including but not limited to, construction defects and  
93 adverse physical and environmental conditions, may not have been revealed by Purchaser's  
94 investigations, and except as expressly set forth in this Agreement, Purchaser upon Closing, shall  
95 be deemed to have waived, relinquished and released Seller from and against any and all claims,  
96 demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs  
97 and expenses (including attorneys' fees and court costs) of any and every kind or character,  
98 known or unknown, which Purchaser might have asserted or alleged against Seller at any time by  
99 reason of or arising out of any of the subject areas listed in this Section 4 and violations of any  
100 applicable laws (including any environmental laws) and any and all other acts, omissions, events,  
101 circumstances or matters regarding the Property. Purchaser acknowledges that the purpose of  
102 this section is for Purchaser, to the fullest extent possible at law, to waive, relinquish, release and  
103 disclaim, any claim or liability of or against Seller as the result of any condition or state of facts  
104 relating or pertaining to the Property on the Closing Date, except as expressly set forth in this  
105 Agreement. Purchaser shall verify the accuracy and completeness of such information itself.

106  
107 Purchaser bears the risk of any costs or expenses suffered or incurred by Purchaser with regard to  
108 any lack of information, incorrect information or inadequate information relating to any of the  
109 matters described in (i) to (vi) above.

110  
111 (b) Upon its purchase, the condition and use of the Property are still as  
112 provided in and/or subject to the applicable provisions of EXHIBITS A, B, C, and D, which are  
113 titled as follows and attached to this Agreement:

- 114
- |     |             |  |
|-----|-------------|--|
| 115 | EXHIBIT A   | Legal description of the Property (GPIP Block 4, Lot 11)         |
| 116 | EXHIBIT B - | Prospective Purchaser Agreement between the State of Alaska and  |
| 117 |             | the City-Borough of Sitka for the Former Alaska Pulp Corporation |
| 118 |             | Pulp Mill Property   |
| 119 | EXHIBIT C - | Agreement to Convey between Alaska Pulp Corporation and the      |
| 120 |             | City and Borough of Sitka  |
| 121 | EXHIBIT D - | Management Requirements at Gary Paxton Industrial Park           |
| 122 | EXHIBIT E - | Quit Claim Deed  |

123 (c) Upon its purchase, the condition and use of the Property is provided in  
124 and/or subject to all applicable federal, state, and municipal laws, including GPIP ordinances,  
125 rules and regulations.

126  
127 (d) All required action necessary to authorize Seller to enter into this  
128 Agreement and to carry out Seller's obligations under this Agreement has been taken or will be  
129 taken by the Closing Date.

130  
131 (e) The representations and warranties set forth above are made as of the  
132 Execution Date and shall be deemed made also as of the Closing Date. If Purchaser knows prior  
133 to Closing that any representation or warranty above is untrue, then Purchaser shall give Seller  
134 written notice of such fact. If (a) such representation and warranty is not remedied by Seller  
135 prior to Closing, or (b) the representation and warranty, as remedied, has an adverse affect on any  
136 decision made by Purchaser to proceed with this transaction, or (c) any representation or  
137 warranty made by Seller is untrue and such fact is not disclosed to Purchaser until Closing, and  
138 same has a material and adverse affect on Purchaser's decision to purchase the Property, then  
139 Purchaser may either (i) terminate this Agreement, and neither Party shall have any further  
140 rights, duties or obligations pursuant to this Agreement except as expressly provided herein, or  
141 (ii) waive its objections to any such untrue representation or warranty and this Agreement shall  
142 remain in full force and effect. Purchaser shall have a period of one (1) year and one (1) day  
143 from the Closing Date to bring any action against Seller for the breach of any such representation  
144 or warranty.

145  
146 (f) Notwithstanding Seller's disclaimers in this section 4, Seller warrants that  
147 upon Purchaser's installation of a certified fire sprinkler system for the related building Property,  
148 Seller or its authorized department will issue a Certificate of Occupancy.

149  
150 (g) The provisions of this Section 4 survive the Closing or termination of this  
151 Agreement.

152  
153 5. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.  
154 Purchaser represents, warrants, covenants, and agrees with Seller to the following as of the  
155 Execution Date and as of the Closing Date:

156  
157 (a) Purchaser has the full right, power, and authority to purchase the Property  
158 from Seller as provided in this Agreement and to carry out Purchaser's obligations under this  
159 Agreement; and all required action necessary to authorize Purchaser to enter into this Agreement  
160 and to carry out Purchaser's obligations under this Agreement has been taken. The individual  
161 executing this Agreement on behalf of Purchaser has the authority to do so.

162  
163 (b) There are no pending, or to the knowledge of Purchaser threatened,  
164 actions, suits, claims, proceedings or litigation against Purchaser that would prevent Purchaser  
165 from entering into this Agreement, or adversely affect Purchaser's ability to perform under this  
166 Agreement, or that would in any way result in any liability to Seller.

167  
168 (c) There are no attachments, executions, assignments for the benefit of  
169 creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy  
170 or pursuant to any other debtor relief laws contemplated or filed by Purchaser or to the best  
171 knowledge of Purchaser pending against Purchaser.

172  
173 (d) The representations and warranties set forth above are made as of the  
174 Execution Date and shall be deemed made also as of the Closing Date. It shall be a condition of

175 Seller's obligation to close that the representations and warranties made hereunder are true on the  
176 Closing Date. In the event any representation or warranty made by Purchaser as of the Closing  
177 Date is untrue, Seller must bring any action with respect to such breach of the representation and  
178 warranty within two (2) years and (1) day of the Closing Date.  
179

180 6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in  
181 the offices of the Seller or at such other place as is mutually agreed to in writing between Seller  
182 and Purchaser. The "Closing Date" shall be within 30 calendar days of execution of this  
183 Agreement, unless another date is agreed in writing between Seller and Purchaser prior to 30  
184 calendar days after execution of this Agreement, which may not be more than a thirty (30)  
185 calendar day extension, at a time to be agreed upon by Seller and Purchaser.  
186

187 (a) At Closing, Seller, at Seller's expense, shall deliver to Purchaser:

188 (i) Executed Quit Claim Deed in the format attached as EXHIBIT E;

189 (ii) Owner's policy of title insurance for the property.

190 (iii) Any and all other documents reasonably required to be executed by  
191 Purchaser to consummate this transaction,  
192

193 (b) At Closing, Purchaser, at Purchaser's expense, shall deliver to Seller:

194 (i) The Purchase Price; and

195 (ii) Any and all other documents reasonably required to be executed by  
196 Seller to consummate this transaction.  
197

198 7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne  
199 as follows:  
200

201 (a) Seller shall be obligated for and shall pay:

202 (i) Survey and platting costs;

203 (ii) Owner's policy of title insurance, and

204 (iii) Seller's attorneys' fees.

205 (b) Purchaser shall be obligated for and shall pay:

206 (i) Purchaser's due diligence;

207 (iii) Any fees and expenses incurred by Purchaser in connection with  
208 Purchaser obtaining financing for its purchase of the Property;  
209

- (iv) Appraisal fee of \$850;
- (iii) Recording fee; and
- (iv) Purchaser's attorneys' fees.

All other closing costs not mentioned herein and for which no provision is made in this Agreement shall be paid equally by the Seller and Purchaser.

8. DEFAULT AND REMEDIES. In the event that this transaction is not consummated by reason of Seller's or Purchaser's default, both Parties sole remedy shall be termination of this Agreement.

9. INDEMNITY. Purchaser will hold harmless, indemnify and defend Seller, its employees, elected and unelected officials from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property after the Closing Date of this Agreement.

10. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by Purchaser, without Purchaser having to first obtain the consent of Seller.

11. NOTICES. Any notices to be given by either Party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmittal, delivery by overnight Federal Express or similar courier service, or mailed through the United States Postal Service, as follows:

To Purchaser: Richard A. Riggs  
Silver Bay Seafoods, LLC  
4400 SMC RD, STE B  
Sitka, AK 99835  
Telephone: (907) 747-7996  
Telecopy/Fax: (907) 747-7998  
E-mail: Richard.riggs@silverbayseafoods.com

To Seller: Administrator, Mark Gorman  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835  
Telephone: (907) 747-1808  
Telecopy/Fax: (907) 747-7403

The Parties hereto shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address by at least five (5) calendar days prior written notice to the other Party as herein provided. Notice shall be effective and deemed given upon actual receipt or upon the fifth (5th) business day after same is sent as

265 specified above, whichever is earlier; provided, however, notice given by facsimile transmittal  
266 shall be effective upon actual receipt and telephonic confirmation that such notice has been  
267 received in its entirety.  
268

269 12. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be  
270 modified or amended except by a written instrument signed by Seller and Purchaser. Purchaser  
271 and Seller may waive any of the conditions contained in this Agreement or any of the obligations  
272 of the other party under this Agreement, but any such waiver shall be effective only if in writing  
273 and signed by the party waiving such condition or obligation.  
274

275 13. BINDING EFFECT. This Agreement shall be binding upon and inure to the  
276 benefit of the Parties and their respective heirs, successors, legal representatives and, subject to  
277 Section 11, assigns.  
278

279 14. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits,  
280 constitutes the entire agreement and understanding between the Parties and supersedes all prior  
281 and contemporaneous agreements and undertakings of the Parties in connection herewith. No  
282 statements, agreements or understandings, representations, warranties or conditions not  
283 expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret,  
284 change or restrict the provisions of this Agreement unless such is in writing signed by both  
285 Parties hereto and by reference made a part of this Agreement.  
286

287 The terms of this Agreement are contractual and not a mere recital. The rule of construction that  
288 a document is more strictly construed against the drafter shall not apply in the interpretation of  
289 this Agreement. The purpose of this Agreement is to ensure the full, complete, and final  
290 resolution of any disputes and claims between the Seller and Purchaser regarding the subjects  
291 discussed in this Agreement, including but not limited to the purchase of the Property, Parties'  
292 obligations and liabilities regarding the Property.  
293

294 15. GOVERNING LAW. This Agreement shall be construed and interpreted in  
295 accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation  
296 and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka,  
297 Alaska.  
298

299 16. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the  
300 agreements that are the subject of this Agreement that results in litigation, the prevailing party in  
301 such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the  
302 Court.  
303

304 17. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be  
305 executed in counterparts, each of which shall be deemed an original. Each Party agrees that its  
306 signature page may be attached to an identical counterpart of this Agreement so that there are  
307 signature pages of each such Party to such counterpart of this Agreement.  
308

309 18. CAPTIONS. Captions and headings throughout this Agreement are for  
310 convenience and reference only, and they shall not define, limit, modify or add to the

311 interpretation or meaning of any provisions of this Agreement or in any way affect the scope,  
312 intent or effect of this Agreement.

313

314 19. SEVERABILITY. If any one or more of the provisions contained in this  
315 Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such  
316 invalidity, illegality or unenforceability shall not affect any other provision of this Agreement,  
317 and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had  
318 never been contained.

319

320 20. EXHIBITS. All exhibits attached to this Agreement are made a part of this  
321 Agreement for all purposes whatsoever.

322

323 21. SURVIVAL. All provisions of this Agreement shall survive Closing.

324

325 22. ASSEMBLY APPROVAL. This Agreement is subject to approval by the  
326 Assembly for the City and Borough of Sitka regarding its being consistent with the terms and  
327 conditions outlined and approved by the Assembly on January 27<sup>th</sup>, 2015. This Agreement,  
328 together with any modifications, changes, or amendments to this Agreement, cannot be enforced  
329 against the Seller unless the Assembly for the City and Borough of Sitka has approved this  
330 Agreement and any modification, changes, or amendments to this Agreement.

331

332

333

334 EXECUTED by the Parties as of the date set forth below the signature of each party, with  
335 the Effective Date of this Agreement to be the date first listed in this Agreement.

336  
337 CITY AND BOROUGH OF SITKA, SELLER

338  
339 \_\_\_\_\_  
340 Mark Gorman, Administrator

341  
342 STATE OF ALASKA )  
343 ) ss:  
344 FIRST JUDICIAL DISTRICT )

345  
346 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me MARK  
347 GORMAN, whose identity is personally known to me or proved to me on the basis of  
348 satisfactory evidence, and who states under oath by signing this document that he has the  
349 authority as Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and  
350 does so freely and voluntarily.

351  
352 \_\_\_\_\_  
353 Notary Public for Alaska  
354 My Commission Expires: \_\_\_\_\_

355  
356  
357 SILVER BAY SEAFOODS, LLC, Purchaser

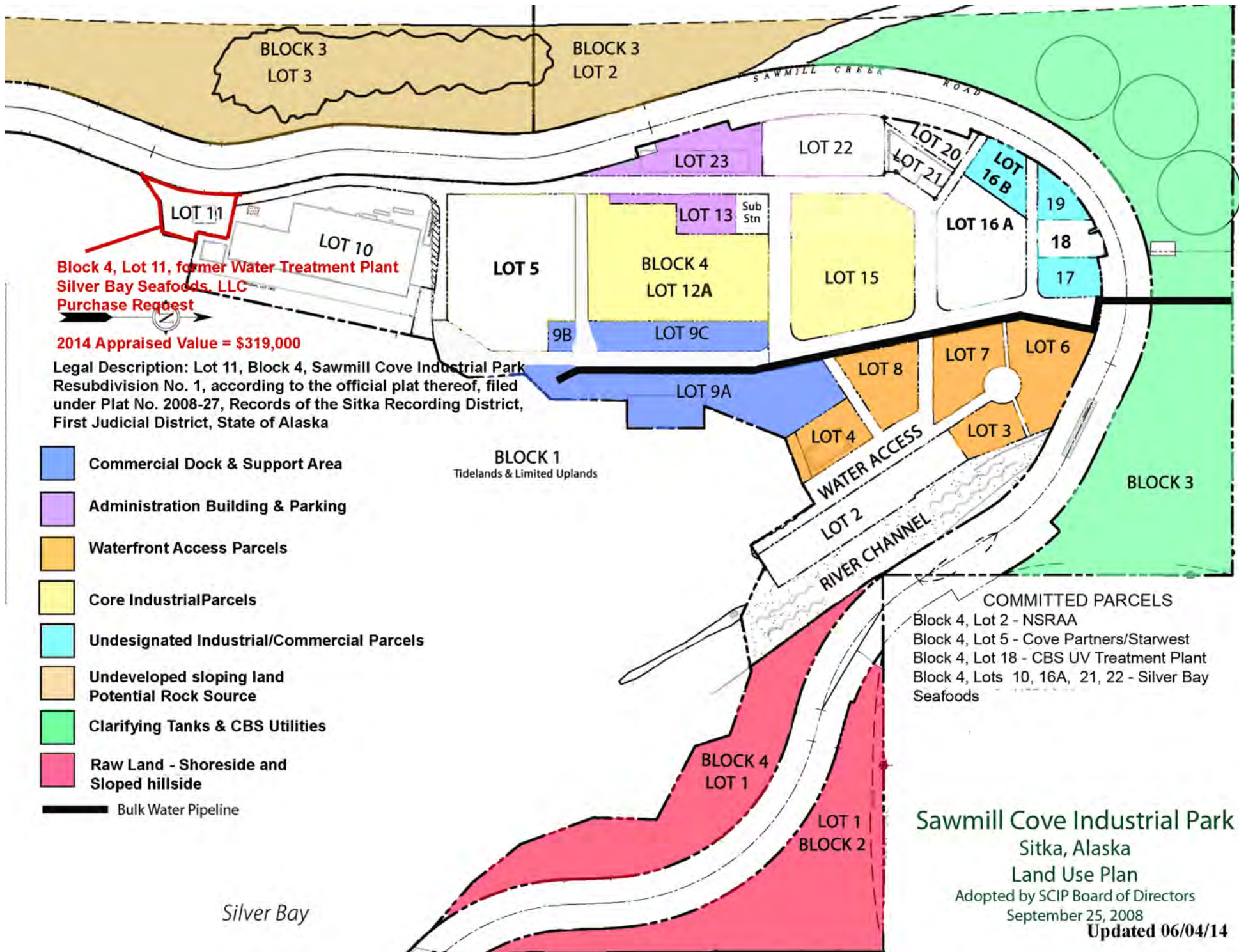
358  
359 \_\_\_\_\_  
360 Richard Riggs, CEO

361  
362 STATE OF ALASKA )  
363 ) ss:  
364 FIRST JUDICIAL DISTRICT )

365  
366 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me  
367 RICHARD RIGGS, whose identity is personally known to me or proved to me on the basis of  
368 satisfactory evidence, and who states under oath by signing this document that he has the  
369 authority as Chief Executive Officer of Silver Bay Seafoods, LLC to sign on its behalf, and does  
370 so freely and voluntarily.

371  
372 \_\_\_\_\_  
373 Notary Public for Alaska  
374 My Commission Expires: \_\_\_\_\_





**Block 4, Lot 11, former Water Treatment Plant  
Silver Bay Seafoods, LLC  
Purchase Request**

**2014 Appraised Value = \$319,000**

Legal Description: Lot 11, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1, according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka Recording District, First Judicial District, State of Alaska

- Commercial Dock & Support Area
- Administration Building & Parking
- Waterfront Access Parcels
- Core Industrial Parcels
- Undesignated Industrial/Commercial Parcels
- Undeveloped sloping land  
Potential Rock Source
- Clarifying Tanks & CBS Utilities
- Raw Land - Shoreside and  
Sloped hillside
- Bulk Water Pipeline

- COMMITTED PARCELS**
- Block 4, Lot 2 - NSRAA
  - Block 4, Lot 5 - Cove Partners/Starwest
  - Block 4, Lot 18 - CBS UV Treatment Plant
  - Block 4, Lots 10, 16A, 21, 22 - Silver Bay Seafoods

**Sawmill Cove Industrial Park**  
Sitka, Alaska  
Land Use Plan  
Adopted by SCIP Board of Directors  
September 25, 2008  
**Updated 06/04/14**

1       **PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 12A, LOT 13**  
2                       **AND LOT 9C OF THE GARY PAXTON INDUSTRIAL PARK,**  
3       **BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC**

4  
5               This PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOTS 9C, 12A  
6 AND 13 OF THE GARY PAXTON INDUSTRIAL PARK, BETWEEN CITY AND BOROUGH  
7 OF SITKA AND SILVER BAY SEAFOODS, LLC (“Agreement”) is entered into between the  
8 CITY AND BOROUGH OF SITKA (“Seller”), a home rule municipality and municipal  
9 corporation whose address is 100 Lincoln St., Sitka, Alaska 99835, and SILVER BAY  
10 SEAFOODS, LLC (“Purchaser”), an Alaskan limited liability corporation whose address is 4400  
11 Sawmill Creek Road, Sitka, Alaska, collectively referred to as “Parties.”  
12

13               1.       **PROPERTY.** Upon the terms, conditions and covenants set forth in this  
14 Agreement, the Purchaser and Seller agree as follows regarding the property subject to purchase  
15 under this Agreement:  
16

17 Purchaser agrees to purchase and Seller agrees to sell to Purchaser the following Gary Paxton  
18 Industrial Park (“GPIP”) real property (hereinafter referred to as the "Property"):  
19                       GPIP Block 4: Lots 9C, 12A and 13.  
20

21       **Legal Descriptions:**

22  
23       Lot 9C, Sawmill Cove Industrial Park Resubdivision No. 2, according to the official plat thereof,  
24 filed under Plat No. 2013-2, Records of the Sitka Recording District, First Judicial District, State  
25 of Alaska.  
26

27       Lot 12A, Sawmill Cove Industrial Park Resubdivision No. 2, according to the official plat  
28 thereof, filed under Plat No. 2013-2, Records of the Sitka Recording District, First Judicial  
29 District, State of Alaska.  
30

31       Lot 13, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1, according to the official plat  
32 thereof, filed under Plat No. 2008-27, Records of the Sitka Recording District, First Judicial  
33 District, State of Alaska.  
34

35               2.       **PURCHASE PRICE.** The purchase price for the Property ("Purchase Price") shall  
36 be Eight Hundred Twenty Five Thousand DOLLARS (US \$825,000.00). The Purchase Price  
37 shall be paid to Seller immediately at Closing.  
38

39               3.       **SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

40  
41               (a)       Purchaser acknowledges and understands that Seller owns the Property  
42 and intends that as a result of the transaction contemplated in this Agreement, Seller will have no  
43 further responsibility or liability for the Property. Purchaser and Seller have specifically  
44 negotiated this Agreement with the goal that after Closing of the transactions contemplated in

45 this Agreement that the Seller will have no responsibility or liability for the Property, for events  
46 occurring after the Closing Date.

47  
48 Notwithstanding anything to the contrary set forth in this Agreement, Purchaser is acquiring the  
49 Property "AS IS", "WHERE IS," with all faults and defects. Purchaser acknowledges and agrees  
50 that Seller (or any agent of Seller) has not made and does not make, and Seller specifically  
51 disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any  
52 kind or character whatsoever, whether express or implied, oral or written, past, present or future,  
53 of, as to, concerning or with respect to:

54  
55 (i) the nature, quality or condition of the Property, including without  
56 limitation, the water, soil and geology of, or the presence or absence of any pollutant, hazardous  
57 waste, gas of substance or solid waste on or about, or deriving from the Property,

58  
59 (ii) the income to be derived from the Property,

60  
61 (ii) the suitability of the Property for any and all activities and uses  
62 which Purchaser may intend to conduct thereon,

63  
64 (iii) the compliance of or by the Property or its operations with any  
65 laws, rules, ordinances or regulations of any government authority or body having jurisdiction  
66 over the Property, including but not limited to environmental laws, such as CERCLA and RCRA,  
67 zoning laws, platting laws and building codes,

68  
69 (iv) the habitability, merchantability or fitness for a particular purpose  
70 of the Property,

71  
72 (v) any matter regarding tax consequences, the presence of asbestos,  
73 utilities, valuation, governmental approvals, the truth, accuracy or completeness of the items  
74 delivered, and

75  
76 (vi) any other matter related to or concerning the Property, except as  
77 expressly set forth in this Agreement or the Exhibits.

78  
79 Purchaser shall not seek recourse (or seek any remedy, including rescission) against Seller on  
80 account of any loss, cost or expenses suffered or incurred by Purchaser with regard to any of the  
81 matters described in (i) through (vi) above.

82  
83 4. SELLER'S DISCLAIMERS

84  
85 Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the  
86 Property, is relying solely on its own investigation of the Property and not on any information  
87 provided or to be provided by Seller. Purchaser further acknowledges that no independent  
88 investigations or verifications have been or will be made by Seller with respect to any  
89 information supplied by Seller concerning the Property, and that Seller makes no representation

90 as to the accuracy or completeness of such information. Purchaser will conduct prior to Closing,  
91 such investigations of the Property, including but not limited to, the physical and environmental  
92 conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the  
93 Property and the existence or nonexistence of curative action to be taken with respect to any  
94 hazardous or toxic substances on or discharged from the Property, and except as expressly set  
95 forth in this Agreement, will rely solely upon same and not upon any information provided by or  
96 on behalf of Seller or its agents or employees with respect thereto. Upon Closing, Purchaser  
97 shall accept the risk that adverse matters, including but not limited to, construction defects and  
98 adverse physical and environmental conditions, may not have been revealed by Purchaser's  
99 investigations, and except as expressly set forth in this Agreement, Purchaser upon Closing, shall  
100 be deemed to have waived, relinquished and released Seller from and against any and all claims,  
101 demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs  
102 and expenses (including attorneys' fees and court costs) of any and every kind or character,  
103 known or unknown, which Purchaser might have asserted or alleged against Seller at any time by  
104 reason of or arising out of any of the subject areas listed in this Section 4 and violations of any  
105 applicable laws (including any environmental laws) and any and all other acts, omissions, events,  
106 circumstances or matters regarding the Property. Purchaser acknowledges that the purpose of  
107 this section is for Purchaser, to the fullest extent possible at law, to waive, relinquish, release and  
108 disclaim, any claim or liability of or against Seller as the result of any condition or state of facts  
109 relating or pertaining to the Property on the Closing Date, except as expressly set forth in this  
110 Agreement. Purchaser shall verify the accuracy and completeness of such information itself.

111  
112 Purchaser bears the risk of any costs or expenses suffered or incurred by Purchaser with regard to  
113 any lack of information, incorrect information or inadequate information relating to any of the  
114 matters described in (i) to (vi) above.

115  
116 (b) Upon its purchase, the condition and use of the Property are still as  
117 provided in and/or subject to the applicable provisions of EXHIBITS A, B, C, and D, which are  
118 titled as follows and attached to this Agreement:

- 119  
120 EXHIBIT A Legal description of the Property (GPIP Block 4, Lot 11)
- 121 EXHIBIT B - Prospective Purchaser Agreement between the State of Alaska and  
122 the City-Borough of Sitka for the Former Alaska Pulp Corporation  
123 Pulp Mill Property
- 124 EXHIBIT C - Agreement to Convey between Alaska Pulp Corporation and the  
125 City and Borough of Sitka
- 126 EXHIBIT D - Management Requirements at Gary Paxton Industrial Park
- 127 EXHIBIT E - Quit Claim Deed

128 (c) Upon its purchase, the condition and use of the Property is provided in  
129 and/or subject to all applicable federal, state, and municipal laws, including GPIP ordinances,  
130 rules and regulations.  
131

132 (d) All required action necessary to authorize Seller to enter into this  
133 Agreement and to carry out Seller's obligations under this Agreement has been taken or will be  
134 taken by the Closing Date.  
135

136 (e) The representations and warranties set forth above are made as of the  
137 Execution Date and shall be deemed made also as of the Closing Date. If Purchaser knows prior  
138 to Closing that any representation or warranty above is untrue, then Purchaser shall give Seller  
139 written notice of such fact. If (a) such representation and warranty is not remedied by Seller  
140 prior to Closing, or (b) the representation and warranty, as remedied, has an adverse affect on any  
141 decision made by Purchaser to proceed with this transaction, or (c) any representation or  
142 warranty made by Seller is untrue and such fact is not disclosed to Purchaser until Closing, and  
143 same has a material and adverse affect on Purchaser's decision to purchase the Property, then  
144 Purchaser may either (i) terminate this Agreement, and neither Party shall have any further  
145 rights, duties or obligations pursuant to this Agreement except as expressly provided herein, or  
146 (ii) waive its objections to any such untrue representation or warranty and this Agreement shall  
147 remain in full force and effect. Purchaser shall have a period of one (1) year and one (1) day  
148 from the Closing Date to bring any action against Seller for the breach of any such representation  
149 or warranty.  
150

151 (f) Notwithstanding Seller's disclaimers in this section 4, Seller warrants that  
152 upon Purchaser's installation of a certified fire sprinkler system for the related building Property,  
153 Seller or its authorized department will issue a Certificate of Occupancy.  
154

155 (g) The provisions of this Section 4 survive the Closing or termination of this  
156 Agreement.  
157

158 5. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.  
159 Purchaser represents, warrants, covenants, and agrees with Seller to the following as of the  
160 Execution Date and as of the Closing Date:  
161

162 (a) Purchaser has the full right, power, and authority to purchase the Property  
163 from Seller as provided in this Agreement and to carry out Purchaser's obligations under this  
164 Agreement; and all required action necessary to authorize Purchaser to enter into this Agreement  
165 and to carry out Purchaser's obligations under this Agreement has been taken. The individual  
166 executing this Agreement on behalf of Purchaser has the authority to do so.  
167

168 (b) There are no pending, or to the knowledge of Purchaser threatened,  
169 actions, suits, claims, proceedings or litigation against Purchaser that would prevent Purchaser  
170 from entering into this Agreement, or adversely affect Purchaser's ability to perform under this  
171 Agreement, or that would in any way result in any liability to Seller.  
172

173 (c) There are no attachments, executions, assignments for the benefit of  
174 creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy  
175 or pursuant to any other debtor relief laws contemplated or filed by Purchaser or to the best  
176 knowledge of Purchaser pending against Purchaser.  
177

178 (d) The representations and warranties set forth above are made as of the  
179 Execution Date and shall be deemed made also as of the Closing Date. It shall be a condition of  
180 Seller's obligation to close that the representations and warranties made hereunder are true on the  
181 Closing Date. In the event any representation or warranty made by Purchaser as of the Closing  
182 Date is untrue, Seller must bring any action with respect to such breach of the representation and  
183 warranty within two (2) years and (1) day of the Closing Date.  
184

185 6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in  
186 the offices of the Seller or at such other place as is mutually agreed to in writing between Seller  
187 and Purchaser. The "Closing Date" shall be within 30 calendar days of execution of this  
188 Agreement, unless another date is agreed in writing between Seller and Purchaser prior to 30  
189 calendar days after execution of this Agreement, which may not be more than a thirty (30)  
190 calendar day extension, at a time to be agreed upon by Seller and Purchaser.  
191

192 (a) At Closing, Seller, at Seller's expense, shall deliver to Purchaser:

193 (i) Executed Quit Claim Deed in the format attached as EXHIBIT E;

194 (ii) Owner's policy of title insurance for the property.

195 (iii) Any and all other documents reasonably required to be executed by  
196 Purchaser to consummate this transaction,  
197

198 (b) At Closing, Purchaser, at Purchaser's expense, shall deliver to Seller:

199 (i) The Purchase Price; and

200 (ii) Any and all other documents reasonably required to be executed by  
201 Seller to consummate this transaction.  
202

203 7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne  
204 as follows:  
205

206 (a) Seller shall be obligated for and shall pay:

207 (i) Survey and platting costs;

208 (ii) Owner's policy of title insurance, and

209 (iii) Seller's attorneys' fees.  
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- (b) Purchaser shall be obligated for and shall pay:
  - (i) Purchaser's due diligence;
  - (iii) Any fees and expenses incurred by Purchaser in connection with Purchaser obtaining financing for its purchase of the Property;
  - (iv) Appraisal Fee of \$5,600;
  - (iii) Recording fee; and
  - (iv) Purchaser's attorneys' fees.

All other closing costs not mentioned herein and for which no provision is made in this Agreement shall be paid equally by the Seller and Purchaser.

8. DEFAULT AND REMEDIES. In the event that this transaction is not consummated by reason of Seller's or Purchaser's default, both Parties sole remedy shall be termination of this Agreement.

9. INDEMNITY. Purchaser will hold harmless, indemnify and defend Seller, its employees, elected and unelected officials from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property after the Closing Date of this Agreement.

10. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by Purchaser, without Purchaser having to first obtain the consent of Seller.

11. NOTICES. Any notices to be given by either Party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmittal, delivery by overnight Federal Express or similar courier service, or mailed through the United States Postal Service, as follows:

To Purchaser:	Richard A. Riggs Silver Bay Seafoods, LLC 4400 SMC RD, STE B Sitka, AK 99835 Telephone: (907) 747-7996 Telecopy/Fax: (907) 747-7998 E-mail: Richard.riggs@silverbayseafoods.com
To Seller:	Administrator, Mark Gorman City and Borough of Sitka 100 Lincoln Street Sitka, Alaska 99835

Telephone: (907) 747-1808  
Telecopy/Fax: (907) 747-7403

The Parties hereto shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address by at least five (5) calendar days prior written notice to the other Party as herein provided. Notice shall be effective and deemed given upon actual receipt or upon the fifth (5th) business day after same is sent as specified above, whichever is earlier; provided, however, notice given by facsimile transmittal shall be effective upon actual receipt and telephonic confirmation that such notice has been received in its entirety.

12. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be modified or amended except by a written instrument signed by Seller and Purchaser. Purchaser and Seller may waive any of the conditions contained in this Agreement or any of the obligations of the other party under this Agreement, but any such waiver shall be effective only if in writing and signed by the party waiving such condition or obligation.

13. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, legal representatives and, subject to Section 11, assigns.

14. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits, constitutes the entire agreement and understanding between the Parties and supersedes all prior and contemporaneous agreements and undertakings of the Parties in connection herewith. No statements, agreements or understandings, representations, warranties or conditions not expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret, change or restrict the provisions of this Agreement unless such is in writing signed by both Parties hereto and by reference made a part of this Agreement.

The terms of this Agreement are contractual and not a mere recital. The rule of construction that a document is more strictly construed against the drafter shall not apply in the interpretation of this Agreement. The purpose of this Agreement is to ensure the full, complete, and final resolution of any disputes and claims between the Seller and Purchaser regarding the subjects discussed in this Agreement, including but not limited to the purchase of the Property, Parties' obligations and liabilities regarding the Property.

15. GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka, Alaska.

16. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the agreements that are the subject of this Agreement that results in litigation, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the Court.



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17. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be executed in counterparts, each of which shall be deemed an original. Each Party agrees that its signature page may be attached to an identical counterpart of this Agreement so that there are signature pages of each such Party to such counterpart of this Agreement.

18. CAPTIONS. Captions and headings throughout this Agreement are for convenience and reference only, and they shall not define, limit, modify or add to the interpretation or meaning of any provisions of this Agreement or in any way affect the scope, intent or effect of this Agreement.

19. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained.

20. EXHIBITS. All exhibits attached to this Agreement are made a part of this Agreement for all purposes whatsoever.

21. SURVIVAL. All provisions of this Agreement shall survive Closing.

22. ASSEMBLY APPROVAL. This Agreement is subject to approval by the Assembly for the City and Borough of Sitka regarding its being consistent with the terms and conditions outlined and approved by the Assembly on January 27<sup>th</sup>, 2015. This Agreement, together with any modifications, changes, or amendments to this Agreement, cannot be enforced against the Seller unless the Assembly for the City and Borough of Sitka has approved this Agreement and any modification, changes, or amendments to this Agreement.

340 EXECUTED by the Parties as of the date set forth below the signature of each party, with  
341 the Effective Date of this Agreement to be the date first listed in this Agreement.

342  
343 CITY AND BOROUGH OF SITKA, SELLER

344  
345 \_\_\_\_\_  
346 Mark Gorman, Administrator

347  
348 STATE OF ALASKA )  
349 ) ss:  
350 FIRST JUDICIAL DISTRICT )

351  
352 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me MARK  
353 GORMAN, whose identity is personally known to me or proved to me on the basis of  
354 satisfactory evidence, and who states under oath by signing this document that he has the  
355 authority as Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and  
356 does so freely and voluntarily.

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358 \_\_\_\_\_  
359 Notary Public for Alaska  
360 My Commission Expires: \_\_\_\_\_

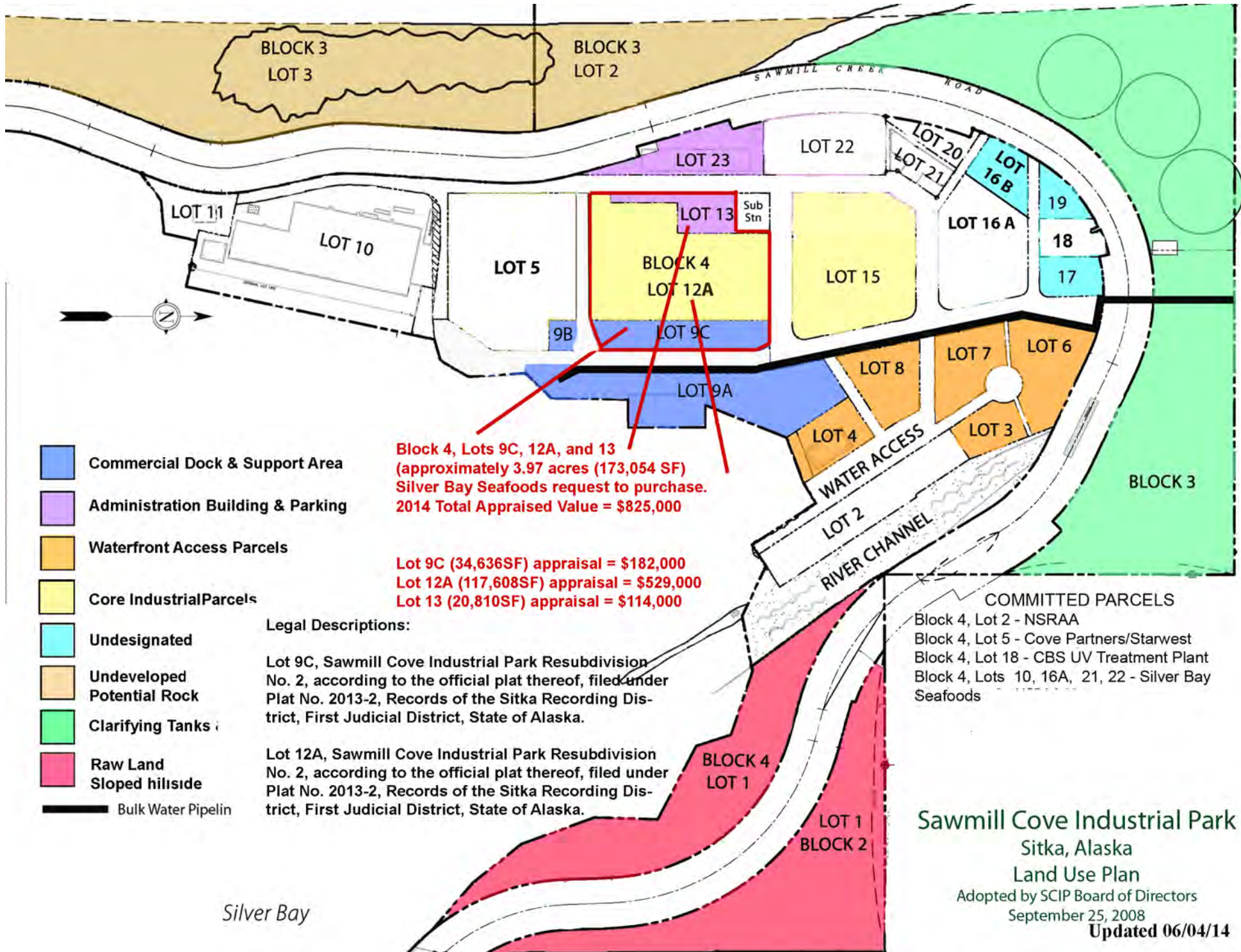
361  
362  
363 SILVER BAY SEAFOODS, LLC, Purchaser

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365 \_\_\_\_\_  
366 Richard Riggs, CEO

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368 STATE OF ALASKA )  
369 ) ss:  
370 FIRST JUDICIAL DISTRICT )

371  
372 On this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me  
373 RICHARD RIGGS, whose identity is personally known to me or proved to me on the basis of  
374 satisfactory evidence, and who states under oath by signing this document that he has the  
375 authority as Chief Executive Officer of Silver Bay Seafoods, LLC to sign on its behalf, and does  
376 so freely and voluntarily.

377  
378 \_\_\_\_\_  
379 Notary Public for Alaska  
380 My Commission Expires: \_\_\_\_\_





208 Lake St. Suite 2E Sitka, Alaska 99835

Phone: 907.966.3110 Fax: 907.966.3115

Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla

June 26, 2014

Gary Paxton Industrial Park Board  
Attn: Mr. Garry White, Director  
329 Harbor Drive, STE 212  
Sitka, AK 99835

**RE: Gary Paxton Industrial Park – Real Estate Purchase Proposal**

Dear Mr. White and Board Members:

Silver Bay Seafoods (“SBS”) is pleased to present this proposal to purchase property within the Gary Paxton Industrial Park. The land use development plan, described further within this proposal and depicted in Exhibit A, includes the following elements:

- A. Seafood Byproducts / Oil Plant
- B. Corporate Offices / Marines Services Center Offices
- C. Seafood Value Added Re-Processing & Cold Storage
- D-F. Marine Services Center – Haul Out, EPA/ADEC Wash Down Pad, Storage, Support Services

While the acquiring entity is SBS, we are excited to jointly present the land use plan with another well respected and successful local business, Halibut Point Marine Services (HPMS). HPMS’s haul out expertise combined with SBS’s fleet relations present an ideal, and singularly unique strategic partnership and opportunity to maximize the success of a Marine Service Center in Sitka.

We are confident that you will find that these two well established businesses in the Sitka community, each with a proven track record of both vision and successful implementation, have presented a very strategic proposal for the City of Sitka. This proposal not only meets the general mission of the Gary Paxton Industrial Park – to create and sustain family wage jobs in Sitka, but it promotes growth of existing local businesses “from within”, invites new business opportunity to support well established industry, and addresses specific needs that the Board and the community have identified over the last decade.

Best Regards,



**Richard A. Riggs CEO**

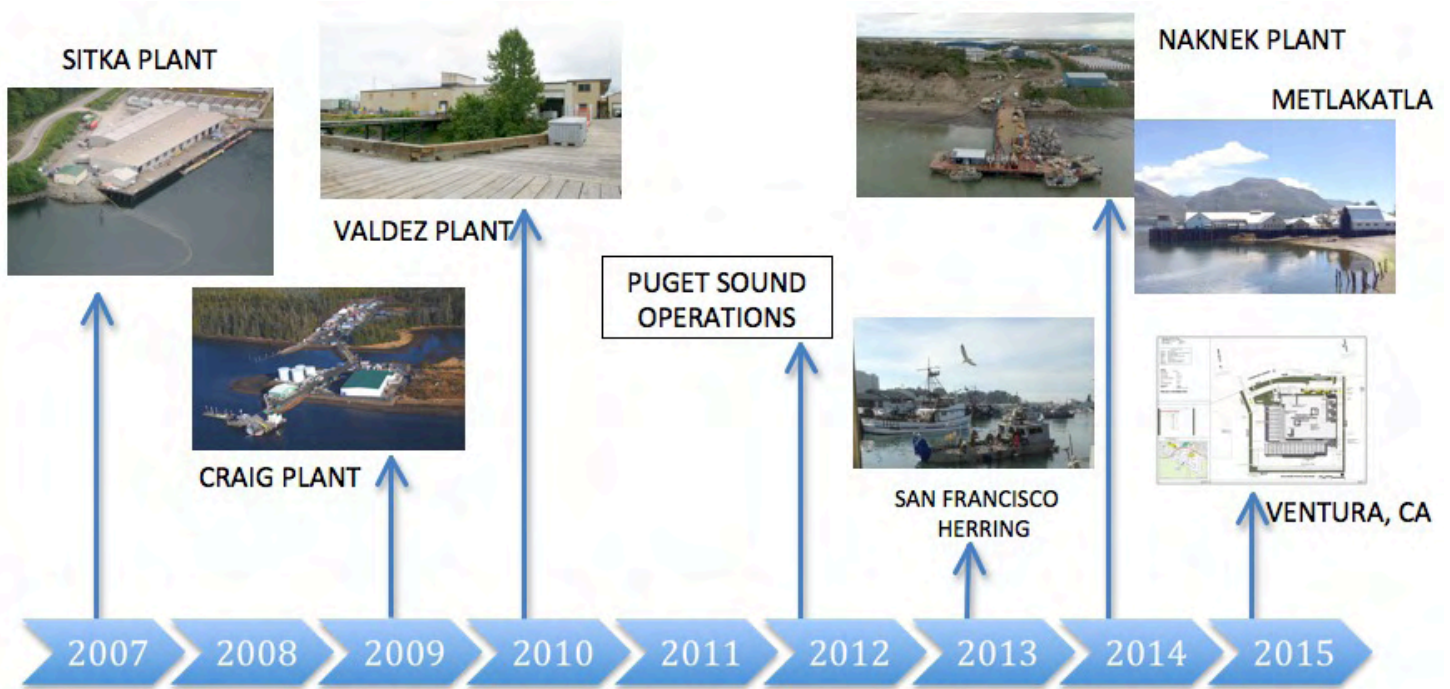
Silver Bay Seafoods  
208 Lake Street, STE 2E  
Sitka, AK 99835  
Ph. (907) 966-3110  
Cell (907) 738-7271  
Fx (907) 966-3115  
E-mail: [richard.riggs@silverbayseafoods.com](mailto:richard.riggs@silverbayseafoods.com)

## **SILVER BAY SEAFOODS - INTRODUCTION & BACKGROUND:**

Silver Bay Seafoods, LLC (“SBS”) is an integrated seafood processing company with state of the art facilities in Sitka (2007), Craig (2009), Valdez (2010), and Naknek (2014), Alaska. SBS also operates the Annette Island Packing facility, in cooperation with Metlakatla Indian Community, as well as operates in both Puget Sound (Seattle) and San Francisco, and has recently announced plans to build and operate a new state of the art facility in Ventura, California.



In eight short years, commencing here in Sitka in 2006, Silver Bay Seafoods has grown from a passionate, but unrealized vision of Alaska fishermen to becoming a major participant in the Alaska seafood processing industry. In total, over 300 Alaska fishermen comprise the majority of the ownership. SBS is molded to fit their vision for the Company. The primary vision of SBS is to operate state of the art freezing and processing facilities that maximize quality, opportunity for harvest, and value for the resource. SBS’s track record in implementing this vision is both well documented and unprecedented.



**COMPANY CULTURE / CORPORATE OFFICES:** While SBS has grown to be a significantly sized seafood company, we pride ourselves in being the Company with a face and pulse. This applies to our fleet, our employees, our customers, and the communities we operate within; which are also the communities within which we reside. Commencing with the vertically integrated Alaska fisherman, the positive energy and passion is apparent throughout the organization, and spills over into the community.

Silver Bay’s corporate office is located in Sitka. There is a reason Sitka is the location of our corporate offices, rather than Seattle as is customarily the case in the Alaska seafood business; it is because we cherish calling Sitka “home”. SBS employees and owners are contributors not only to the economy of Sitka, but to the community of Sitka – both on a corporate level, and an individual level.

**ECONOMIC CONTRIBUTION:** The implementation of this vision benefits not just the SBS fleet, but the entire industry and the communities we operate within as well. Silver Bay is both proud and humbled to be an integral contributor to the economy of each community we both operate in, and live in. Below is a snapshot of a few of SBS’s economic milestones:

- 2013 purchased 130 million pounds of salmon, 56 million pounds processed in Sitka.
- 2013 ex-vessel purchases in excess of \$63 million.
- Substantial Raw Fish Tax revenue recognized in each community.
- Property Taxes: Number 1 single source of property tax in both Sitka and Craig.
- 2013 Cost of Goods Sold – in excess of \$120 million – significant multiplier dollar benefit.
- 2013 SBS payroll: in excess of \$14.6 million.
- 2013 seasonal employees: in excess of 1,000.
- 95 Full Time Employees.
- Capital Expenditure Contribution: \$80 million statewide since inception, \$25 million Sitka.
  - In 2007, SBS utilized 100% local contractors and suppliers for the initial \$7M project.
  - SBS has used Sitka contractors (SE Fire, Sitka Electric, etc.) in all other Alaska projects.

**GARY PAXTON INDUSTRIAL PARK & SBS GROWTH:** In 2006 SBS commenced construction of the Sitka facility at what was then the Sawmill Cove Industrial Park. The project was completed on time, within a 7-month timeline, and with exclusive reliance on local contractors and in-house skilled and non-skilled labor forces. The scope, schedule, and efficiencies of the facility were previously unprecedented in the Alaska salmon industry and brought an initial \$7M capital project to Sitka. This facility is SBS's flagship facility in terms of historical volume and tenure.

In 2007 SBS processed over 21 million pounds of salmon at the Sitka facility. Upon completion of the 2007 salmon season, SBS immediately commenced expansion of operations in Sitka to accommodate the Sitka Sound Sac Roe fishery. In prior years, Sitka was afforded limited local processing capacity and as a result much of the harvest was transported to Canada for freezing and subsequent processing. SBS's herring expansion operation more than doubled the available local capacity in 2008 and immediately was recognized as another proven success. The increase in local processing capacity results in a higher value of harvest by maximizing quality and results in additional raw fish tax revenue for the State of Alaska and the City and Borough of Sitka.

In 2008-2012, SBS continued to invest in the Sitka facility, by expanding production and product lines, to increase daily processing capacity for salmon. In a low return year, 2008, SBS managed to process over 27 million pounds of salmon in Sitka. Total production increased through 2011, when SBS processed just over 50 million pounds of salmon, only to be outperformed in 2013 with 56 million pounds of salmon.

In aggregate, SBS has invested over \$25M in the SBS Sitka facility in a 6-year period. This investment in infrastructure has likewise been an investment in Sitka and promoted the primary goal of the Sawmill Cove Industrial Park – *“creating family wage jobs for Sitkans”*. In 2006 SBS shared an aggressive vision for developing the facilities at the Park in a manner that served Alaska fishermen and created family wage jobs for Sitkans. While the dream was big, the reality has far exceeded expectations. SBS is very proud of the immediate contribution it has made to fulfilling the mission of the Park and to complementing the economy of Sitka. This is likewise an achievement the Board can be proud of cultivating; through good stewardship of the Industrial Park the Board helped plant a seed that has flourished not only at the Gary Paxton Industrial Park and Sitka, but throughout Alaska and beyond.

#### **HALIBUT POINT MARINE - INTRODUCTION & BACKGROUND:**

Halibut Point Marine Services LLC (HPMS) was formed in 2005 by Chuck McGraw Sr., Chris McGraw, Chuck McGraw Jr. and Chad McGraw. HPMS purchased the assets of Halibut Point Marine Inc. which had been operating a marine haul out facility in Sitka since the late 1980s.

HPMS took over the haul out operation and since 2005, has maintained haul out services at consistent levels over the past 9 years servicing the majority of Sitka's commercial and pleasure boat fleet. During these 9 years of operations HPMS has gained extensive knowledge and expertise with facility layout, equipment, scheduling, and environmental regulations associated with a marine services facility.

HPMS's current equipment can service vessels up to 88 metric tons. This will accommodate the majority of the troll and seine fleet in Sitka. However the lift cannot accommodate most tenders and many new seine vessels that are being constructed are too large for HPMS's current equipment. HPMS working with Silver Bay Seafoods sees the potential to expand its operations and better service the commercial fishing fleet with a facility that includes a larger marine lift at the Gary Paxton Industrial Park.

### **LAND USE PLAN (Reference Exhibit A):**

The current Sawmill Cove Industrial Park Strategic Plan is attached as Exhibit B for easy reference. The Strategic Plan identifies these three 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.

The Board can be confident that the land use plan presented by SBS and HPMS is not only consistent with these Guiding Principles, but likewise is based on the proven track record of two successful Sitka businesses.

An integral component of various elements of this land use plan is the successful completion of the multi-use loading dock and haul out pier.

**SEAFOOD BY-PRODUCTS / OIL PLANT – AREA A:** For the last decade, Sitka has been considering various “seafood waste” solutions. In December of 2009, SEDA hosted and facilitated a community forum to discuss the issue and the growing concern. The meeting was open to commercial fish processors, charter sport fish guides, federal, state, tribal and local agencies, and other concerned citizens – a wide open spectrum. Various plans and ideas were contemplated and discussed by entrepreneurs in 2010, and USDA and AIDEA likewise were asked to participate. These ideas that never reached implementation, contemplated space at the Park. Concurrently, SBS researched various alternatives and in 2011, invested the capital necessary to turn “seafood waste” into “seafood by-products” in Sitka. Not only has SBS successfully initiated its seafood byproducts plan in Sitka, but SBS has also expanded this program into SBS’s other 4 Alaska facilities.

The goal is 100% utilization, and developing Area A (the site of the former waste water treatment plant) into the SBS seafood by-product facility, will facilitate achieving that objective. SBS has envisioned Area A accommodating this future expansion ever since the City and Borough of Sitka announced plans to route wastewater into town and eliminate the Park’s wastewater treatment plant. SBS intends to diversify its seafood by-products line by manufacturing wild Alaska salmon oil. Area A is strategically located for byproduct handling because it is downstream of our processing lines and already has a building that is adequately sized for this operation.

This land use is not only a “green” land use project, but it will add to SBS’s growth and economic benefit in terms of full time employment and added value to Alaska’s resource and ultimately to Alaskan fishermen.

**ADMINISTRATIVE BUILDING – AREA B:** With the exception of the “one time event” associated with the Blue Lake Dam Project, the administrative building located in Area B has been underutilized and has not come close to recognizing lease revenues that offset the operational costs– a condition that conflicts with Guiding Principle number 3 for the Park. As noted in the background section of this proposal, SBS takes great pride in being an Alaskan seafood company with our corporate offices located in Alaska, and more specifically Sitka. SBS’s growth both within, and outside of Sitka, has likewise resulted in growth at the corporate level. Having office space available in Sitka to accommodate that growth will help ensure that SBS remains corporately headquartered in Sitka. This space is likewise envisioned to provide administrative support to the Marine Service Center.



**SEAFOOD VALUE-ADDED, REPROCESSING AND COLD STORAGE – AREA C:** The SBS Mission Statement is as follows:

*Through sound management, innovation, teamwork and vision, provide member fishermen and other strategic partners with the “Silver Bay Experience” that is predicated on exceptional and unparalleled performance that is second to none; simultaneously promoting the growth and sustained profitability of the Company.*

The “Silver Bay Experience” for fishermen has included a commitment to constructing state of the art, high volume processing and freezing facilities that 1) maximize opportunity to harvest and 2) enhance the quality of the harvested and processed resource and 3) maximize the value of the resource. As an example of fulfilling this commitment, Sitka processed 50M pounds in 2011 and 56M pounds in 2013, and at the same time fishermen recognize prices for pink salmon that were nearly 4 times higher than the 2005 (pre SBS) price of \$0.12 per pounds. Statewide, SBS processed nearly 130 million pounds of salmon in 2013 and has expanded into Bristol Bay in 2014.

While the focus to date has been on maximizing the value of the commodity by directing capital investment in processing and freezing facilities, SBS’s vision going forward includes cold storage, reprocessing, and value added facilities. Even at a commodity level, Silver Bay’s story of vertically integrated, Alaskan fishermen that “own” the chain of custody several steps further than just the delivery to the plant, is an excellent marketing tool. Ultimately, SBS looks forward to telling that same Silver Bay story to the consumer, thus including Alaskan fishermen in every step of the process, from the Pacific Ocean to the center of the plate.

While there are many locations to pursue this next phase, there is no place we would rather implement this vision than in Sitka; it’s our home and it’s where the dream of Silver Bay first became a reality – it’s our roots. This expansion will further fulfill the mission of the Park and be consistent with the Strategic Plan the board adopted in 2009. Not only will it create and add value to existing jobs at the Park, but it will add value to an industry that is vital to our community.

**MARINE SERVICE CENTER – AREA D-F:** Throughout the last decade, the Board has attempted to promote the Park as a location for a marine service center. There have been two different surveys, a feasibility study, and a Request for Proposals. HPMS and SBS are prepared to implement this vision. As envisioned, the Sitka Marine Service Center will provide haul out and repair services for vessels that transit Alaska. HPMS has the expertise to operate the facility and SBS has the relationship with a large cross section of the fleet, including tenders owned by SBS.

AREA D will be utilized as the wash-down area for vessels. EPA regulations regulate the discharge of water used to pressure wash the bottom of vessels. In most instances this water has to be collected and treated prior to discharge. The location of the wash-down area needs to be in close proximity to the haul out pier in order to minimize the distance the vessels have to be transported. Area D fits this criteria given its location adjacent to the proposed new pier location. The remainder of area D would be utilized for short term vessel storage and provide a staging area. Vessels that are out of the water for routine maintenance such as zincs and bottom paint would be stored in this location. This short distance to the wash-down pad allows for a short cycle time between when a vessel is done at the wash-down pad to being blocked and ready for additional maintenance.

AREA E will provide vessel storage for large projects or for owners that might just want to store a vessel out of the water for the winter. Long term goals for this area would be to include some covered areas where boats could be put in a shelter so that weather sensitive work could be completed such as

fiberglass, welding, painting etc. could be performed. Demand for this need would drive the timeline for any type of shelter construction.

This land use is not only consistent with the Park's strategic plan, but it is consistent with the feasibility study the City and Borough of Sitka performed in 2013 which specifically identified this area being utilized as we propose – reference Exhibit C.

AREA F is envisioned to be available for marine and other skilled trades, businesses and vendors that would complement the clientele of the Sitka Marine Services Center. The current Strategic Plan prepared by the Board likewise envisioned this use for Area F – as it is identified as “Reserved for Marine Industry Development” on the Park's Land Use Plan drawing adopted on September 25, 2008. The success of the Sitka Marine Service Center and the ability to recruit fleet to utilize the facilities is going to be greatly influenced by availability of services to support the fleet. This is critical to the success of this vision.

This land use is not only fulfilling the guiding principles of the Strategic Plan by creating family wage jobs, but it will fulfill a preferred land use identified by the Board over the last decade. As noted, SBS and HPMS provide the ideal strategic relationship to implement the vision. We intend to purchase a 150-250 ton mobile boat lift to service a fleet class that cannot currently be accommodated in Sitka. This will not only keep vessels in Sitka, but it will bring both vessels and associated business and employment opportunity to Sitka.

**PURCHASE PRICE:**

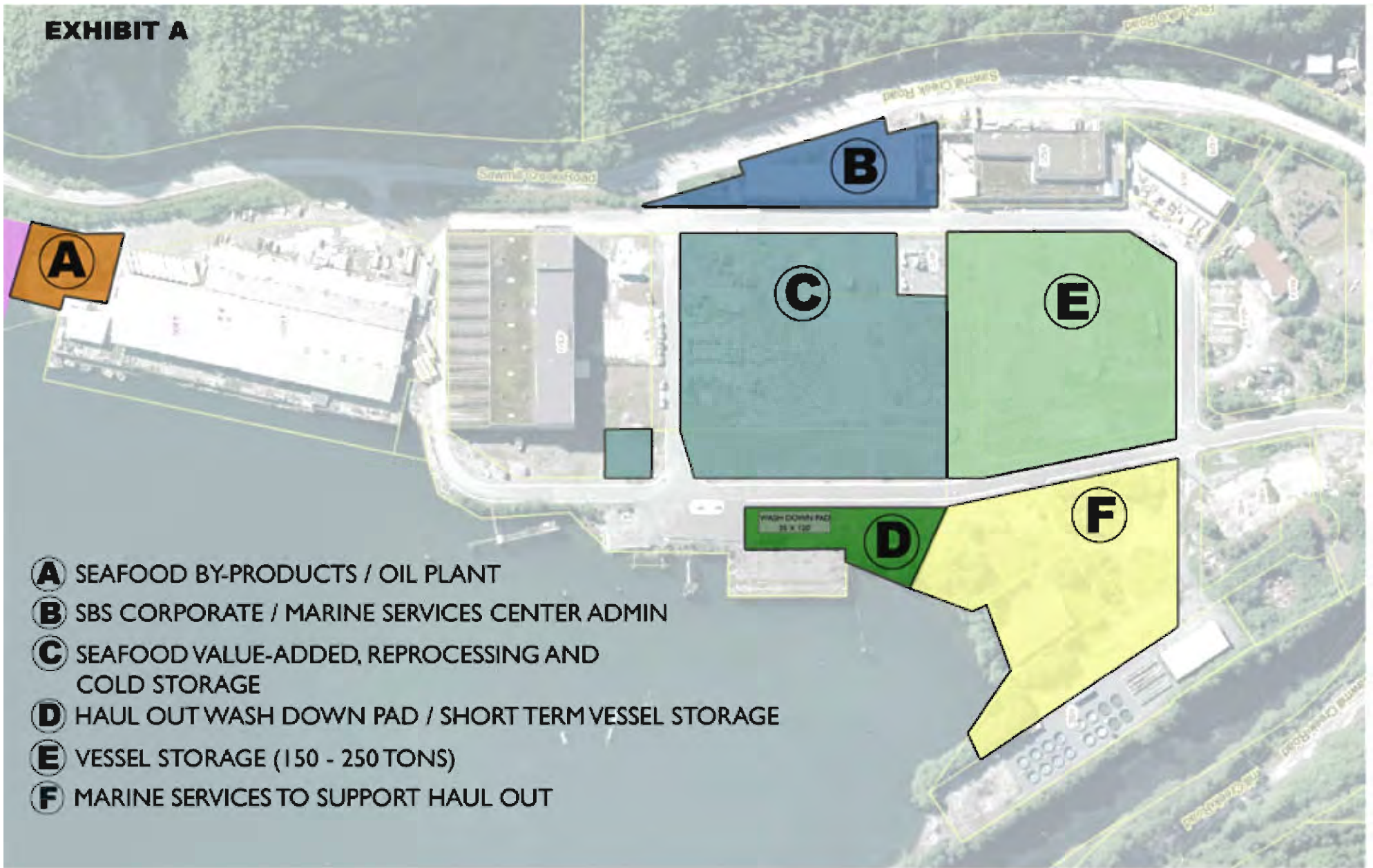
SBS's purchase price for the areas identified (A-F) is \$2,100,000. SBS is prepared to make a lump sum payment simultaneous with transfer of title. Obviously the successful implementation of the land use is heavily dependent upon the successful completion of the multi-use loading dock and boat haul out pier in a manner that complements the Park. As such, we likewise envision a use agreement as well as the purchase and sale agreement. It would also be envisioned that the subject property would be returned to an “as-was” condition, relative to prior to the Blue Lake Dam project, including topography and other relevant features. Realizing that the mounds of earth and rock stored on the subject property was envisioned to be utilized in the construction of the multi-use dock, SBS is certainly willing to accommodate a transitional period.

**CONCLUSION:**

This proposal not only meets the general mission of the Gary Paxton Industrial Park – to create and sustain family wage jobs in Sitka, but it promotes growth of existing local business “from within”, invites new business opportunity to support well established industry, and addresses specific needs that the Board and the community have identified over the last decade.

# **EXHIBIT A**

# EXHIBIT A



# **EXHIBIT B**



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	6/08		2/09
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		6/09
3	Using the Guiding Principals, determine priorities regarding sale versus lease for each property.	Board	6/09	on going	
4	Actively promote the sale or lease of the former administration building.	ED	4/08	11/09	
5	Actively promote the sale or lease of the former maintenance/stores building	ED	9/08		5/09
		Responsible: <input type="text"/>			



# 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		04/09
2	Develop and release an RFP for a marine haul out facility to serve the marine services offered at the Park.	ED	8/08		4/09
3	Solicit from current Sitka marine service providers considerations to accommodating their needs at the Park.				
4	Review other marine service facilities outside of Sitka to determine necessary components of a successful marine services industry.	ED			
		Responsible:	<input type="text"/>		

# 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			
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			
3	Present the Park to local, regional and national markets with a web-based advertising program, supplemented with other media as appropriate.	ED			
		Responsible:	<input type="text"/>		

# 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"> <li>• Bulk Water shipment.</li> <li>• Ocean-going freight, in or out of Sitka.</li> <li>• Container transshipment facility tied to Prince Rupert.</li> <li>• Shipment of bottled water</li> <li>• Shipment of fish processed at SCIP</li> <li>• Export of rock.</li> <li>• Bio-fuel projects using fish waste, wood products, and recycled materials</li> <li>• Scientific and Marine/Fishing Research vessels</li> <li>• Cruise Ships</li> </ul>	Board	8/08		8/08
2	Determine which of these or other potential uses are viable for Sitka and the Park.	ED	6/09	11/09	
3	Design a multi-purpose dock that would meet the determined needs.	ED	11/09	10/10	
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 – City Staff	11/09	10/10	
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 – City Staff			
		Responsible:	<input type="text"/>		

# 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	6/08	11/09	
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).	Board	1/09		
		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		
2	Continue to pursue the development of a private marina in Herring Cove.	ED			
3	Improve cell phone coverage at the Park and provide high speed internet access to all areas of the Park.	ED	6/08		
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		6/08
5	Continue to research the development of a rock quarry in the vicinity of the Park.	ED			
		Responsible: <input type="text"/>			

# 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	06/08		07/08
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		
3	Examine the possibility of inviting SEDA to relocate their office to the Park.	ED			
		Responsible: <input type="text"/>			



**CITY OF ANCHORAGE**

THE CITY ENGINEER HAS REVIEWED THIS PLAN AND FINDS IT CONFORMS TO THE CITY ENGINEERING DEPARTMENT'S STANDARDS AND SPECIFICATIONS FOR THE SUBDIVISION OF LAND AND THE CONSTRUCTION OF PUBLIC UTILITIES. THE CITY ENGINEER'S OFFICE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE SURVEY DATA OR THE LEGAL DESCRIPTION OF THE PROPERTY.

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

**SAWMILL COVE INDUSTRIAL PARK**

RESUBDIVISION NO. 1

THE APPLICANT HAS SUBMITTED AN APPLICATION FOR THE RESUBDIVISION OF LAND AND THE CONSTRUCTION OF PUBLIC UTILITIES. THE CITY ENGINEER HAS REVIEWED THE PLAN AND FINDS IT CONFORMS TO THE CITY ENGINEERING DEPARTMENT'S STANDARDS AND SPECIFICATIONS FOR THE SUBDIVISION OF LAND AND THE CONSTRUCTION OF PUBLIC UTILITIES.

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

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DATE: \_\_\_\_\_

BY: \_\_\_\_\_

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RESUBDIVISION NO. 1

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DATE: \_\_\_\_\_

BY: \_\_\_\_\_

**SAWMILL COVE INDUSTRIAL PARK**

RESUBDIVISION NO. 1

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DATE: \_\_\_\_\_

BY: \_\_\_\_\_

- NOTES**
1. THE APPLICANT HAS SUBMITTED AN APPLICATION FOR THE RESUBDIVISION OF LAND AND THE CONSTRUCTION OF PUBLIC UTILITIES. THE CITY ENGINEER HAS REVIEWED THE PLAN AND FINDS IT CONFORMS TO THE CITY ENGINEERING DEPARTMENT'S STANDARDS AND SPECIFICATIONS FOR THE SUBDIVISION OF LAND AND THE CONSTRUCTION OF PUBLIC UTILITIES.
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- LEGEND**
- 1. PROPERTY BOUNDARIES
  - 2. EXISTING PUBLIC UTILITIES
  - 3. EXISTING PRIVATE UTILITIES
  - 4. EXISTING EASEMENTS
  - 5. EXISTING ENCUMBRANCES
  - 6. EXISTING SURVEY DATA
  - 7. EXISTING SURVEY DATA
  - 8. EXISTING SURVEY DATA
  - 9. EXISTING SURVEY DATA
  - 10. EXISTING SURVEY DATA



**VICINITY MAP**  
SCALE: 1" = 1/2 MI.



**O'NEILL**  
SURVEYING AND ENGINEERING

1000 W. STELLA ALASKA ROAD  
ANCHORAGE, ALASKA 99503  
PHONE: 551-1234  
FAX: 551-5678  
E-MAIL: info@oneill.com

NO. _____	DATE _____
BY _____	FOR _____
RECORD OF MAPS	RECORD OF MAPS



SAWMILL COVE INDUSTRIAL PARK  
RESUBDIVISION NO. 1

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

**SURVEYOR'S CERTIFICATE**

I, \_\_\_\_\_, SURVEYOR, DO HEREBY CERTIFY THAT THE ABOVE DESCRIBED LAND AND INTERESTS THEREIN ARE ACCURATELY AND CORRECTLY DESCRIBED AND SHOWN ON THE ABOVE PLAN AND THAT THE PLAN IS A TRUE AND CORRECT REPRESENTATION OF THE FIELD WORK OF THIS SURVEY AND THAT I AM EMPLOYED BY THE APPLICANT.

DATE: \_\_\_\_\_

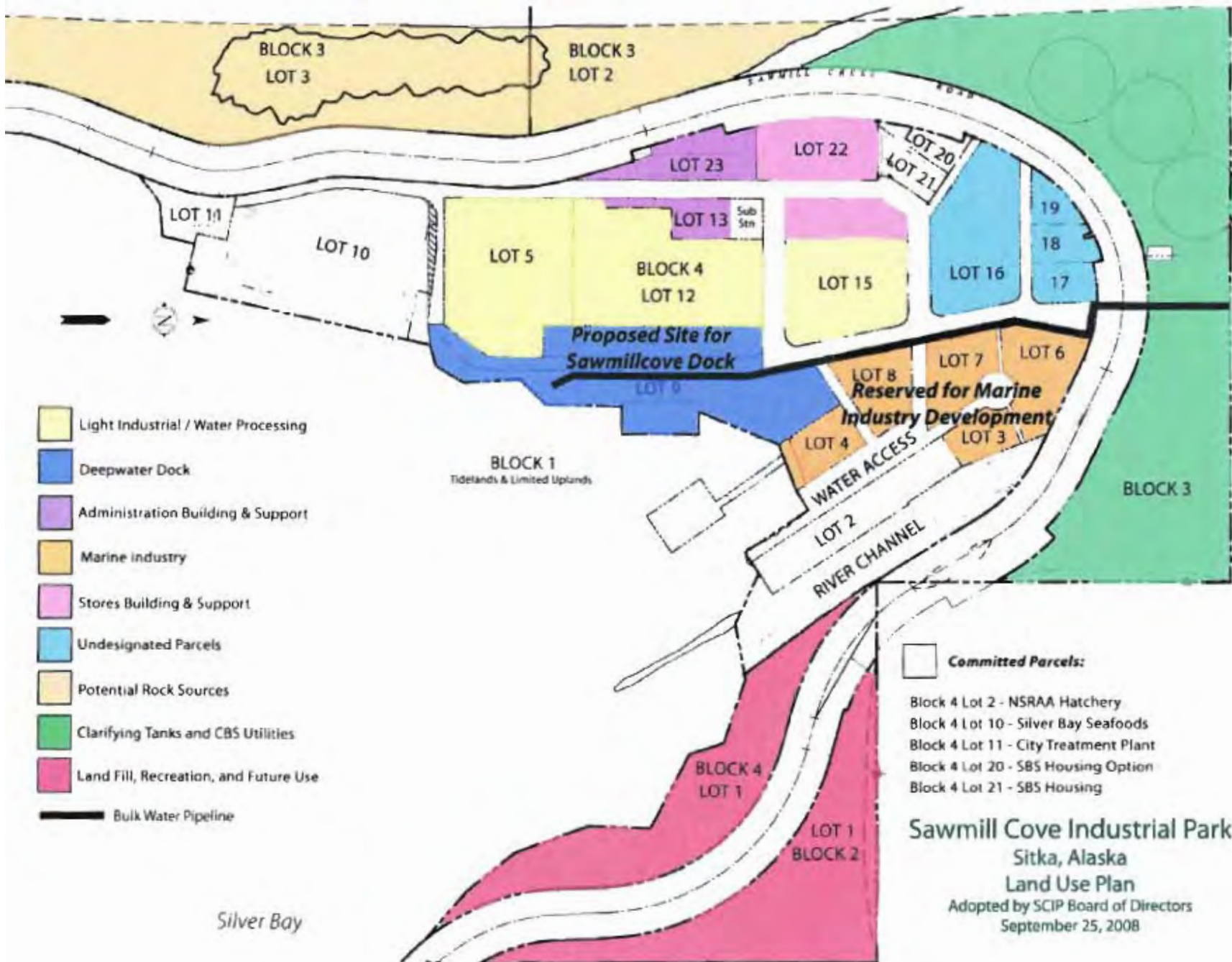
BY: \_\_\_\_\_

**SAWMILL COVE INDUSTRIAL PARK  
RESUBDIVISION NO. 1**

A RESUBDIVISION OF SAWMILL COVE INDUSTRIAL PARK RESUBDIVISION NO. 1, INCLUDING LOT 2

CLIENT: CITY OF ANCHORAGE

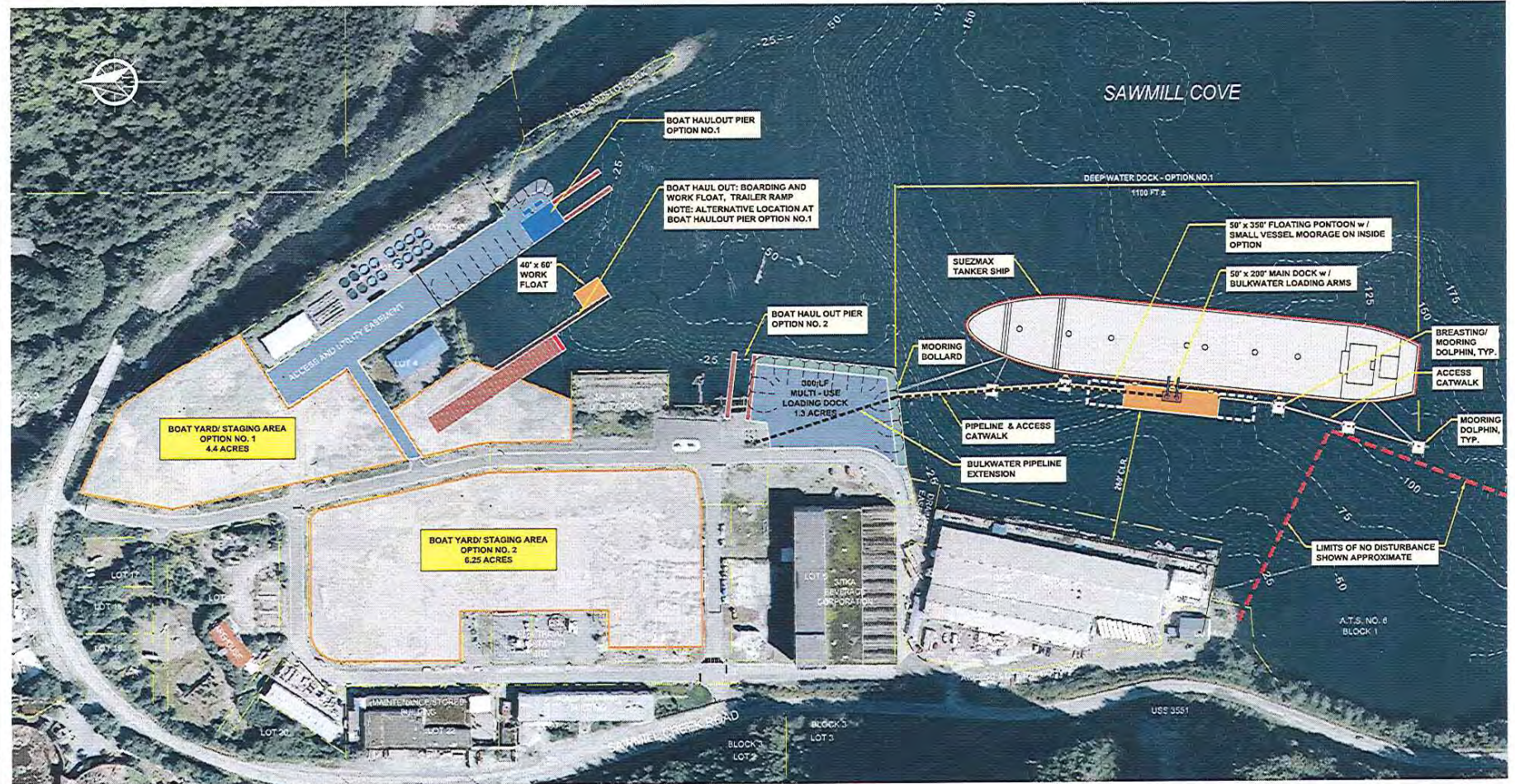




**Sawmill Cove Industrial Park**  
 Sitka, Alaska  
 Land Use Plan  
 Adopted by SCIP Board of Directors  
 September 25, 2008

# **EXHIBIT C**

# EXHIBIT C



- NOTES:**
- BATHYMETRY SHOWN APPROXIMATE, FROM (NOAA) NATIONAL GEOPHYSICAL DATA CENTER, HYDROGRAPHIC SURVEY H11123 (2004).
  - AERIAL PHOTOGRAPHY FROM CITY AND BOROUGH OF SITKA.
  - PROPERTY BOUNDARIES APPROXIMATE.

**PRELIMINARY**



REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

**P N D**  
ENGINEERS, INC.

9340 Glacier Highway, Ste. 100  
Juneau, Alaska 99801  
Phone: 907-586-2093  
Fax: 907-586-2099  
www.pndengineers.com

DESIGN: CRS    CHECKED: CRS    SCALE: SCALE IN FEET  
DRAWN: PJD    APPROVED: CRS    0    100    200 FT.

DATE: JAN. 07, 2013



**CITY AND BOROUGH OF SITKA  
SCIP FEASIBILITY STUDY**

SHEET TITLE: **SAWMILL COVE INDUSTRIAL PARK  
SITE PLAN**

PNAD PROJECT NO. 132068    DWD. FILE:

**2**  
SHEET  
2 OF 4



208 Lake St. Suite 2E Sitka, Alaska 99835

Phone: 907.966.3110 Fax: 907.966.3115

Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla

December 12, 2014

Gary Paxton Industrial Park Board  
Attn: Mr. Garry White, Director  
329 Harbor Drive, STE 212  
Sitka, AK 99835

**RE: Gary Paxton Industrial Park – Real Estate Purchase Proposal**

Dear Mr. White and Board Members:

It was Silver Bay's pleasure to present our real estate purchase proposal at the September 24, 2014 meeting. Since that time, we have appreciated the meetings both with CBS staff and Mr. White, and have also taken time to meet with various user groups of the proposed Marine Services Center.

Taking feedback from the September 24<sup>th</sup> Board meeting, and after multiple meetings with staff and others, we have modified the proposal as follows:

- Significantly reduced Area D (portion of Lot 9A, plat No. 2013-2) from the Original Exhibit A. This provides +/- 1,000 LF (per plat 2013-2) along the easterly shoreline of the GPIIP that will remain CBS property along the waterfront. While it is apparent there are varying opinions on this subject, we have presented this modification to demonstrate an accommodation of the opinion that CBS needs to retain this area, at least in the near-term. The remaining waterfront area still included in the proposal is the least desirable from an existing bathymetry perspective, and is required for the implementation of the SBS proposal – which includes utilizing existing rock at the GPIIP as fill beyond the current uplands. As a result of this modification, we have relocated the wash down pad, short term vessel storage, and staging that was originally identified within Area D, to Area C. It should be noted that SBS believes the high dock (aka “utility dock” as referenced by APC) located within Lot 9A would complement the fleet and the proposed Marine Services Center very well once rehabilitated, and as such we would include a first right of refusal (FROR) on the property if this modification is ultimately the concept desired by the GPIIP and CBS.
- Reduced Area F from the footprint identified in the Original Exhibit A by excluding Lot 8 (plat No. 2008-27). This concession / modification was made solely to accommodate APP's interest in pursuing a long term lease directly with CBS. APP's scope of work, once implemented, appears to complement the Marine Services Center well. At the same time, no different than the Board's 2009 Strategic Plan identifies this northeasterly portion of the GPIIP (Lots 3, 4, 6-8) as “Reserved for Marine Industry Development” with a long term vision of a marine services center, Silver Bay sees great opportunity for this entire area being utilized to complement and promote this marine services center as being the best facility in Alaska. As noted in the original proposal, the ability to recruit fleet to utilize the facility is going to be greatly influenced by the availability of services to support the fleet. As such, we request the first right to purchase lot 8 (per plat No. 2008-27) if either a lease is not executed with APP or it is terminated, as well as lots 3, 6, and 7 (per plat No. 2008-27) if the existing lease encumbering these properties is terminated.

- Agreed upon the milestones that trigger the transition from lease to purchase:
  - SBS acquires a 150 – 250 ton mobile lift.
  - SBS performs / documents 20 vessel lifts.
  - SBS installs EPA approved wash down pad.
  - SBS installs electrical infrastructure to the long term storage area.

Silver Bay has also prepared a 3-D rendering of “the vision” for the proposed marine services center, which we are calling “The Sawmill Cove Shipyard”. We are very excited about implementing this vision and developing a facility that is second to none in terms of what it provides to the community and the fleet. The rendering, including the modifications described herein, is attached and we look forward to presenting it to the Board and the community of Sitka at the next meeting.

Best Regards,



**Richard A. Riggs CEO**

Silver Bay Seafoods  
208 Lake Street, STE 2E  
Sitka, AK 99835  
Ph. (907) 966-3110  
Cell (907) 738-7271  
Fx (907) 966-3115  
E-mail: [richard.riggs@silverbayseafoods.com](mailto:richard.riggs@silverbayseafoods.com)



Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla

January 15, 2015

Gary Paxton Industrial Park Board  
Attn: Mr. Garry White, Director  
329 Harbor Drive, STE 212  
Sitka, AK 99835

**RE: Gary Paxton Industrial Park – Real Estate Purchase Proposal**

Dear Mr. White and Board Members:

Please accept this correspondence as a follow up to our original proposal dated June 26, 2014 and the December 12, 2014 correspondence outlining some modifications that were presented in response to feedback gained through the process to date.

Based on testimony provided at the December GPIIP Board meeting and the most recent GPIIP Board / Assembly work session, as well as input from those involved with the process, Silver Bay Seafoods is willing to further modify the original proposal as follows:

1. **Floating Dock:** In the December 12<sup>th</sup> correspondence, SBS offered to reduce Area F from the original footprint to exclude Lot 8 to accommodate APP's interest in pursuing a long term lease directly with CBS. No different than APP applauding the concept presented by SBS for the ship yard and marine services center, SBS feels the APP scope of work, once implemented as described to date, will greatly complement the marine services center. This reduction and the associated details still stand.

At the January work session, APP expressed reservation with using the SBS installed floating dock – an integral component of the envisioned marine services center. As it has been described by SBS, the floating dock will provide the opportunity for vessels utilizing the ship yard to have services performed at the dock without being hauled (either by trailer or by lift). Skilled trades represented at the shipyard and Sitka will have the ability to mobilize down to the floating structure and service vessels.

In order to satisfy the concern expressed by APP, if CBS is wanting APP to have “preferential use” of a side of the floating structure, SBS is willing to accommodate that – using the prevailing Sitka transient moorage rate or some other structure that represents “market rate”. The term “preferential use” is one that CBS utilized with Baranof Frozen Foods initially, and then with Silver Bay Seafoods, at the pulp dock prior to the purchase of that facility. In this case, APP can be assured that if they have a vessel to work on at the floating structure, the opportunity is available at APP's discretion. The general concept mitigates APP's concern and I'm confident the parties can work through the details associated with “preferential use”.

Otherwise, it is imperative for the Sawmill Cove Shipyard vision that the footprint of D-F remain as proposed. The drive down floating structure, the drive down ramp serviced by the hydraulic trailer, and potentially the high dock, are all integral components of implementing the vision.

2. Lease / Purchase Areas D-F (Marine Services Center / Sawmill Cove Shipyard): The original "Recommended Terms" as identified in Mr. White's December 11<sup>th</sup> memorandum to the GPIIP Board outlined the purchase opportunity commencing when specific milestones are achieved. As a result of the subsequent meetings some stakeholders have suggested a longer lease term prior to purchase. SBS has given this consideration and we have had preliminary communications with our financing partners (not detailed due to short fuse between the last meeting and this meeting), and if it is the desire of CBS, we are agreeable to extending the lease term out for up to 5 years prior to triggering the purchase – which is still based on the same milestone achievements. If this was a desired direction by CBS, we are willing to develop those terms in concert with Mr. White, to ultimately bring back before the Board and Assembly.

Similar to the December modifications which were offered, these two items are brought forward in consideration of the process and feedback which has come out of that process. We continue to look forward to working with the GPIIP Board and Assembly.

Best Regards,



**Richard A. Riggs CEO**

Silver Bay Seafoods  
208 Lake Street, STE 2E  
Sitka, AK 99835  
Ph. (907) 966-3110  
Cell (907) 738-7271  
Fax (907) 966-3115  
E-mail: [richard.riggs@silverbayseafoods.com](mailto:richard.riggs@silverbayseafoods.com)



## Minutes

**A. CALL TO ORDER:** The Chair, called the meeting to order at 3:01 pm.

**B. ROLL CALL**

**Members Present:** Grant Miller, Steven Eisenbeisz, Charles Horan, Dan Jones

**Members Absent:** Chris Fondell

**City Representatives:** Mark Gorman, Jay Sweeney, Michael Harmon, Phyllis Hackett, Stephen Weatherman, Christopher Brewton, John Flory,

**Others Present:** Garry White,  
Pat Glaab, Richard Riggs, Steve Reifensstuhl

**C. REVIEW OF MINUTES – April 10, 2014 and April 28, 2014**

**MOTION:** M/S Eisenbeisz/Jones moved to approve the minutes of April 10<sup>th</sup> and April 28<sup>th</sup>, 2014

**ACTION:** Motion PASSED 4/0 on a voice vote.

**D. CORRESPONDENCE AND OTHER INFORMATION**

Mr. Sweeney provided highlights from the Budget Performance Report and Financial Analysis covering the nine month period that ended on March 31st:

- Financial operations for end of nine months are ahead of both the annual plan and the comparison year.
- Slight decline in top line revenue for the third fiscal quarter due to declining occupancy rates.
- Revenue is robust at about 150% above the nine period compared to last year.
- Costs of operations are higher, with a year to date increase of about 9.7%. This includes the presence of a park manager who was not there for a portion of the comparable period.
- Working capital designated for projects is being spent.
- Working capital as of March 31, 2014 was \$889,000.
- SCIP Fund is expected to exceed last year's growth and current year fiscal planning.
- Need to plan for change in cash flow (loss of lease revenues) when the Blue Lake and SMC Phase II projects are completed.

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA - NONE**

-

**F. REPORTS**

**1. Sawmill Cove Management Report**

Mr. White reviewed the report included in the packet and noted the following:

- Feasibility Study – working to talk to stakeholders:
  - invitations to meet with Halibut Point Marine have been extended;
  - invitations to meet with Allen Marine have been extended;
  - public meeting held on April 28<sup>th</sup> (low attendance despite promotion efforts).



- Dock – Entered into a contract with Moffatt & Nichol on April 28<sup>th</sup> to provide engineering services for the dock design. Mid-June design alternatives will be presented to the Board. Moffatt & Nichol representative met with key stakeholders in Sitka during April visit.
- Bulk Water – Continue to work with Alaska Bulk Water, Inc.
- Bottled Water - Assembly approved the Water Purchase Agreement and Lease Agreement with I Water.
- Environmental Monitoring – amendment to the record of decision is waiting for final approval by DEC.

## G. PERSONS TO BE HEARD

**Mr. Glaab** expressed his interest in leasing the 4690 building to manufacture equipment mostly related to the seafood industry, conduct research and development, and to have an on-site professional staff (engineer, etc.). He provided some examples of his experience and plans and stated that his plans should fit well with other marine industry and/or vessel haul out development at the SCIP.

The Board asked if there was enough contract work available to keep a full-time staff. Mr. Glaab confirmed that seafood processors throughout Alaska have issues that need these services and there is not really anyone in Alaska providing these services. He stated that his company also builds and tests equipment and needs space to conduct some long-term testing, including space for a commercial seafood freezer that could also be used for overflow of seafood coming into Sitka at high harvest periods.

The Board asked if Mr. Glaab really needed waterfront access property or could he use uplands property? Mr. Glaab stated he is planning to build four specialized, ice manufacturing barges for use in Bristol Bay. This project requires access to waterfront. Also, working on retrofits of large tender vessels and floating processors requires waterfront access.

Mr. White stated that there are currently multiple proposals for SCIP property in hand and he wants to make sure that each proposal has fair opportunity to be heard by the Board.

Mr. Glaab stated that since the Electric Department is leasing the building, he brought his initial proposal forward to the Director to prepare for a formal proposal and he would like to start development at the SCIP for the 2015 fishing season.

**Richard Riggs** addressed the Board:

- Silver Bay Seafoods has constantly been looking at opportunities for growth. A formal proposal was not brought forward sooner due to the needs of the Blue Lake project being the highest and best use of the Park for the City.
- With other interested parties coming forward, Silver Bay Seafoods would like to make it known that they would like the opportunity to make a formal proposal for Park property based on growth of the company.
- A detailed proposal is not yet available, however, the proposal will include incorporation of space for a vessel haul out.
- The proposal will likely be for a joint venture between Silver Bay Seafoods and Halibut Point Marine taking the majority of available SCIP property including the Administration Building. HPM would run a haul out for larger vessels not being served by their other facility.

Mr. Riggs has worked with Mr. Glaab and has spoken with him about the Silver Bay Seafoods proposal regarding whether the two proposals can work together or are in conflict. This needs to be proved out as proposals move forward.

Mr. Riggs provided a summary of Silver Bay Seafoods history of growth, emphasizing that the company is fishermen owned.

Mr. Gorman suggested using some of the remaining planning money available to help develop the synergy between the various entities and proposals discussed and make the best use of all available land.

Mr. Reifenhohl expressed that both of these proposals sound great and there is no apparent conflict with NSRAA activities at the SCIP. NSRAA is not interested in more SCIP property.

## H. UNFINISHED BUSINESS

### 1. Bulk Water Fee Discussion

Mr. White reviewed the memo and proposed ordinance included in the packet.

Since the SCIP Board's recommendations in December an ordinance was developed by CBS administration which differs from the one approved by the SCIP Board. The draft ordinance was presented to the CBS Investment Committee for its comments.

The Administration has not yet made a decision. City staff requested that Mr. White write the Ordinance based on SCIP Board recommendations and then City staff would work to resolve differences.

Mr. Jones stated that the SCIP Board approved recommendations to go to the Assembly in December of 2013. He does not see that the SCIP Board's recommendations have changed over the past five months and would like to see the Board's recommendations, as approved in December, go to the Assembly. The recommendations approved in December were based on meetings between the Director and City Staff in November 2013.

Mr. White responded that the only things that he suggests addressing in the proposed ordinance presented by City staff is to:

- Use the term "raw water" instead of "bulk water" due to likelihood of selling more raw water for bottling than raw water for bulk shipment.
- The main point is to determine allocation of revenues from water sales. This is a policy decision to be made by the Board.
- Everyone appears to agree on the allocation of the bulk water fees.

The Board continued discussion on "bulk water fees" vs. "bulk water sales" and how revenues should be allocated.

Mr. White reviewed the proposed ordinance included in the packet to match up with the SCIP Board recommendations approved on December 5, 2013.

FOR REFERENCE - SCIP Board recommendations approved on December 5, 2013.

**MOTION:** *M/S Jones/Horan moved to recommend the Assembly approve the recommendations found in bullet points 1 through 5 of the memo dated November 26, 2013 adding that under Item #1 of the CBS Staff/SCIP Director Recommendations the new account shall be named the SCIP Bulk Water Fee Fund and under Item #2 wording shall be added to specify that any department requesting to draw funds from the SCIP Bulk Water Fee Fund shall include this as a line item in their annual budget and submit a draft of the budget to the SCIP Board for their review and to allow the SCIP Board to make their recommendations to the Assembly.*

*CBS Staff/SCIP Director Recommendations as per memo dated November 26, 2013*

1. *A separate CBS account should be established for non-refundable payments associated with bulk water contracts. This new account shall be named the SCIP Bulk Water Fee Fund.*
2. *Account funds will be transferred to appropriate enterprise/general funds to offset expenses for department services related to the CBS bulk water venture. Any department requesting to draw funds from the SCIP Bulk Water Fee Fund shall include this as a line item in their annual budget and submit a draft of the budget to the SCIP Board for their review and to allow the SCIP Board to make their recommendations to the Assembly.*
3. *Capital projects requesting funds from the account will require recommendation from the SCIP Board and approval from the CBS Assembly.*
4. *Section 4.06.025 is deleted from the SGC 4.06, as it is no longer applicable.*

5. *The remaining portions of SGC 4.06 will remain as currently written.*

The Board continued discussion on “bulk water fees” vs. “bulk water sales” and how revenues should be allocated.

Mr. White requested direction from the Board regarding item five of the SCIP Board’s approved recommendations from December, “*The remaining portions of SGC 4.06 will remain as currently written.*”

- The Board’s recommendations to the Assembly are that no changes be made to SGC 4.06. Sales revenues from bulk (raw) water sales will be distributed equally between the General Fund, Water Fund, Electric Fund, and SCIP Fund.
- The Administration’s proposed Ordinance 2014-06 makes a substantial change to SGC4.06. Sales proceeds will go into a new fund and the Assembly will determine how those funds are spent, instead of automatically allocating the funds equally to the General, Electric, Water, and SCIP Funds.

The Board’s consensus was to leave the portion of the current code related to revenues from bulk water sales unchanged. And to make it clear the only issue is to define the allocation of the bulk water contract fees/deposits in the case when water is not sold (e.g. how the \$1,350,000 received on deposit will be allocated.)

## **I. NEW BUSINESS**

### **1. Industrial Park Name Change**

Mr. White reviewed the memo dated May 13, 2014, included in the packet.

**MOTION: Horan/Jones** moved to approve changing the name of the Sawmill Cove Industrial Park to the Gary Paxton Industrial Park.

Discussion:

- Perhaps change the wording from “Industrial Park” to something more fluid.
- Suggest giving some alternatives to the Assembly to choose from.
- Mr. Paxton is happy with the term Industrial Park.

**ACTION:** Motion was passed on a voice vote 4/0

### **2. Lot 18 Easements**

Mr. Weatherman a summary of the UV treatment plant project:

- Plan complete.
- Out to bid within a couple weeks.
- Projected to finish construction in the first quarter of 2015.
- All permitting is in place.

Mr. Weatherman reviewed the easements that may be needed by the Water Department and provided details of the project’s design.

Board requested information on the operating costs per gallon of water. Mr. Weatherman said he could get that information.

Board consensus was that the hydrant easement and slope easements would be approved as needed.

### **3. SCIP Strategic Plan Discussion**

Mr. White advised the Board that he is making efforts to ensure that all proposals for SCIP property have a fair chance to be heard by the Board. Need to be consistent and fair, rather than take proposals and then go out for RFP. Things to consider include:

- June 13<sup>th</sup> alternative dock design (construction type not configuration details) options will be presented. Selection of dock design could be affected by the proposals. Therefore, proposals should be reviewed and considered before dock design is selected.
- Next steps for the feasibility study will also change based on what the Board decides to do with the various proposals.
- Need to determine how the Board will select proposals.

The Board stated that they have been actively marketing the park for development ideas and will hear proposals as they are submitted.

**J. ADJOURNMENT** – The meeting adjourned at 5:20pm.

**Gary Paxton Industrial Park  
Board of Directors Meeting  
September 24, 2014 - 5:00 PM  
Maksoutoff Room – Harrigan Centennial Hall**

**Minutes**

**A. CALL TO ORDER:** The Chair called the meeting to order at 5:02 pm.

**B. ROLL CALL**

**Members Present:** Grant Miller, Dan Jones, Steven Eisenbeisz, Chris Fondell (teleconference),  
Ptarmica McConnell (teleconference)

**Members Absent: NONE**

**City Representatives:** Mark Gorman, Jay Sweeney, Michael Harmon, John Flory, Chris Brewton, Pete Esquiro, Phyllis Hackett

**Others Present:** Garry White, Linda Wilson  
Evy Kinnear (Fortress of the Bear)  
Terry Trapp (Alaska Bulk Water, Inc.) and Trevor Sande (R&M Engineering) - via teleconference  
Pat Glaab (Alaska and Pacific Packing)  
Richard Riggs (Silver Bay Seafoods)  
Chris McGraw (Halibut Point Marine Services)  
~20 public members  
Shannon Haugland (Sitka Sentinel), Robert Woolsey (KCAW)

**C. REVIEW OF MINUTES – August 28, 2014**

**MOTION:** M/S Eisenbeisz/Jones moved to approve the minutes of August 28, 2014.

**ACTION:** Motion PASSED 5/0 on a voice vote.

**D. CORRESPONDENCE AND OTHER INFORMATION - NONE**

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA - NONE**

**F. REPORTS**

**1. Sawmill Cove Management Report - (provided in packet – no oral report)**

**G. PERSONS TO BE HEARD - NONE**

**H. UNFINISHED BUSINESS - NONE**

**I. NEW BUSINESS**

**1. Fortress of the Bear Lease Request**

Mr. White reviewed the main points of the lease request and advised the Board that past leases for the requested space have ranged from \$0.65 to \$1.00 per square foot per month. The flat rate of \$650 per month being offered by Fortress of the Bear works out to \$0.725 per square foot per month.

Mrs. Kinnear added that the Fortress of the Bear hopes to have their own building for an office and workspace within two years. Space in the Administration Building is the nearest option.

**MOTION:** **M/S Jones/Eisenbeisz** moved to approve a month-to-month lease of 896 square feet of the kitchen area in the Administration Building to Fortress of the Bear under the terms presented by staff in the memo dated Monday, September 22, 2014 and with the understanding that the lease area may not be available for the entire two years.

Terms of Memo of September 22, 2014:

- 896 square feet within the Kitchen Area (Room 111 of Area S1).
- Lease payment at a flat rate of \$650 per month.
- Term is month-to-month.

**ACTION:** **Motion PASSED 5/0 on a roll-call vote.**

Yeas: Steven Eisenbeisz, Dan Jones, Grant Miller, Chris Fondell, Ptarmica McConnell,

Nays: None

Absent: None

## **2. Alaska Bulk Water, Inc. Tidelands Lease Request**

Mr. White reviewed the main points of the lease request as per the memo dated Monday, September 22, 2014. He stated that discussions with the US Coast Guard are not final, however, so far no constraints to navigation have been identified.

Mr. Sande responded to questions from the Board:

- When static the chains will rest on the sea bottom and when a ship is tied to the buoys the chains will pull toward the ship with about a 20% angle downward at the shore end and between 30% and 40% at the deep end.
- A large tanker vessel tied to the buoys is significant warning to other vessels in the area and a vessel would have to be almost on top of a buoy before there would be any hazard.

**MOTION:** **M/S Jones/Eisenbeisz** moved to recommend that the Assembly approve a tidelands lease to Alaska Bulk Water, Inc. for a temporary mooring station for the export of bulk water as described in the memo dated Monday, September 22, 2014 or to approve any other appropriate legal structure that provides Alaska Bulk Water, Inc. use of the tidelands for this purpose.

Terms of Memo of September 22, 2014:

- Lease (*or other means to secure use*) of 18 acres of tidelands in Sawmill Cove of Silver Bay directly in front of the Gary Paxton Industrial Park.
- Annual tidelands lease payment of 4.5% of the value of the tidelands.
- 18 acres at a value of \$2.00 per square foot as determined by the City Assessor = \$1,568,160 total value x 4.5% = \$70,568 annual lease payment.
- Terms are month-to-month.

**ACTION:** **Motion PASSED 5/0 on a roll-call vote.**

Yeas: Grant Miller, Dan Jones, Steven Eisenbeisz, Ptarmica McConnell, Chris Fondell

Nays: None

Absent: None

## **3. Alaska & Pacific Packing (APP) Lease Request**

Mr. Miller reviewed the key points of the lease request as per the memo dated Monday, September 22, 2014.

Mr. Glaab addressed the Board, providing the following information for consideration:

- Long-term career experience in design and construction of seafood processing plants and associated equipment.
- Past work was mostly as a contractor. The goal of the proposal is to create a permanent structure and professional staff for the business.
- Over a two-year start up period staff would be built up to include an estimated six full-time professionals (engineers, welders, etc.) and four to six additional casual help. Depending on the project there would be an estimated 10-12 employees.
- Activities would include designing, building, and testing equipment, design of full-structures and floating processors, and potentially a commercial freezer for the storage of fish waste and/or leased freezer space.
- Fish waste from SPC and SSS would be frozen for the pet food industry.

Mr. Glaab responded to questions from the Board:

- The offer of \$47,643 in annual lease payments is based on 9% of the assumed value of the property.
- In addition, a credit of up to 50% of the lease value is being requested based on number of employees and their wage level. It is understood that there would be a sunset date established for employee credits. This would be part of the negotiation of terms.
- Anticipate an immediate investment of \$150k for a building/machine shop, then another \$150k for a floating dock. The estimated cost for a commercial freezer is \$600k.
- After two years of initial development, it is expected that the business would need to secure space for future expansion. If all property is sold, then this would be a significant problem prohibiting future growth of the business at this location.
- The proposal for a tidelands lease by Alaska Bulk Water, Inc. does not appear to create a conflict with the tidelands lease that APP wants to establish.

Mr. White provided other information for consideration:

- Lease structure for rate increases has varied and some have included a CPI adjustment every five years.
- Working with the Municipal Attorney on language for the lease that would indemnify the City for use of the existing dolphins by APP.

Mr. Miller invited the public to comment or ask questions about the APP proposal. There were no comments or questions from the public.

Board consensus was to support the concept but to work on negotiating terms and bring a more detailed lease proposal back for Board consideration.

Mr. Glaab stated that Sitka holds an advantage over a smaller community such as Wrangell when trying to attract and maintain a professional level staff. People at this level want the kind of amenities Sitka has to offer.

**MOTION: M/S Jones/Eisenbeisz moved to table the item with no specified time limit.**

**ACTION: Item tabled.**

#### **4. Silver Bay Seafoods Land Purchase Request**

Mr. Riggs addressed the Board and the Public, reviewing the proposal and making the following points for consideration:

- The history of Silver Bay Seafoods is one of steady growth in capacity building and employment.
- The company has a good track record and vertical integration through direct ownership by Alaska fishermen plays an important role in SBS successful growth and expansion.

- SBS started in Sitka in 2006 by leasing about one-third of the old pulp dock/warehouse and now has facilities in six Alaska locations along with one in Puget Sound, one in San Francisco, and plans for another in Ventura.
- A state of the art facility was built in Naknek in 2014.
- SBS has invested over \$20 million in the Sitka facility during the past six years.
- Salmon is the number one product with crab and herring also being processed here.
- A new canning line is being put in and SBS plans to create its own labeled brand of canned salmon.
- A salmon oil plant is also planned.
- As of 2011 SBS has been utilizing the bulk of the seafood by-products. The goal is for 100% utilization.
- Silver Bay Seafoods is an Alaskan company with headquarters in Sitka. Due to growth, there is need for more office space. The Administration Building would provide space for SBS Corporate Headquarters as well as office space for the new HPM boat haul out facility.
- SBS provides significant contributions to the local economy through property tax, raw fish tax, and the economic multiplier of dollars spent in the community.
- Believe the SBS proposal addresses the mission of the Industrial Park. The plan calls for expanding value added products and add a cold storage facility.

Mr. McGraw provided the following information for Board consideration:

- Has owned Halibut Point Marine Services since 2005.
- The boatyard was reconstructed to meet EPA standards for a wash down area.
- The facility has a maximum capacity of 88 tons and hauls out about 350 vessels per year.
- Do not intend to close the current facility but to expand to operate a second facility for larger vessels at the GPIIP. Looking at a 250-ton capacity boatlift for the new facility. The two locations would be run as a single business with boats too large for the HPM location sent to the GPIIP.
- The areas proposed for the haul out facility include a wash-down area, long-term vessel storage, and space for local marine service vendors.

Mr. Miller invited the public to comment or ask questions about the proposal. There was no response from the public.

Mr. White reviewed some points from the memo of Monday, September 22, 2014:

- The old wastewater treatment plant, identified as "A" on the proposal map, has been decommissioned and can be sold.
- The Administration Building, identified as "B" on the proposal map, has had a negative cash flow ever since the City took ownership. However, due to a covenant attached to an EDA grant the building cannot be sold until 2021. A lease to purchase agreement would be allowed.
- Section "D" on the proposal map includes the old utility dock, which is a liability for the CBS in its current condition. A portion of this property is also being requested by the APP proposal.
- Section "F" is property also being requested as part of the APP proposal.
- Based on the Board's Strategic Plan, Sections D and F of the proposal are parcels that the Board does not really want to sell, but would prefer to lease.

Board comments included:

- Prefer to develop a lease to purchase agreement with specific benchmarks.
- Need to provide and preserve public access to the waterfront.
- A portion of the uplands that connect to the future dock need to be retained to serve as a marshaling area and provide access to the dock.

Mr. Riggs stated that SBS understands the need to have access to the dock and that SBS would be using the dock facility and not inhibit its construction.

Board comments included:



- The ultimate goal of the Industrial Park Board is to dispose of the property to maximize the benefit to the City and community, however in order to have a viable dock a certain portion of the uplands would need to be retained.
- Need to keep CBS ownership of the waterfront.
- Consider leasing option for the areas identified for use as a vessel haul out.

Mr. Riggs responded that SBS would be open to leasing some property with a lease to purchase agreement for other property.

Mr. Miller again invited the public to comment or ask questions about the proposal.

Mr. Lawrie asked how the SBS/HPMS proposal helps the majority of vessels in the local fishing fleet? The current HPM facility is crowded. Would the new facility be open for everyone to use or just for SBS vessels?

Mr. McGraw responded that the new EPA wash-down area did reduce the work area. The facility can handle four boats per day, which is comparable to any other facility in Southeast Alaska. The problem comes with scheduling since so many vessel owners want to haul out during the same time period. The new facility would be open to everyone, not just vessels owned by SBS.

Mr. Miller again invited the public to comment or ask questions about the proposal. There was no further response from the public.

Board consensus was to have additional information gathered and details worked out through negotiation in order to bring a more developed plan to the Board that considers if and how the two proposals might be able to work together or if one will need to be selected over the other.

Mr. White asked that the Board consider any benchmarks that will need to be included in a lease to purchase agreement.

Mr. Gorman stated that City staff will need to work with Mr. White and the Legal Department between now and the next Board meeting to work through some of the details and come up with concept options.

## **J. ADJOURNMENT –**

**MOTION: Eisenbeisz/Jones moved to adjourn the meeting at 7:08pm**

**Gary Paxton Industrial Park  
Board of Directors Meeting  
December 17, 2014 - 6:00 PM  
Maksoutoff Room – Harrigan Centennial Hall  
Minutes**

**A. CALL TO ORDER:** The Acting Chair called the meeting to order at 6:01 pm.

**B. ROLL CALL**

**Members Present:** Dan Jones, Grant Miller (teleconference), Chris Fondell, Pfarmica McConnell, Scott Wagner

**Members Absent: NONE**

**City Representatives:** Mark Gorman, Mim McConnell, Michael Harmon, John Flory, Chris Brewton,

**Others Present:**

Garry White, Linda Wilson  
Pat Glaab (Alaska and Pacific Packing)  
Richard Riggs (Silver Bay Seafoods); Troy Denkinger (Silver Bay Seafoods)  
Ed Gray (Monarch Tannery) – via teleconference  
Members of the Public and Representatives of the Media

**C. REVIEW OF MINUTES – September 24, 2014**

**MOTION:** M/S Fondell/McConnell moved to approve the minutes of September 24, 2014.

**ACTION:** Motion PASSED 5/0 on a voice vote.

**D. CORRESPONDENCE AND OTHER INFORMATION**

- Summary of the 2014 property appraisal (included in packet)
- Industrial Park Fund Financial Analysis as of September 30, 2014 (included in packet)

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA - NONE**

**F. REPORTS - NONE**

**G. PERSONS TO BE HEARD**

Nancy Davis spoke in support of the proposal submitted by Silver Bay Seafoods.

**H. UNFINISHED BUSINESS**

**1. Alaska & Pacific Packing (APP) lease request**

Mr. White reviewed the background and key points of the memo to the Board dated December 9, 2014. (memo included in packet)

Mr. Glaab noted that an area of the property he is requesting to lease is the same property being requested in the Silver Bay Seafoods proposal. Mr. Glaab stated that he does not see a workable solution for his proposal if this piece of property is leased or sold to Silver Bay Seafoods and that he needs to work with the City and Borough of Sitka (CBS) as the APP landlord.

Discussion points included the following:

- APP is requesting employment credits.
- APP is requesting a lease rate based on property value of \$4 per square foot.
- The 2014 property appraisal with a 9% return on value results in a significantly higher lease rate.

**MOTION: M/S Miller/McConnell moved to table the item.**

**2. Silver Bay Seafoods (SBS) land purchase request**

Mr. White reviewed the background and key points of the memo to the Board dated December 11, 2014. (memo included in packet)

Mr. Riggs presented a slide show illustrating the 8-year history of Silver Bay Seafoods and the steady growth of the company.

Discussion points included the following:

- The SBS proposal can be broken into two separate sections:
  - Property acquisition for seafood processing facility development.
  - Property acquisition for a marine haul-out and service center.
- Silver Bay would take liability for the rock currently being stored on the associated properties.
- The plan calls for a marine lift and associated equipment to be in place by the end of 2016.
- The City multi-purpose dock would include the addition of haul-out piers to allow a 250 capacity marine lift to use the dock to lift large vessels.
- SBS believes their plan leaves enough room to accommodate the needs of the APP proposal. They reduced the size of their original proposal request, specifically to accommodate APP.
- The proposal will not affect bulk water exports.
- The haul-out would be run by Halibut Point Marine Services and serve boats of any size, and supplement the existing Halibut Point Marine Haul-out.
- The CBS does not want the Administration Building back once a lease to purchase agreement is executed.

Jeff Farvour commented that he supports having diverse tenants at the Industrial Park. He added that although the location appears to be a great place to put a boat haul-out, there is significant wind to contend with and that needs to be taken into consideration.

**MOTION: M/S Miller/Fondell moved to recommend that the Assembly sell to Silver Bay Seafoods Block 4, Lot 11, Lot 9c, Lot 12a, and Lot 13 for the 2014 appraised value and to approve a lease to purchase agreement for Block 4, Lot 23 based on the following terms:**

- Property is leased in current condition for \$1 per year with lessee responsible for all building expenses, including repairs.
- CBS agrees to sell the parcel to Silver Bay Seafoods at the 2014 appraised value as soon as the U.S. EDA grant covenants have been met.
- Upon execution of the lease, it becomes a purchase agreement.

Mr. Gorman stated that the CBS would try to expedite the release from the EDA covenants attached to the Administration Building (Lot 23).

**MOTION to AMEND: M/S Jones/McConnell moved to amend the motion to remove Lot 9c from sale and reduce the purchase price accordingly.**

Discussion point – The purpose is to maintain CBS ownership of Lot 9c to maintain adequate waterfront property to serve a multi-purpose dock and port facility.

**Miller Called for the Question**

**ACTION: Motion FAILED 1/4 on a roll-call vote.**

Yeas: Dan Jones

Nays: Grant Miller, Ptarmica McConnell, Chris Fondell, Scott Wagner

Absent: None

## **Miller Called for the Question on the original Motion**

### **ACTION: Motion PASSED 5/0 on a roll-call vote.**

Yeas: Dan Jones, Grant Miller, Scott Wagner, Ptarmica McConnell, Chris Fondell

Nays: None

Absent: None

The Board requested Mr. Glaab respond to the SBS proposal as presented, including the modifications made to accommodate APP.

Mr. Glaab stated that this would not be acceptable as the property set aside for APP would be land locked and does not fit the needs of the business as planned and proposed.

Mr. Glaab also asked if the dock placement in the SBS proposal was necessary or if it could be moved enough to accommodate his need for control of APP's own water access. The current proposal by SBS would not be realistic or practical for APP.

### **MOTION: M/S McConnell/Fondell moved to table the remainder of the item.**

## **I. NEW BUSINESS**

### **1. GPIP Multi-purpose Dock discussion**

Mr. White reviewed points from the memo to the Board dated December 9, 2014 (included in packet).

Discussion included consideration of the following:

- Limited to remainder of the \$7.5 million in state funding unless the net proceeds from property sales can be used toward the project.
- Community comments have been in favor of a large vessel haul-out at the Industrial Park. However, there have been questions and differing opinions about the ownership and operation of the haul-out.

### **MOTION: M/S McConnell/Miller moved to direct City Staff to develop analysis for:**

1. The cost of a dock with a 200' face at -40' depth with the capacity to handle a 250-ton boatlift.
2. The maximum dock face that could be constructed to support a 250-ton boatlift with the remaining funds available from the \$7.5 million.

### **ACTION: Motion PASSED 4/1 on a roll-call vote.**

Yeas: Dan Jones, Grant Miller, Ptarmica McConnell, Chris Fondell,

Nays: Scott Wagner

Absent: None

### **2. Monarch Tannery Lot 17 purchase request**

Mr. White reviewed the key points of the memo to the Board dated December 11, 2014 (included in packet).

Discussion included the following for consideration:

- Monarch Tannery has been a tenant for several years and has proved that it is a viable business.
- The Tannery is now ready to grow and is also now subject to loss of its current lease in the Administration Building pending Assembly approval of the proposal by Silver Bay Seafoods to take over the building.
- The Tannery's proposal to purchase Block 4, Lot 17 began prior to the 2014 property appraisal and the business plan for expansion was based on a valuation of \$4.00 per square foot (\$68,000) at that time.

- Paying the current appraised value of \$110,000 does not kill the deal, but the business plan would need to be re-evaluated prior to final commitment.
- There is a fire-line running through the property. Mr. Gray assured the Board that the tannery building could fit on either side of the fire line.
- A business like the tannery has no real options to locate in other areas of town but needs to be in an industrial zone.

Mr. Gorman stated that the City would take care of removing the rock currently on the property.

**MOTION:** M/S Miller/Fondell moved to recommend that the Assembly approve the sale of Block 4, Lot 17 to Monarch Tannery for the 2014 appraised value of \$110,000.

**ACTION:** Motion PASSED 5/0 on a roll-call vote.

Yeas: Ptarmica McConnell, Grant Miller, Scott Wagner, Chris Fondell, Dan Jones

Nays: None

Absent: None

### 3. GPIP Officer Election

**MOTION:** M/S Fondell/McConnell moved to appoint Grant Miller as Chair and Dan Jones as Vice Chair.

**ACTION:** Motion PASSED 5/0 on a voice vote.

**J. ADJOURNMENT:** The meeting adjourned at 9:10pm



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
		Responsible: <input type="text"/>			





# 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	
		Responsible:	<input type="text"/>		

# 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	
		Responsible: <input type="text"/>			

# 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"> <li>• Bulk Water shipment.</li> <li>• Ocean-going freight, in or out of Sitka.</li> <li>• Container transshipment facility tied to Prince Rupert.</li> <li>• Shipment of bottled water</li> <li>• Shipment of fish processed at SCIP</li> <li>• Export of rock.</li> <li>• Bio-fuel projects using fish waste, wood products, and recycled materials</li> <li>• Scientific and Marine/Fishing Research vessels</li> <li>• Cruise Ships</li> </ul>	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:	<input type="text"/>		

# 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:			

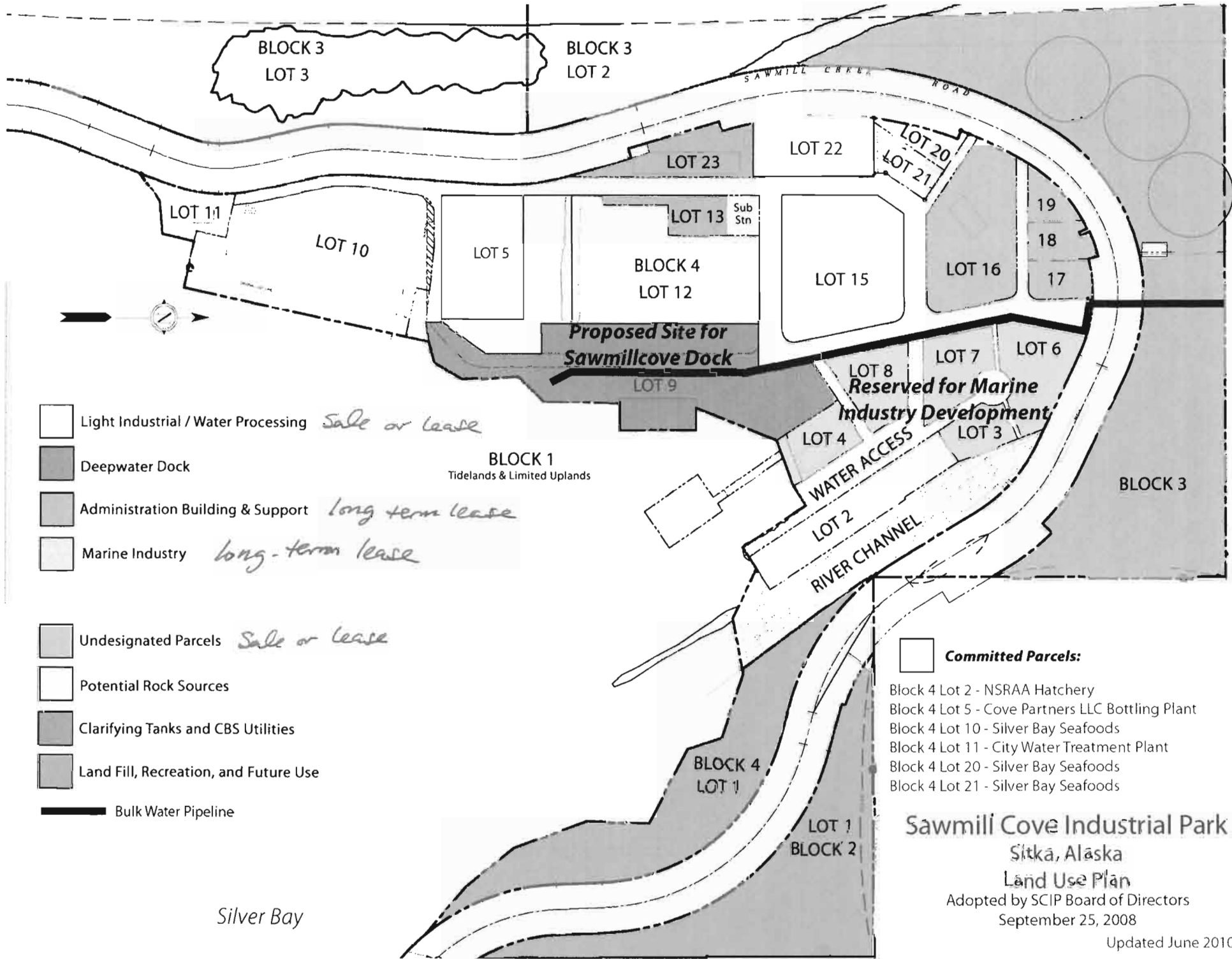
# Action Plan

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).

## Summary of Salient Facts

<b>Subject Property</b>	Gary Paxton Industrial Park 4600 Sawmill Creek Road Sitka, Alaska
<b>Property Overview</b>	An assemblage of 18 parcels including uplands and tidelands, located within the Gary Paxton Industrial Park. Off-site improvements include road and utility infrastructure. On-site improvements include an administration building, wastewater treatment building, and a warehouse.
<b>Interest Appraised</b>	Fee Simple
<b>Date of Inspection</b>	October 20 and 30, 2014
<b>Date of Valuation</b>	October 29 and 30, 2014
<b>Date of Report</b>	November 14, 2014
<b>Highest and Best Use Land as Vacant</b>	Commercial or industrial development
<b>Highest and Best Use As Improved (Parcels 1, 7, and 9)</b>	As improved

### Reconciled Market Value

SUMMARY OF VALUES								
Parcel No.	Lot	Block	Plat No.	Land Value	Tideland Value	Imp Value	Total Value	
1	11	4	2008-27	\$195,000		\$124,000	\$319,000	
2	9A	4	2013-2	\$1,182,000	\$7,500	0	\$1,189,000	
3	9B	4	2013-2	\$41,000		0	\$41,000	
4	9C	4	2013-2	\$182,000		0	\$182,000	
5	12A	4	2013-2	\$529,000		0	\$529,000	
6	13	4	2008-27	\$114,000		0	\$114,000	
7	23	4	2008-27	\$233,000		0	\$233,000	
8	15	4	2008-27	\$510,000		0	\$510,000	
9	4	4	2008-27	\$209,000	\$48,000	\$345,000	\$602,000	
10	Access	ROW		\$345,000		0	\$345,000	
11	8	4	2008-27	\$170,000		0	\$170,000	
12	17	4	2008-27	\$110,000		0	\$110,000	
13	1	1	ATS6 2006-8	\$827,000		0	\$827,000	

Summary of Salient Facts

14	3,6,7	4	2008-27	\$567,000	0	\$567,000	
15	16A	4	2013-2	\$81,000	0	\$81,000	
16	19	4	2008-27	\$51,000	0	\$51,000	
17	20	4	2008-27	\$52,000	0	\$52,000	
18	1	2	2008-27	\$78,000	0	\$78,000	
TOTALS				\$5,476,000	\$55,500	\$469,000	\$6,000,000

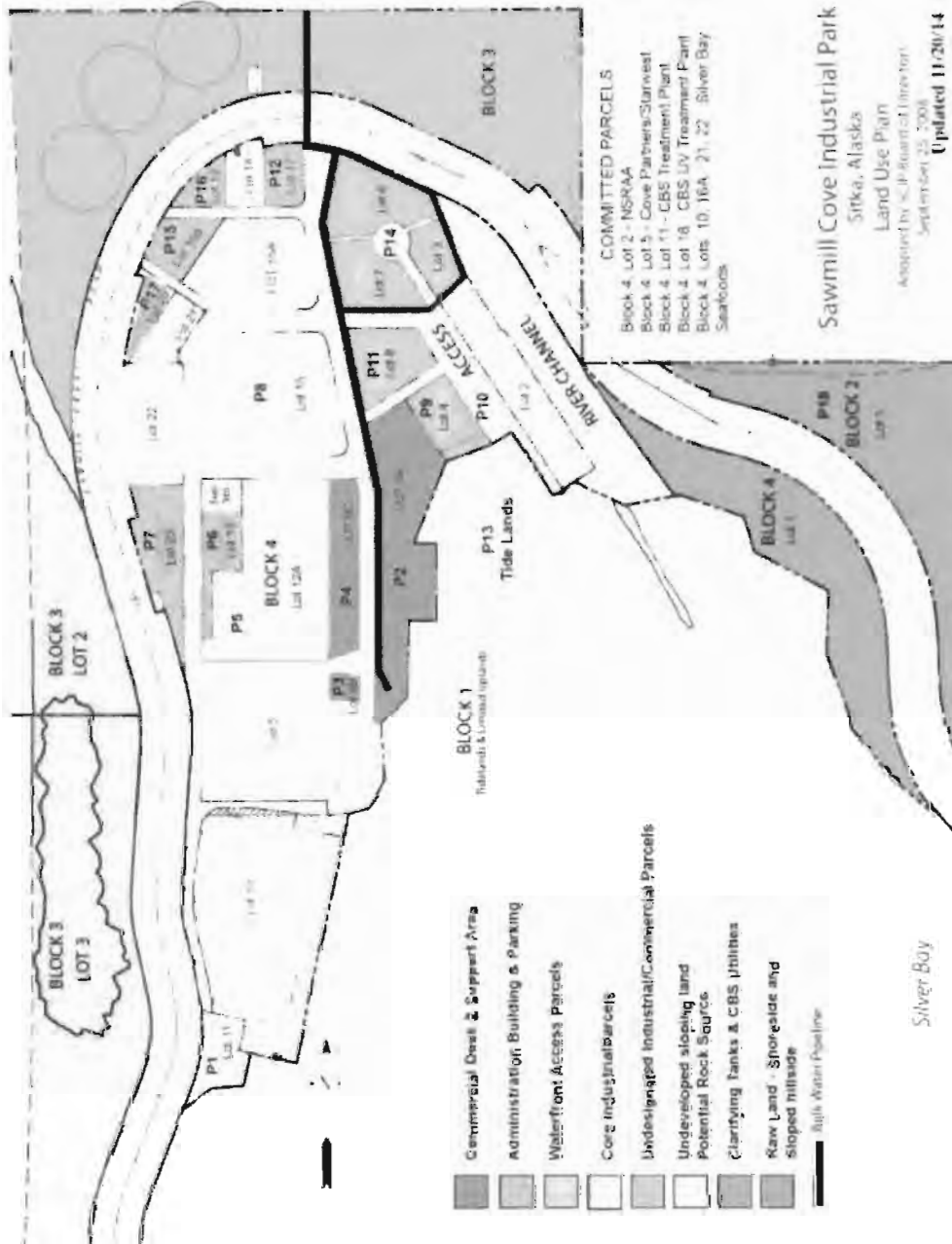
**Extraordinary Assumptions**

It is assumed that: (1) All lots are clear of rock and other materials and cleaned of all debris, equipment, etc.; (2) All marine improvements, including docks, piling, dolphins, etc. have no contribution value and are excluded from the value estimates; (3) All appurtenant structures to the administration building that encroach upon the utility easement area suffer no material loss in value; (4) The administration building has adequate parking, both onsite and along Sawmill Creek Road, as well as the two parking lots lying to the north of the highway; (5) All equipment in the wastewater treatment building is removed and has no negative effect on the improvements' value; (6) Lots 16A, 19, and 20 have ingress via access and utility easements by unimproved rights-of-way included within the Sawmill Cove Industrial Park Subdivision No. 2; (7) The access and utility right-of-way appurtenant to Lots 3, 6, and 7 is vacated and has a land area of 35,000 square feet.

**Hypothetical Conditions**

None

Land Use Map





## Legislation Details

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File #: ORD 15-04    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 1/20/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Modifying Chapter 4.24 of the Sitka General Code, Hotel, Motel and Bed and Breakfast Transient Room Tax, by adding Section 4.24.070 which creates a special revenue fund entitled "Visitor Activities Enhancement Fund," which directs that all bed taxes collected are deposited in the fund, and which sets forth policy as to how such funds may be appropriated and used

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-04](#)  
[Ord 2015-04](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-04 on  
first reading.



**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2015-04**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA  
MODIFYING CHAPTER 4.24 OF THE SITKA GENERAL CODE, HOTEL, MOTEL  
AND BED AND BREAKFAST TRANSIENT ROOM TAX, BY ADDING SECTION  
4.24.070 WHICH CREATES A SPECIAL REVENUE FUND ENTITLED “VISITOR  
ACTIVITIES ENHANCEMENT FUND,” WHICH DIRECTS THAT ALL BED TAXES  
COLLECTED ARE DEPOSITED IN THE FUND, AND WHICH SETS FORTH POLICY  
AS TO HOW SUCH FUNDS MAY BE APPROPRIATED AND USED**

**BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. **PURPOSE.** The purposes of this ordinance is to create a new special revenue fund of the City and Borough of Sitka into which all Hotel, Motel, and Bed and Breakfast Transient Room Taxes collected shall be deposited, and, to set forth policy as to how such proceeds in the fund may be appropriated.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby amends Chapter 4.24 of the Sitka General Code by adding Section 4.24.070 entitled “Visitor Activities Enhancement Fund,” as follows:

**4.24.070**

**VISITOR ACTIVITIES ENHANCEMENT FUND**

A. A new special revenue fund of the city and borough of Sitka, entitled the Visitor Activities Enhancement Fund, is henceforth created. The purpose of the Visitor Activities Enhancement Fund shall be to serve as a depository for all hotel, motel, and bed and breakfast transient room taxes henceforth collected until such funds are appropriated for visitor enhancement purposes.

40 B. All hotel, motel, and bed and breakfast transient room taxes collected will be deposited  
41 into the Visitor Activities Enhancement Fund.

42  
43 C. The Administrator, through the preparation of the Annual Consolidated Operating Budget  
44 of the Municipality, shall plan for the appropriation of funds contained in the Visitor  
45 Activities Enhancement Fund. If appropriations are required above the amount authorized in  
46 the Annual Consolidated Operating Budget of the Municipality, the Administrator shall bring  
47 forth supplemental appropriation ordinances, in accordance with the Home Rule Charter of  
48 the City and Borough of Sitka.

49  
50 D. The proceeds contained in the Visitor Activities Enhancement Fund may be appropriated  
51 by the Assembly for any purpose related to the enhancement of tourism and visitor-related  
52 activities in the Municipality, to include but not be limited to contractual funding of a  
53 Convention and Visitor's Bureau, funding of travel of Municipal officials to travel-related  
54 conventions and trade shows, and procurement of tourism-related advertising. All such  
55 procurements shall be subject to Municipal procurement regulations in accordance with Title  
56 III of the Sitka General Code.

57  
58 E. If at any such time the Visitor Activities Enhancement Fund is dissolved, the net  
59 proceeds of the Fund will revert back to the General Fund. Also, at any time through an  
60 appropriation, the Assembly may direct the transfer of any amount of unexpended proceeds  
61 in the Visitor Activities Enhancement Fund to any other fund of the Municipality to be used  
62 for any lawful purpose.

63  
64 F. Any investment earnings on the unspent proceeds contained in the Visitor Activities  
65 Enhancement Fund shall be added to the corpus of the Fund and will be available for  
66 appropriation by the Assembly.

67  
68 5. **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of  
69 its passage.

70  
71 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
72 Sitka, Alaska this 10<sup>th</sup> day of February, 2015.

73  
74  
75 \_\_\_\_\_  
Mim McConnell, Mayor

76 **ATTEST:**

77  
78 \_\_\_\_\_  
79 Sara Peterson, CMC  
80 Acting Municipal Clerk



## Legislation Details

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File #: ORD 15-05    Version: 1    Name:  
Type: Ordinance    Status: AGENDA READY  
File created: 1/20/2015    In control: City and Borough Assembly  
On agenda: 1/27/2015    Final action:  
Title: Adjusting the FY15 Budget  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Motion Ord 2015-05](#)  
[Ord 2015-05](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-05 on  
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY15 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY15 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY15 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2014 and ending June 30, 2015 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b><u>FISCAL YEAR 2015 EXPENDITURE BUDGETS</u></b>			
<b>GENERAL FUND</b>			
<b>Assessing Department – Travel &amp; Training:</b>			
<b>100-500-005-5212.000</b>	<b>Contracted/Purchased Services</b>		<b>\$1,500</b>
<b>100-500-005-5201.000</b>	<b>Travel &amp; Training</b>	<b>\$1,500</b>	
<b>To budget required classes for the Assessing Tech that has been scheduled in Alaska. These funds will come from within their department.</b>			

**EXPLANATION**

Necessary revisions in the FY 2015 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 10th day of February, 2015.

ATTEST:

\_\_\_\_\_  
Mim McConnell, Mayor

\_\_\_\_\_  
Sara Peterson, CMC  
Acting Municipal Clerk



## Legislation Details

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File #: ORD 15-06    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 1/21/2015    In control: City and Borough Assembly

On agenda: 1/27/2015    Final action:

Title: Adding a new title to Sitka General Code entitled "Title 7, Marijuana Regulations" to regulate and tax the use, possession, manufacture and sale of marijuana as well as provide penalties for violation as defined in Chapter 7.30, Section 7.30.010 entitled "Public Consumption"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-06](#)  
[Ord 2015-06](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-06 on  
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-06

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA ADDING A NEW TITLE TO SITKA GENERAL CODE ENTITLED "TITLE 7, MARIJUANA REGULATIONS" TO REGULATE AND TAX THE USE, POSSESSION, MANUFACTURE AND SALE OF MARIJUANA AS WELL AS PROVIDE PENALTIES FOR VIOLATION AS DEFINED IN CHAPTER 7.30, SECTION 7.30.10 ENTITLED "PUBLIC CONSUMPTION"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code (SGC").

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. **PURPOSE.** This ordinance is being recommended to create a comprehensive regulatory scheme for the regulation of marijuana and associated marijuana products which became legal in the State of Alaska by popular vote. To wit, Ballot Measure 2 – An act to tax and regulate the production, sale and use of marijuana, as codified as Alaska Statutes 17.38 provides for the legalization of marijuana in the State election and certified on November 28, 2014 by the State of Alaska, Division of Elections.

4. **ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka ("CBS") that the SGC is amended to add a new Title 7, Marijuana Regulations, to read as follows:

Title 7  
MARIJUANA REGULATIONS

Chapter:  
7.30 Public Consumption

\*\*\*  
Chapter 7.30  
Public Consumption

Section:  
7.30.10 Public Consumption

7.30.10 Public Consumption

A. Pursuant to Alaska Statute 17.38.40, Public consumption of marijuana is prohibited. A person who violates this law is guilty of a violation punishable by a fine of up to \$100.00.



49 B. It is unlawful for a person to knowingly consume marijuana, except as otherwise  
50 provided:

51 1. Upon any public street, alley, sidewalk, municipally operated harbor walkways and  
52 floats, restrooms and parking lots, any municipally controlled area open to the general  
53 public and public school grounds, whether in a motor vehicle or not;

54 2. At any public park, recreation area, playground, or ball field, whether in a motor  
55 vehicle or not;

56 3. Any other public or private property, where such area is posted that consumption of  
57 marijuana is prohibited; and

58 4. Upon establishment of a local regulatory authority, or similar body, exemptions may  
59 be given for special events by the assembly, upon advice by the local regulatory authority  
60 or similar body, with such conditions as the assembly may require for the public good.

61  
62 C. For purposes of this section, the definitions for words and phrases below shall apply:

63 1. Marijuana, per Alaska Statue 17.38.900(6): “Marijuana” means all parts of the plant  
64 of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from  
65 any part of the plant, and every compound, manufacture, salt, derivative, mixture, or  
66 preparation of the plant, its seeds, or its resin, including marijuana concentrate.

67 “Marijuana” does not include fiber produced from the stalk, oil, or cake made from the  
68 seeds of the plant, sterilized seed of the plant which is incapable of germination, or the  
69 weight of any other ingredient combined with marijuana to prepare topical or oral  
70 administrations, food, drink, or other products; and

71 2. Consume shall have the meaning, in all conjugate forms, of consumption set forth in  
72 Alaska Statute 17.38.900(3): Consumption means the act of ingesting, inhaling, or  
73 otherwise introducing marijuana into the human body.

74  
75 D. Violation of this section is a minor offense punishable as set forth in the minor offense  
76 fine schedule.

77  
78 5. **EFFECTIVE DATE.** This Ordinance shall become effective February 24, 2015.

79  
80 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
81 Sitka, Alaska this 10<sup>th</sup> day of February, 2015.

82  
83  
84 \_\_\_\_\_  
85 Mim McConnell, Mayor

86 **ATTEST:**

87  
88 \_\_\_\_\_  
89 Sara Peterson, CMC  
90 Acting Municipal Clerk  
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