



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 Reifenzstuhl

C. REVIEW OF MINUTES – April 10, 2014 and April 28, 2014

MOTION: M/S Eisenbeisz/Jones moved to approve the minutes of April 10th and April 28th, 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

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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 28th (low attendance despite promotion efforts).

- Dock – Entered into a contract with Moffatt & Nichol on April 28th 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 13th 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**

DRAFT 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, Ptarmica 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. GPIIP 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. GPIIP 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