

## **POSSIBLE MOTION**

**I MOVE TO** approve the Requirements for Commercial Vessel Movement Operations within the Gary Paxton Industrial Park (GPIP) as recommended by the GPIP Board.



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Tuesday, January 20th, 2025

MEMORANDUM

To: John Leach, CBS Administrator

From: Garry White, Director

Subject: Commercial Vessel Movement Operations Requirements

**Introduction**

The GPIIP Board met in October 2025 to discuss commercial vessel movement operations. Pacific Jewel Marine (PJM) requested to transport vessels with a travel lift and/or hydraulic trailer from the CBS Shipyard to its property at 4500 Sawmill creek. The Board directed the GPIIP Director to draft an agreement outlining the requirements and regulations to move vessel withing the GPIIP.

The attached Commercial Vessel Movement Operations Requirements policy was developed by the GPIIP Director using the following:

- Historic CBS attorney reviewed lease documents for vessel movement within the GPIIP,
- General municipal industrial park management guidelines,
- Shipyard and heavy equipment operations guidelines,
- Marine travel lift and hydraulic trailer risk profiles,
- Standard public-entity contracting practices,
- Common indemnity and risk allocation language used by U.S. municipalities,
- The insurance requirements were duplicated from the existing Operating Agreement between the CBS and Highmark Marine Fabricators for GPIIP Haul Out and Shipyard Operations.

The GPIIP Board met in November and approved the following motion:

**Motion:** M/S Johnson/Goeden move to recommend Assembly approval of the Draft Commercial Vessel Movement Operation Permit for the GPIIP with the caveat that the CBS investigate the pollution insurance dollar amounts as well as set a standard for implementation of this permit.

**Action:** Passed (4/0) on a voice vote.

*Note: CBS risk managers and insurance providers have been consulted and a reduction in Pollution Insurance levels has been amended from \$5 million to \$2 million in Insurance Section A.2.d.*

*Note: A separate GPIIP Traffic Management and Vehicle Operations Policy has been developed and recommended for approval by the GPIIP Board.*

### **Background**

The CBS recently constructed a vessel haul out and shipyard at the Gary Paxton Industrial Park. The CBS entered into an Operating Agreement to have Highmark Marine Fabrication operate the haul out on behalf of the CBS.

The operating agreement contains a Scope of Services section that outlines exclusive and non-exclusive rights to operate the facility. The Scope of Services allows for an “open yard” concept, allowing for work on vessel to be performed by vessel owners and/or vendors approved by the CBS. The Scope of Services also allows, “via separate contract, users of another marine travel lift to move boats to or from a designated location in or adjacent to the Shipyard.”

The Operating Agreement also outlines various other operating requirements, rates, payments to the CBS, insurance requirements, and indemnifications for Highmark to operate the haul out and shipyard.

### **Additional Information**

Sitka General Code 2.100.100 – Adoption of Regulations states the following:

“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.”

### **Action**

- CBS Assembly approval of the Requirements for Commercial Vessel Movement Operations within the GPIIP.