

March 20, 2015

Proposal to Lease/Purchase Property at Gary Paxton Industrial Park

I am seeking resolution on a portion of my proposal from April 2014 by removing the contentious aspects that have arisen since submission 11 months ago. I believe this can be accomplished by using, as a model, two latter proposals that were able to reach completion with little concessions or contention. In addition it would give the boat yard proposal and city dock project all the time in deliberation they deserve. At this time I would like to complete business on lot 8 and unrestricted easement along the p10 corridor. This includes a tideland easement extending off of the end of p10 of the same width and extending 200' past the shore line to facilitate a floating dock. The easement is to include direct burial of utilities and conduits to service the dock, ramp, and piling infrastructure to secure and access the dock.

Our business, Alaska & Pacific Packing, is centered around designing and fabricating equipment for the commercial fisheries. I intend to manage large refit projects for shore-based, as well as floating processors. Adequate room is essential, as well as waterfront access for efficiently servicing floating processors and large support vessels, such as tenders and ice barges. I believe that with access to adjacent land in the form of public dock uplands, that I can commit my resources to this site.

We anticipate having between 2 and 10 full time employees in the next three years. But like Silver Bay Seafoods and Leader Creek Seafoods, my history would suggest that it is only prudent to plan for growth far beyond our initial expectations. As an original owner of both companies and instrumentally and intimately involved with all aspects of their creation and operation, I can proudly say I have proven my abilities and have a long record of success in this industry locally and state wide.

To date, my non ownership projects have been as a contractor, assembling and disbanding teams for each job. The defining asset of this business is the talent pool brought to each project; as a result I need to offer full-time long-term employment to retain these skills. With this space I plan to offer consistent employment to professionals (including engineering and trades) who form the majority of my employees. Overall, my intent is to use the lot to facilitate Alaska & Pacific Packing's move into a permanent physical presence and provide long-term employment of the professionals and tradesmen who are the cornerstone of this business.

There are three areas that we anticipate initial development:

September 2, 2014

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I would like to propose the lease of lots 4 and 8 and a portion of lot 9a east of e27 (approximately 30,000 square feet of the north-end adjacent to lot 4), of section D – block 4 of G.P.I.P. This includes the building on lot 4 and the easement/right-of-way to the water adjacent to lot 4 (Tideland lease, lot 1, block 1). Also counted in are the three dolphins located directly in front of the property

My business, Alaska & Pacific Packing, is centered around designing and fabricating equipment for the seafood processing industry. I intend to manage large refit projects for shore-based, as well as floating processors. Adequate room for future expansion is essential, as well as waterfront access for efficiently servicing floating processors and large support vessels, such as tenders and ice barges. This facility in its entirety is essential not only for Alaska & Pacific Packing, but also for collaboration with local sub-contractors that will need to utilize this space to fulfill their portion of a project.

To date, my projects have been as a contractor, assembling and disbanding teams for each job. The defining asset of this business is the talent pool brought to each project; as a result I need to offer full-time long-term employment to retain these skills. With this space I plan to offer consistent employment to professionals, including engineering and trades, who form the majority of my employees. Overall, my intent is to use the building to facilitate Alaska & Pacific Packing's move into a permanent physical presence and provide long-term employment of the professionals and tradesmen who are the cornerstone of this business.

That being said, I am proposing to lease the building and lots for a 10-year period, with a 5-year renewal, at \$20,000 per year for the building (or 8% of appraised value) and \$ 30 per square foot per year for lot 4, 8, and the portion of 9a. The lot lease would begin after the rock is removed and the site graded to a useable condition. This lease is to include an established purchase agreement, pegged at the current appraised value, and can be executed at will but subject to pre-lease agreement conditions. It needs to include full waterfront primary access and use of the six dolphins directly in front of the property for the purpose of securing a floating dock. G.P.I.P. will not be responsible for maintenance of, or warrant the condition or serviceability of these dolphins. G.P.I.P. will grant prior approval to enhance the waterfront, building, and property as needed to facilitate our work within the frame work of its building

codes and other official agencies. This includes an employment creation incentive of \$10,000 credit for every employee earning over \$38,000 annually not to exceed 50% of lease.

The first phase of the project will include;

- 1) A 200 foot floating dock and access ramp capable of supporting a 10,000# vehicle.
- 2) Remodel of building interior to accommodate offices and employee support facilities
- 3) Outfitting of a fabricating shop and parts and materiel storage area within the building.
- 4) Begin design plans and negotiate contracts for test freezer/ pet food freeze operation

As there are already tenants leasing this site, it is understood that occupancy dates be flexible. Occupancy can be negotiated, full or partially, between the parties, with a three month notice to either party in the absence of a mutual agreement

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I have been designing, building, and operating fish processing equipment and facilities for the Alaska commercial fisheries for the last 30 years. Starting my career at Sitka Sound Seafoods, with experience in Bristol Bay and most recently at Silver Bay Seafoods, I have been on the leading edge of fisheries expansion and development and have had the good fortune to be the principle design and construction engineer for nine major retrofits and new plants. Critical to these successes was working in state-of-the-art manufacturing facilities for five years, which gave me insight to successful business practices and a 21st Century tool box from which I work. My involvement in commercial fishing has also added to my diverse fisheries background, and has allowed me to garner an intimate understanding of the many challenges and peculiarities the seafood industry faces. In each of these experiences, I have delivered beyond expectation.

It is time to take the next steps toward meeting the current challenges of the fish processing industry. I intend to build a business incorporating highly-skilled professionals and innovative processing technologies, and Sitka is the first choice for this enterprise.

Employment History

South East Alaska Purse Seiner **2010-present**

F/V Norisle out of Sitka, AK

- *Owner and operator*

Processing Plants and Product Development **2006-2010**

Silver Bay Seafoods, Sitka AK

- Responsible for conceptualizing, designing, budgeting, staffing, and managing both construction and first year production of all (3) Silver Bay plants processing cumulatively 3.5 million pounds per day, coming in under my proposed budgets for all areas.
- Designed and built a 65 ton pumped slush ice system for the Sitka plant.
- Designed pumping and off-load systems including computerized weighing system and self-feeding tanks.
- Designed 700,000 lbs. per day self-loading freezer that uses 40% less electricity per ton than standard freezers.
- Designed auto-bagging machines and automated van loading conveyors.
- Designed "super tender" off-load systems.

Refit of Floating Processor "Innovator" **2005-2006**

Snopac Industries, Seattle, WA

- Redesigned freezer and production lines to double daily output of vessel. (600,000 lbs. finished weight per day).
- Managed retrofit project.

Designed and Constructed Freezer Plant for Bay Watch Seafoods **2005**

Baywatch Seafoods, Naknek, AK

- Designed and built a direct drive diesel freeze system capable of freezing 115 tons of product per day.

Bristol Bay Drift Gillnetter **2004-2013**

F/V Yellow Fin, Naknek, AK

- Completely rebuilt F/V Yellow Fin and built RSW system to float and chill catch appropriately to maximum quality standards while still fishing competitively by volume.
- Designed and installed a successful onboard freezer system for conversion to Catcher-Processor for fall fishing of Coho.

Chief Engineer & Chief Operations Officer **2000-2004**

Leader Creek Fisheries, Naknek, AK

- Responsible for all physical plant design and construction.
- Designed and built a unique offloading system to accommodate the quarter mile distance from the tender vessels to the plant.
- Performed all tasks with severe capital and time constraints.

Maintenance & Development Technician **1996-2000**

Cardinal Glass, Portage WI

- Participated in construction and operation of two float glass facilities (600 tons per day, 10 acres under roof, \$100 million in capitalization each).
- Learned 21st century manufacturing technologies, protocols and management systems.

Plant Manager, Sitka Sound Seafoods in Dry Bay, AK **1990-1994**

Sitka Sound Seafoods, Sitka AK

- Reorganized buying and processing protocols, developed new infrastructure to accommodate market-changing quality goals.
- Designed and built an ice utility which supported a product quality paradigm change.
- Hired, trained, and managed a staff of twenty and provided fishermen services to over 100 set-net fishermen on both the Alsek and East Rivers.

Remote Facility Development **1988-1990**

Sitka Sound Seafoods, Sitka AK

- Modified freezer and production facilities in Yakutat plant
- Implemented a uniform maintenance and capital upgrade program for fleet of four fish-buying scows.
- Designed and built a remote ice facility for the Tsiu river set-net community.

Contract Buying- Scow Operator in Port Alexander, AK **1984-1988**

Sitka Sound Seafoods, Sitka, AK

- Designed and built ice utility to facility trip fishing and improve quality of troll caught catches.
- Increased volume from 300,000 lbs. to 1 million lbs. annually.
- Redesigned product flow and unloading / buying procedures to accommodate large volumes.

Dock Worker **1980-1984**

Sitka Sound Seafoods, Sitka, AK

Education

University of Wisconsin, Madison **1983-1987**