

February 16, 2026

DELIVERY VIA EMAIL

To: Garry White - GPIP Director and GPIP Board of Directors  
From: Adam Olson – NSRAA Operations Manager  
Subject: NSRAA GPIP Lot 1 Hatchery Subdivision Lease Terms Proposal

### **Background**

Northern Southeast Regional Aquaculture Association (NSRAA) has leased Lot 2 in the Gary Paxton Industrial Park (GPIP) since 2006, and commenced a lease for Lot 3 in 2018. Throughout the course of the hatchery expansion, lots 2 and 3 were merged to alleviate property boundary setback issues with the new building. At that time a re-subdivision occurred which created Lot 1 Hatchery Subdivision that NSRAA now occupies. NSRAA, the CBS, and previously the GPIP board have been in support of a new lease agreement for the combined property. NSRAA's rent for Lot 2 was initially set at \$100/month and at the recommendation of the GPIP board was increased to \$200/month during execution of the first extension. The rent was to be negotiated during each successive extension approval. The rent for Lot 3 was initially set at 50% of fair market value of the 2014 assessment which valued the property at \$4.50/SF, to be adjusted annually based on the change in the CPI. Billing by the CBS is considered a courtesy and the lessee is expected to make timely payments and complete the annual CPI adjustment without notice from the CBS. That said, CBS billing does occur and periodic rent adjustments to Lot 3 have been made, though not necessarily on the anniversary of the lease. Lot 1 is now a 77,330 SF parcel and the most recent appraisal has valued the property at \$6.00/SF. The 2014 appraisal valued both the Lot 2 and Lot 3 properties at \$4.50/SF. Based on NSRAA's current lease payment for Lot 3 of \$462.02/month, the rent appears to be based on a property valuation of \$7.18/SF, 20% more than the currently assessed value. It is unknown why, but a financial review by NSRAA revealed a CBS billing adjustment in March of 2021 that increased the rent by 37%. All subsequent CPI adjustments were then based off of that rate. Back calculations indicate NSRAA may have overpaid rent for Lot 3 for the period from March 2021-present by approximately \$7,000.

### **Request**

NSRAA would like to enter into a new lease agreement for Lot 1 for an initial term of 10-years with the option to renew for 4 successive 10-year terms.

The 2026 assessed value for Lot 1 @ \$6.00/SF is \$464,000. The 9% fair market value would equate to \$3,480/month. NSRAA would like to propose a fee schedule similar to the Lot 2 lease, but initially at a rate of \$800/month, that can be negotiated with the approval of each successive

10-year term. NSRAA proposes this methodology for the following reasons:

- NSRAA is a long-standing tenant of the GPIP with no intention of ceasing hatchery operations at the location.
- The proposed lease fee exceeds what NSRAA currently pays and NSRAA recognizes property values in the GPIP are increasing as the park continues to be developed.
- NSRAA is a private non-profit organization that aims to provide direct economic benefit to the common property fishers of SEAK by contributing an average of 70% of its production after broodstock to the fleets. Costs incurred by the organization have a direct effect on fish available.
- A flat rate without annual adjustments will simplify billing and reduce possible errors. The lease could include a provision to allow for annual lump sum payments to be made in lieu of monthly payments. This could be helpful if the CBS were to discontinue courtesy billing in the future.

Respectfully submitted,

*Adam Olson*

Adam Olson  
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