




# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Melissa Haley, Finance Director

**Date:** November 2, 2022

**Subject:** Capital Appropriation for the Construction of a Marine Haul Out and Shipyard at the Gary Paxton Industrial Park (GPIP)

---

### **Background**

The purpose of this ordinance is to appropriate funds from the Sitka Permanent Fund to the Gary Paxton Industrial Park (GPIP) capital project fund to construct a marine haul out and shipyard at the GPIP as approved by the voters of Sitka.

### **Analysis**

At the October 4, 2022 Regular Election, voters were presented with Proposition No. 2 which stated:

“Marine Vessel Haul Out (appropriate and distribute from the Sitka Permanent Fund an amount not to exceed \$8,181,040.28 which is the net proceeds received by the municipality from the sale of municipal real property known as the Sitka Community Hospital Site, for the purpose of constructing a marine vessel haul out and shipyard at the Gary Paxton Industrial Park).”

The election results were certified at the October 11, 2022 Assembly meeting, and Proposition No. 2 passed with 1921 votes (80.9%) in favor and 453 votes (19.1%) in opposition.

### **Fiscal Note**

Upon the sale of the of the real property associated with the SCH Site, net proceeds of \$8,181,040.28 were transferred into the Sitka Permanent Fund as required by Charter. These funds will be transferred out of the Permanent Fund in to the GPIP capital project fund to fund the haul out and shipyard project.

Since the haul out and shipyard will be located at the GPIP it will become a GPIP Fund asset. A capital appropriation in this fund is necessary prior to expending any funds. The

appropriated funds will be used as working capital for the construction of a marine haul out and shipyard at the GPIIP.

**Recommendation**

Approve Ordinance 2022-29, appropriating \$8,181,040.28 of working capital to the GPIIP Fund from the Sitka Permanent Fund.