



329 Harbor Drive, Suite 212  
Sitka, AK 99835  
Phone: 907-747-2660

Wednesday, May 8th, 2019

MEMORANDUM

To: Keith Brady – CBS Administrator  
From: Garry White, Director  
Subject: CBS Electric Department Leases Lots 16b and 20

**Introduction**

The GPIIP Board has met multiple times over the past 7 years to discuss rock storage from the Blue Lake Dam Expansion project.

The GPIIP Board met with the CBS Electric Department first in 2012 regarding the need for rock to be temporarily stored at the GPIIP. During this timeframe the GPIIP Board was investigating building a bulk head dock on the waterfront of the GPIIP. The Board discussed stockpiling the rock for later use in constructing the bulk head dock. Rock from the Blue Project started to be stored on lots 16b, 19, & 20 in the fall of 2012.

The GPIIP Board was told by CBS staff in the fall of 2012 that the rock was property of the CBS Electric Department and that the board should not consider that the rock would be used free of charge for development of a bulk head dock. The GPIIP Board and CBS Staff met multiple times concerning rock ownership over the winter of 2012/2013 without ever coming to resolution of rock ownership or establishing an official lease for the use of lots 16b, 19, & 20. The discussion was finally tabled at the April 2013 meeting. The GPIIP Director made the following comment at the April 2013 meeting:

*“Mr. White reviewed the memo included in the Board packet, emphasizing the need to resolve who owns the rock and whether or not to develop a lease for rock storage. Mr. White was worried that the park might be left with unusable rock at the end of the blue lake project.”*

As the Blue Lake Dam Expansion Project progressed, additional space was requested for storage of rock at the GPIIP. The GPIIP Board approved rock storage leases between the Electric Department and the GPIIP for Lots 8, 9a, 9b, 17, and the “water access area” of the GPIIP in 2013. The Board met multiple times over 2013-2018 to discuss plans for removing rock from the GPIIP properties. Rock was removed from all of the leased areas at the park in the fall of 2017.

The GPIIP Board of Directors conducted a walk-through of the GPIIP properties on August 29<sup>th</sup>, 2018. The Board discussed the remaining rock being stored by the CBS Electric Department on Lots 16b, 19, & 20 during the walk-through.

The GPIIP Board met on September 24<sup>th</sup>, 2018 and approved the following motion:

**MOTION:** M/S Unger/Finkenbinder moved for the city to comply with GPIIP request to remove rock to elevation and grades as defined in memo within 6 months, or be charged the market rate for storage of rock.

**ACTION:** Motion PASSED 3/0 on a voice vote

The GPIIP Board met again in April 2019 and commented that a lease for Lots 16b and 20 with the Electric Department should have been executed after the 6 months' notice period, starting April 1. The Board discussed to continue with the lease with Fortress of the Bear for Lot 19. The Board commented that by establishing a lease it would act as an incentive for the rock to be removed.

#### **GPIIP Board Comments from August Walk-through**

The GPIIP Board discussed the remaining rock and discussed the following points at its 8/29/2018 meeting:

- Lot 16b – The Board saw value in bring the elevation of rock stored on the lot down to its original elevation and grade, which is consistent with adjacent lots 16a and 18.
- Lot 19 – The CBS currently has lot 19 leased to Fortress of the Bear on a short term lease for additional parking. The Board saw value in leaving the elevation of the lot consistent with the Sawmill Creek Rd. The Board discussed the need to have the lot sloped to best engineering practices down to elevations consistent with adjacent lots 16b and 18.
- Lot 20 – The Board saw value in leaving the elevation of the lot consistent with the Sawmill Creek Rd. The Board discussed the need to have the lot sloped to best engineering practices down to elevations consistent with adjacent lots 16b.

#### **Property**

The CBS Electric Department currently has rock on the following properties at the SCIP:

1. Lot 16b. Term month to month.
  - 20,135 SF @ \$0.03/SF/month = \$607.50 per month
2. Lot 19. Term month to month.
  - 12,669 SF @ \$0.03/SF/month = \$383.25 per month
  - Note: Lot 19 is currently being lease to Fortress of the Bear for parking.*
3. Lot 20. Term month to month.
  - 13,088 SF @ \$0.03/SF/month = \$408 per month

#### **Action**

- Assembly approval attached Interagency MOA for leases on lots 16b & 20.