

**Gary Paxton Industrial Park – Board of Directors Meeting
July 8, 2019, 3:00pm – Harrigan Centennial Hall
GPIP – DRAFT MINUTES**

A. CALL TO ORDER: The Chair called the meeting to order at 2:58pm

B. ROLL CALL

Members Present: Sheila Finkenbinder, Vaughn Morrison, Rob Parrish, Scott Wager

City Representatives: Dave Miller, Brian Hanson, Richard Wein, Kevin Mosher, Shilo Williams, Mike Harmon, Dave Longtin, Cliff Richter

Others Present: Mike Johnson (Delta Western), Shannon Haugland (Sentinel), Garry White, Sarah Nelson.
Members of the public.

C. Review of Minutes – April 8, 2019

MOTION: M/S Finkenbinder/Morrison moved to approve the minutes of May 20, 2019.

ACTION: Motion PASSED 4/0 on a voice vote.

D. Correspondence & Other Information –

Mr. Wagner read a draft letter to Delta Western.

E. Changes/Additions/Deletions to Agenda – None

F. Reports – GPIP

GPIP Dock - Mr. White reported that this year the dock has been getting a lot of use. The camera is helpful and Mr. White receives email almost daily from the harbor master Stan Eliason. A large commercial boat will be stopping a couple times a month to pick up fish from Silver Bay Seafoods, this will bring an estimated \$6,000/month revenue. Still working on credit card meters for electric use.

Marine Services Industry – The current haul-out at Halibut Point Marina is considering closing in two years. By September PND should have the phase development plans for the haul-out. The phases are: wastewater treatment, wastewater collection, ramp improvements (concrete ramp), upland improvements (electrical, water, and spaces to work), timber float, and infrastructure. It would be great if private industry will run the haul-out. The estimate to complete everything now is \$6.8 million.

Bulk Water – Mr. White is starting to see more interest. The valve is an issue and he is looking into how to fund the repairs. It can be fixed in fall 2021 when the penstock is drained. There is a want and a need for the water, he receives emails twice a week about global water issues. We have permits to sell water and a deep water port.

Bottled Water – Mr. White is still talking with multiple groups. The existing bottling plant is looking at possibilities.

Industrial Water – The electric department hired an engineer to look at what it would take to upgrade the pump in the after-bay. The results are 1-2 months out.

Rock on Lot 16, 19, and 20 – Assembly approved the lease and they have a bid out for the public to get the rock for free.

Utility Dock – An outside legal firm has drawn up 3 scenarios to transfer the dock to Lee Hanson. A terms sheet is ready for the Assembly to approve the terms of the transfer on the July 23, 2019 meeting. Once the terms are approved it will move to planning and zoning to remove a part of the property.

Delta Western – They received the building permit to move forward, it changed a little from what the board approved. The tanks will be on the uplands instead of on the dock. An updated agreement is being put together.

Wayne Unger – He moved out of town and resigned from the GPIIP board.

Petro Marine – Sold 6,113 gallons of fuel off of the dock with a mobile truck.

Discussion about the haul-out being the focus at the park. Sitka will need to support the local fleet when Halibut Point Marine closes its haul-out. Two years is not a lot of time to get things done. Large ship yards have shown interest in operating but they want the infrastructure to be complete.

2014 report on www.sawmillcove.com website. With existing haul-out it is a moderate opportunity, without an existing haul-out it is a moderate to positive opportunity.

G. Persons to Be Heard – Dr. Wein, Mike Johnson

Dr. Wein the haul-out should be the top priority for the city. The city needs to find and help look for financing. It should be at the next Assembly meeting for discussion/direction that needs to take place. We need to find a solution and know what the vision is. It is critical to the city. He is on board for a rapid solution.

Mike Johnson (Delta Western) – Thank GPIIP board for supporting their efforts. The dirt work has started, site prep is done and ready to pour concrete. Tank and equipment are in town. Waiting for user agreement to make it all official. The tank is strictly for Silver Bay Seafood fleet. It is easier for accounting and Coast Guard process.

H. Unfinished Business – None

I. New Business

1. Election of GPIIP Board Officers

Dan Jones retired from the GPIIP board, he was vice chair. To follow code it is time to re-elect board chair and vice chair positions.

MOTION: **M/S Finkenbinder/Morrison** nominated Scott Wagner for Chair. Mr. Wagner accepted the nomination.

ACTION: **Motion PASSED 3/0** in a voice vote – Scott Wagner recused.

Discussion about vice chair. It is helpful to have someone as Vice Chair.

MOTION: **M/S Finkenbinder/Parrish** nominated Vaughn Morrison for Vice Chair. Mr. Morrison accepted the nomination.

ACTION: **Motion PASSED 3/0** in a voice vote – Vaughn Morrison recused.

2. CBS PW Request for Lot 17

Mr. White received a request from the city Administrator to have Lot 17 be transferred to the City and Borough water enterprise fund for the future location of the secondary water treatment facility. Memo and draft ordinance from the Administrator to go to the Assembly. Packet had a similar request for lot 18 which is included in the packet.

Mr. Harmon stated the reason for this location is the water quality and it will keep the water rates down. The next location they are looking at the pulp mill site would add \$10 million to the project costs. It will have shared facilities with the UV plant on Lot 18.

Mr. Hanson is working on the legal transfer of the property from GPIIP to Water department. The GPIIP Board has authority over the designated area of property. He is requesting that the board consider the ordinance to withdraw Lot 17 from the park (included in the packet) where the Assembly would have authority over the lot instead of the GPIIP board.

\$65,000 funds transferred for Lot 18.

Discussion about giving up a revenue source, leasing the property to the City, or amend the code to carve this lot out of the park. The task of the GPIIP board is to create economic activity and positive revenue at the GPIIP property.

Assembly member Mosher stated that the goal should be to avoid rate increases. Long term operating expenses with a lease may increase rates.

Discussion about the size of the lot and easement issues. Questions about potential future uses for the lot. Discussion about trading other property for Lot 17.

MOTION: **M/S Parrish/Morrison** moved to approve the City and Borough of Sitka (CBS) requests that the Assembly approves Ordinance No. 2019-xx, removing Sawmill Cove Industrial Park Lot 17 (GPIIP Lot 17), GPIIP Lot 18 and a portion of the easement east of GPIIP Lot 17 from the Gary Paxton Industrial Park (GPIIP).

ACTION: **Motion PASSED 4/0** in a voice vote.

J. Adjournment: **M/S Finkenbinder/Parrish** moved to adjourn meeting at 3:53pm.