

To: Gary White - GPIP Director and GPIP Board of Directors

From: Adam Olson – NSRAA Operations Manager

Subject: NSRAA GPIP Lot 3 Lease Option to Renew

Background

Northern Southeast Regional Aquaculture Association (NSRAA) has leased lot 3 in the Gary Paxton Industrial Park (GPIP) since February 27, 2018. The lease was acquired with the intent to expand our operations at Sawmill Creek Hatchery, currently located on lot 2 in the GPIP. Construction for the expansion has yet to begin but the lot clearing is ongoing. The initial phases of the expansion are in the design and engineering period, with some funding already secured. The timeline for full design and construction is unknown currently, but the project is progressing slowly. Additional revenue generation may be complicated by current poor salmon returns to Southeast Alaska.

Request

The initial term of the lease for lot 3 was for 3 years. As per section 1.3 of the lease agreement, NSRAA would like to formally request to extend the lease for four (4) successive terms of (10) years, upon the same terms and conditions as the current lease agreement with one exception. NSRAA would like to request the lease renewal and rate adjustment period for both Lot 3 and Lot 2 to coincide. The current 10-year term for the Lot 2 lease should expire in May 2026. The term of the lease for Lot 3 could be extended approximately 6 years to allow for the term renewal to coincide. NSRAA believes it has met conditions b, c, and d of section 1.3, and this request satisfies condition a, to allow for approval of the lease renewal by the City and Borough of Sitka Assembly. NSRAA would request the GPIP Board of Directors to recommend to the CBS Assembly to approve a lease renewal as outlined above.

Respectfully,



Adam Olson
NSRAA Operations Manager