



**Sawmill Cove Industrial Park
Board of Directors Meeting
May 27, 2008 – 4:00 PM
Sawmill Cove Board Room**

A. CALL TO ORDER

The Chair called the meeting to order at 4:08 pm.

B. ROLL CALL

Board Members Present:	Grant Miller Charles Horan	Trevor Harang Chris Fondell	Frank Lowell
Others Present:	Hugh Bevan Jack Ozment Verne Culp	Gary White Rich Riggs Dorrie Farrell	Linda Wilson Rob Zuanich (via phone) Craig (Sitka Sentinel)
City Staff:	Jim Dinley Theresa Hillhouse	Scott Brylinsky	Joe Castro

C. REVIEW OF MINUTES – May 22nd, 2008 meeting

MOTION: M/S Horan/Fondell moved to approve the minutes from the May 6th, 2008 meeting.

ACTION: Motion PASSED unanimously on a voice vote

D. CORRESPONDENCE & OTHER INFORMATION (NONE)

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA

F. UNFINISHED BUSINESS

1. Silver Bay Seafoods – Purchase and Sale Agreement

Ms. Hillhouse reported that the final Purchase and Sale Agreement is due to go before the Assembly on June 24th, 2008. At that time the Assembly will determine if the purchase and sale agreement conforms to Resolution No. 2008-08 and can be approved.

Ms. Hillhouse advised the Board that the City and Silver Bay Seafoods have come to a mutual agreement as reflected in the draft Purchase and Sale Agreement (provided in packet) subject to the following revisions:

1. First penalty for non-performance is reduced from \$750,000 down to \$500,000
2. Second penalty for non-performance is reduced from \$500,000 down to \$250,000
3. A time limit of 10 years will be placed on the City's option to repurchase and first right of refusal
4. Two work lists will be created for approved expenditures that qualify for reimbursement from the \$1 million the City has agreed to pay back for work done to pulp dock and warehouse.

Ms. Hillhouse stated that other minor non-substantive changes will also be made to the Purchase and Sale Agreement before the final document is presented to the Assembly.

Ms. Hillhouse asked the Board to vote to approve the Purchase and Sale Agreement in principle, with above amendments noted.

Mr. Riggs stated that with this draft, Section Six (6), has some differences with Resolution 2008-08 and that the Purchase and Sale Agreement still needs to be vetted further by both parties. However, he is confident that a final agreement can be worked out.

Mr. Zuanich stated that he will be working out the final details with Ms. Hillhouse over the next two days and is confident that a final Purchase and Sale Agreement will be ready. He advised the Board to wait to vote on the document until the final version is complete.

Mr. Horan wanted confirmation that this Purchase and Sale Agreement provides assurance that the entire pulp dock will be repaired or rebuilt to useable condition, and not just the section of the dock currently used by Silver Bay Seafoods.

Mr. Riggs confirmed that Silver Bay Seafoods will be taking over all landlord responsibilities of the pulp dock.

Mr. Bevan reminded the Board that the warehouse is structurally attached to the dock and that the entire dock will need to be fixed to secure the building.

Mr. Riggs reported that Silver Bay Seafoods has completed their due diligence and received the draft Purchase and Sale Agreement from the City on day 89 of the 90 day period set in Resolution 2008-08.

Ms. Hillhouse confirmed that SBS completed all due diligence including expressed intent to move forward with the purchase.

Mr. Ozment requested that the next Sawmill Cove Board meeting be before the public with documents available for their viewing, including the pulp dock repair plan and the two work lists. He stated that such a meeting needed to be held prior to the June 24th Assembly meeting.

The Board agreed and will make efforts to secure space with good public access for a meeting the week of June 9-13th.

2. Multi-purpose Dock

Ms. Hillhouse advised that the subject of a ballot question regarding a multi-purpose dock at Sawmill Cove be brought out after the pulp dock sale to Silver Bay Seafoods is resolved to avoid any public confusion.

Ms. Hillhouse also advised that a vote would not be required to build a dock at Sawmill Cove if the City retained ownership of the property.

Mr. Fondell stated that, an advisory vote would be the best way to gain support from the public.

Ms. Hillhouse suggested that the wording of the ordinance be changed so as not to limit, or imply limitations to the possible funding sources for a multi-purpose dock.

Mr. Bevan stated that a multi-purpose dock could be partly funded through bulk water sales given the increased interest by several parties to purchase bulk water. Other funding sources could come from State and/or Federal grants, or possibly a revenue bond. Security for a revenue bond could come from ship docking fees. The Assembly does not have to go to the voters for a revenue bond.

Mr. Fondell noted that to have an advisory vote on a multi-purpose dock placed on the 2008 ballot, the issue needs to be brought before the Assembly no later than the July 22nd meeting. Prior to that a lot of public relations work would need to be done to educate the voters on the issue.

3. SCIP Strategic Planning Session

The Board reviewed the "Draft Suggested Land Use Plan" prepared by Mr. Horan and discussed each area identified in the plan.

Mr. Bevan suggested that item 6c, development of an RFP for a boat haul out facility be move forward as quickly as possible and that waiting for the detailed property information as per item 6b was not necessary.

Mr. Miller agreed that the RFP should move forward now at the same time that property descriptions are being developed. He stated that the RFP should include design specifications to create an environmentally sound facility. He reminded the Board that a survey would need to be done of the ocean bottom in front of the boat haulout area.

Mr. Bevan volunteered to contact Pat O'Neil to see if he can do the survey.

Mr. Bevan reminded the Board that a party interested in moving his marine business to SCIP is interested in purchasing property, not leasing. The size of the lot this business would need to purchase has not been confirmed.

Mr. Horan suggested that a three page abstract be created for each property area identified in the land use plan for marketing purposes. The abstracts should include photos, description of the lot, and the appraised value.

Mr. Brylinsky stated that SCIP management structure needed to be clarified. Specifically, who is responsible for ensuring that lease requirements are being met by the tenants and that lease payments are being made on time.

Mr. Horan called for an action item to confirm that the new Executive Director will meet with the City Administrator and develop a matrix of duties required to maintain SCIP and identify who will be responsible for each duty. This would need to be done prior to the expiration of the current Memo of Understanding between SEDA and the City on June 30, 2008.

G. NEW BUSINESS (NONE)

H. OTHER BUSINESS (NONE)

I. REPORTS (NONE)

J. ADJOURNMENT

MOTION: M/S Horan/Harang moved to adjourn the meeting

ACTION: Motion **PASSED** unanimously on a voice vote.

The meeting adjourned at 7:11 pm.