



**Sawmill Cove Industrial Park
Board of Directors Meeting
April 30, 2009 – 3:30 PM
SEDA Office
329 Harbor Drive, Suite 212**

A. CALL TO ORDER

The Chair called the meeting to order at 3:40 pm.

B. ROLL CALL

Board Members Present: Grant Miller Trevor Harang Chris Fondell
Charles Horan Lowell Frank

Board Members Absent: NONE

City Representatives: Jim Dinley Scott Brylinsky Mike Harmon
Brent England (arrived 4:15)

Others Present: Garry White Linda Wilson
Kirk Hardcastle Evy and Les Kinnear (FoB) Sheila Finkenbinder (arrived 5:00 FoB Board)
Brian and Michelle Gundaker (Bike & Hike) Don Kluting (SAR) Mark Pusich (R&M Engineering) Jack
Ozment (arrived 3:48) Gary Paxton (SEDA) Rich Riggs (SEDA)

C. REVIEW OF MINUTES – March 23, 2009

MOTION: M/S Harang/Horan moved to approve the minutes of March 23 , 2009.

ACTION: Motion **PASSED** unanimously 5/0 on a voice vote

D. CORRESPONDENCE AND OTHER INFORMATION

Mr. White referred to information provided in the packet regarding work on the Beaver Lake Trail. The Board was advised that some of this work will require crossing into SCIP property.

The Board, by consensus, directed the Executive Director to send a letter expressing the SCIP Board's support for the trail upgrades.

E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA (NONE)

F. REPORTS

1. SCIP Management Report (included in packet)

Mr. Horan suggested that Silver Bay Seafoods be asked to provide information on repairs to the old pulp dock. The utility dock may be able to be repaired using some of the same materials and techniques to fix the pulp dock.

G. PERSONS TO BE HEARD

Kirk Hardcastle presented a slideshow titled "Sustainable Energy & Economic Development Strategy. A synopsis was included in the packet.

Mr. Hardcastle's key points were:

- Renewable energy is currently in the emerging technology phase

- Sitka has a number of resources that could fit into renewable energy development including – bio-mass, geothermal, tidal, in-stream hydrokinetic, and hydro-electric.
- Taking the lead in renewable energy development will also promote economic development and job creation
- Industrial property, like SCIP, is the suitable place for such development
- Finland is the only country with a successful, commercial fish waste processing industry to make bio-diesel.
- China is ahead of the United States in development of and commitment to renewable energy.
- Senate Bills 132 (SE Energy Fund) and 150 (Emerging Energy Technology Development Fund) should be supported.

H. UNFINISHED BUSINESS (NONE)

I. NEW BUSINESS

4. Proposed Re-plat of SCIP (out of order – moved forward by request)

Mr. Harmon reported that the intermodal paving project at SCIP will require some adjustments to the plat in order to accommodate a new cross road. State regulations call for a ninety-degree angle for intersections with a main road such as SMC. The new road would take a forty foot strip along the southern portion of Block 4 Lot 12. Construction of this new road is a priority over paving of the central cross-road and there is not funding to do both. Some other utility easements also need to be done in order to clean up the plat.

Mr. Harmon stated that as the project moves forward, he may have to come back to the Board to address adjustments to corners for easement to allow for a turn radius to accommodate busses and trucks.

MOTION: **M/S Horan/Harang** moved to conceptually approve the City and Borough Public Works Department's recommendation that the Sawmill Cove Industrial Park property be replatted to accommodate the access changes proposed as a part of the Sawmill Cove Intermodal Facility design.

ACTION: **Motion PASSED** unanimously 5/0 on a voice vote.

1. Island Fever Diving & Adventures, LLC Lease

Mrs. Grundaker stated that the previous Executive Director had talked to her briefly by phone about the possibility of a rate increase. However, no details were given and no letter was ever received. The space leased by IFD&A has no working outlets, and there is no useable restroom on that floor. Sitka Bike and Hike has made improvements to leased space at their own expense. In exchange for an increase in the lease rate, SB&A would like to receive something in return such as electricity to use the air compressor for filling tires.

Mrs. Grundaker also requested that any rate increase be for the summer months, April through September, since that is when their main income is made.

Mr. Brylinsky stated that he did not know the electrical outlets were not working and would fix this. However, the first floor restrooms will not be put in service due to no water hook up.

Mrs. Grundaker stated that SB&H is currently using the shop area to fill water bottles and would like to be able to continue to do this, even if a tenant takes over that space.

Mr. Horan stated that the SCIP Board wants to have a standardized rate schedule that is consistent and fair to all renters. If the schedule needs to be adjusted, then that should be done, but we need a good rate schedule and need to stick to it.

Mr. Fondell suggested that the rate schedule be reconsidered after the Board has an opportunity to visit the site and look at the condition of the building.

Mr. White advised that the rate adjustment for SB&H is not due until October 2009 and suggested holding the next SCIP meeting at the park.

The Chair decided to take no action on this item and to move it to the agenda for the next meeting.

2. Fortress of the Bear Lease

Mr. White advised that Fortress of the Bear has a 10-year lease. The original lease gave an eighteen-month rate of \$100 per month as a start-up. The lease rate was then supposed to be ramped up over time to market rate. In 2003 and 2005 the Assembly voted to extend the \$100 per month lease rate and in 2007, the Assembly voted to lower the month rate to \$50. The rate is due to increase on May 1, 2009. It is not clear whether the rate would go directly to the market rate of \$3k plus per month, or if the ramping up period would start.

Mrs. Kinnear stated that FoB is in a different position than it was two years ago with two bears now on site and 7,500 visitors in 2008, bringing the first revenue. With the bears and visitors come new expenses: an employee (bear caretaker), restroom construction, addition of electricity. Application for Rasmuson funding was delayed due to IRS form problems. Personal investment in the project and property in both time and labor has been extensive. There are no amenities provided to the site and there is no other foreseeable user of this site.

Mrs. Kinnear stated that eventually they would like to go to USDA Rural Development for funding to purchase the property, however for the now, they would like to continue as-is.

Mr. Fondell asked if the Kinnears had a business plan for the FoB.

Mrs. Kinnear stated that there is no formal business plan, but one needs to be developed. Based on last years visitor numbers they expect visitors to increase to 12-14k this year, with interest expressed by Holland America Line to add FoB to their tour options.

Mr. Horan asked for more information and a vision for the future of FoB and when they might reach financial viability.

Mrs. Kinnear responded that there are a lot of unknowns, but progress is being made. If they succeed in adding Holland America tours to FoB, and increase visitors and revenues through 2011, then 2012 might be the year they could pay a realistic market rate. But there are unknowns, particularly with the drop in the economy and tourism. They do know there are other communities in Southeast Alaska that would support FoB if it were in their town instead of Sitka.

Mrs. Finkenbinder stated that until FoB had progressed to the stage where it actually had bears on site, it could not reasonably create a business plan. FoB has now had bears for one year's tourist season and this creates lots of potential so they should be given another year at current rates.

MOTION: **M/S Fondell/Harang** moved to recommend to the Assembly to approve an extension of the current lease rate of \$50 per month to Fortress of the Bear through December 31, 2009.

ACTION: **Motion PASSED** unanimously 5/0 on a voice vote.

3. Theobroma Lease

This agenda item was postponed as Mr. Iwamoto of Theobroma Chocolate Company did not attend the meeting.

5. Search and Rescue – SCIP Usage

Mr. White recused himself from commenting on this item due to his position as a Search and Rescue volunteer.

Mr. Brylinsky distributed a memo from the Public Works Department. PW had considered donating an RV style vehicle to SAR for use as a mobile command post, however it proved to be unfeasible do to maintenance costs. Therefore, SAR needs a place toward the end of Sawmill Creek Road that it can use as a command post during emergency rescue operations at that end of town. SAR also needs space for storage of equipment and outdoor space to park a boat. The Administration Building could be used as a command post if needed and there is room for equipment storage on the first floor. SAR use should be free as long as space is available.

Mr. Kluting stated that the boat that needs to be stored is not for ocean use, but mainly for use on Blue and Green Lakes and therefore, storage at SCIP makes sense.

Mr. Brylinsky suggested that use of Rooms 39/40 (the old medical center) on the first floor would be appropriate, but that if a paying client were to come forward then SAR would need to move.

Included in the PW memo are three recommendations:

Recommendation 1: Develop MOA with SAR for field command post use of the SCIP Admin Building in emergencies.

Recommendation 2: Enter into a month-to-month lease with SAR for dry storage in Room 39/40 at no cost to SAR.

Recommendation 3: Enter into a month-to-month lease to provide outdoor storage for the SAR boat and ATV victim transport trailer at no cost to SAR.

MOTION: M/S Harang/Fondell moved to approve the three recommendations as presented.

ACTION: Motion PASSED unanimously 5/0 on a voice vote.

J. ADJOURN

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

ACTION: Motion PASSED unanimously 5/0 on a voice vote.

The meeting adjourned at 6:00 pm.