

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-29

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA ESTABLISHING THE CARES ACT MOORAGE COSTS SUBSIDIZATION PROGRAM

1. CLASSIFICATION. This ordinance is NOT of a permanent nature and is NOT intended to become a part of the Sitka General Code (“SGC”).

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to establish a grant program which uses CARES Act funds received by the City and Borough of Sitka to subsidize moorage costs for vessel owners experiencing economic hardship due to the COVID-19 health care emergency. The Assembly makes legislative findings as follows.

a. The Assembly recognizes that an emergency exists due to the COVID-19 pandemic that affects the life, health, welfare or property of vessel owners in the City and Borough of Sitka.

b. The Assembly further recognizes that the COVID-19 pandemic has caused great economic hardship to many of the vessel owners in the City and Borough of Sitka.

c. On March 27,2020, the federal Coronavirus Aid, Relief, and Economic Security Act (HR 748) (“CARES Act”) was signed into law. The CARES Act contains numerous provisions aimed at providing relief from the COVID-19 pandemic, including the creation of funds to provide direct relief to states and municipalities to alleviate economic hardship.

d. The State of Alaska has received CARES Act funds, some of which it expects to disburse to municipalities, the amount of which is currently unknown but expected to be several million dollars.

e. If and upon receipt of the CARES Act funds, the Assembly desires to disburse all or a portion of those funds to vessel owners who qualify for the purpose of alleviating economic hardship caused by COVID-19 pandemic.

f. To that end, in light of the economic hardship imposed on vessel owners in the City and Borough of Sitka, by enactment of this ordinance the Assembly initiates the following temporary moorage costs subsidization program.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka (“CBS”) that there shall be a temporary moorage costs subsidization program as follows:

Section 1. Title. This program may be referred to as the “CARES Act Moorage Costs Subsidization Program.”

Section 2. Implementation. This program shall only be implemented if funds sufficient to fund the entire program are received by the CBS from the U.S. Treasury Department CARES Act and those funds are deemed to be eligible to be used in this program.

57 **Section 3. Policy and procedure.**

58 A. It shall be the policy of the CBS that applicants meeting certain criteria shall be eligible for  
59 subsidization of municipal moorage costs from CARES Act funds paid to the CBS due to the  
60 COVID-19 public health emergency.

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62 B. Subsidization shall be in the form of general governmental subsidy payments to municipal  
63 moorage accounts for the benefit of eligible applicants. Under no circumstances may  
64 subsidization be in the form of reduced moorage rates or the provision of free moorage  
65 services.

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67 C. A supplemental appropriation providing funding for the moorage costs subsidization fund  
68 program shall be established by a special appropriation of the Assembly. All CARES Act funding  
69 will reside in a special revenue fund and a separate account within that fund will be established  
70 and separately budgeted for the moorage subsidization.

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72 D. Applications for subsidization shall be submitted to the Finance Department on forms  
73 provided by the Finance Department. Only one applicant per moorage account is allowed.  
74 Applications must be submitted by July 31, 2020. If the application is denied, the applicant may  
75 appeal to the Municipal Administrator. If an appeal to the Municipal Administrator is denied, the  
76 applicant may appeal to the Assembly. The Municipal Assembly's decision is the final action of  
77 the CBS.

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79 E. Any incomplete or duplicate application will be rejected. For those complete and eligible  
80 applications, upon acceptance the Finance Department will disburse the subsidy to the  
81 accounts of those applicants accepted. All subsidy payments will be applied to accounts by  
82 August 31, 2020.

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84 F. The moorage subsidy for each eligible applicant is a one-time payment to the applicant's  
85 account. The subsidy for each eligible applicant shall be the maximum of moorage costs billed  
86 for one quarter of the calendar year.

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88 G. The Finance Director shall have the responsibility of developing administrative procedures,  
89 which shall be approved by the Municipal Administrator, necessary for implementation of this  
90 program.

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92 **Section 4. Eligibility and subsidization.**

93 A. An applicant must be a customer receiving and responsible for paying moorage costs from  
94 the CBS for a vessel moored in the CBS harbor system continuously since at least March 15,  
95 2020.

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97 B. An applicant shall be eligible for subsidization if the applicant certifies in his or her application  
98 as follows:

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100 (1) the applicant is and has moored a vessel in the CBS harbor system under an existing  
101 moorage agreement;

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103 (2) the applicant has a vessel moored in the CBS harbor system continuously since at  
104 least March 15, 2020;

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106 (3) the applicant has incurred economic hardship due to the COVID-19 public health  
107 emergency;

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109 (4) the subsidy payment would be to an account affected by the economic hardship  
110 caused by the COVID-19 public health emergency; and

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112 (5) at the time of the certification, the applicant continues to face economic hardship due  
113 to the COVID-19 public health emergency.

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115 C. An applicant is eligible for a subsidy even if the applicant has overdue charges owed to the  
116 CBS. A subsidy applied to an account with overdue charges will be first applied to those  
117 overdue charges. Any portion of a subsidy not applied to costs on account shall be returned to  
118 the CBS by debit to that account.

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120 **Section 5. Definitions.**

121 A. "Economic hardship" means, as a result of the COVID-19 public health emergency, business  
122 or personal or household disposable income has decreased and/or normal business or personal  
123 or household expenses have increased, such that it has become impossible or difficult to make  
124 ends meet and/or any money reserves of the applicant have been and/or are being significantly  
125 depleted.

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127 B. "Subsidization" refers to "moorage costs subsidization."

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129 C. "Vessel" means any ship, boat, skiff, barge, dredge and craft of every kind or description,  
130 whether used for commercial or pleasure purposes, which is on the water and is capable of  
131 being used as a means of transportation on or through the water, excluding seaplanes.

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133 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date  
134 of its passage and is temporary in nature to be implemented only if CARES Act funds in a sufficient  
135 amount are received by the City and Borough of Sitka.

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137 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
138 Sitka, Alaska this 9<sup>th</sup> day of June, 2020.

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Gary L. Paxton, Mayor

143 **ATTEST:**

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148 Sara Peterson, MMC  
149 Municipal Clerk

150 1<sup>st</sup> reading 5/26/2020  
151 2<sup>nd</sup> and final reading 6/9/2020

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153 Sponsors: Christianson and Mosher