



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, June 10, 2014

6:00 PM

Assembly Chambers

WORKSESSIONS

1) 5:00 - 5:25 PM Library Update, and 2) 5:30 - 5:50 PM Sitka Community Food Assessment Indicators - Lisa Sadlier-Hart

[14-139](#)

Worksession documents - Food Assessment

Attachments: [Worksession Docs Food Assessment](#)

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[14-140](#)

Reminders and Calendars

Attachments: [Reminders and Calendars](#)

[14-141](#)

Letter and Service Award - Horan

Attachments: [Horan Docs](#)

[14-142](#)

Electrical Department - Montly Update

Attachments: [Electric Dept Monthly Report](#)

[14-143](#)

Public Works Monthly Report

Attachments: [Public Works Monthly Report](#)

[14-145](#) Alaska National Insurance

Attachments: [AK Natl Insurance](#)

V. CEREMONIAL MATTERS

Recognizing the Alaska State High School Boys Baseball Championship - Sitka High Wolves

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)

[14-144](#) Bear Task Force Update <10 minutes

Attachments: [Bear Task Force](#)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. Not to exceed 3 minutes for any individual.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

A [14-130](#) Approve the minutes of the May 27 and 29 Assembly meetings

Attachments: [Minutes](#)

B [14-133](#) Appointments: 1) Reappoint Susan Royce to a term on the Animal Hearing Board. and 2) Appoint Ptarmica McConnell to a term on the Gary Paxton Industrial Park Board

Attachments: [Appointments](#)

C [14-131](#) Award the FY2014 Fisheries Enhancement Funds in the amount of \$33,900 to Sitka Sound Science Center

Attachments: [Fisheries Enhancement](#)

D [14-135](#) Approve award to furnish Diesel Fuel to Petro Marine Services

Attachments: [Fuel Bid](#)

E [14-136](#) Approve award to Aggregate Construction Inc. in the amount of \$163,788.00 for Verstovia Paving from Sirstad to Pherson

Attachments: [Verstovia Street](#)

X. UNFINISHED BUSINESS:

- F** [ORD 14-13A](#) Amending SGC Chapter 4.12 entitled "Property Tax" to add SGC 4.12.045 entitled "Exemptions - Disaster Damage" to Allow Reassessment of Property Damaged by Disaster
Attachments: [MOTON ORD 14-13A](#)
[Memo Ord 2014-13A](#)
[Ord 2014-13A](#)
- G** [ORD 14-15](#) Adopting budgets for the fiscal year July 1, 2014 through June 30, 2015
Attachments: [MOTION ORD 14-15](#)
[Ord 2014-15](#)
- H** [ORD 14-17](#) Authorizing the transfer/sale of City and Borough of Sitka's pocket lot as depicted in the Turney Burkhart Planned Unit Development and located in the Turney Burkhart Subdivision to Sitka's Community Land Trust (CLT)
Attachments: [MOTION ORD 14-17](#)
[Memo Ord 2014-17](#)
[Ord 2014-17](#)
[Plat Turney Burkhart PUD](#)
[Images PUD](#)
[SCLT Prelim Bus Plan](#)
[SCLT Operating Budget](#)
[SCLT Grounds Lease](#)
[SCLT Stewardship Policies and Procedures](#)
[SCLT Home Repair and Replacement](#)
[SCLT Home Buyer Selection Policies](#)
[SCDC Business License](#)
[Internal Revenue Service](#)
[SCDC bylaws](#)
[SCDC Articles of Amendment](#)
[Public Notice CLT](#)
- I** [ORD 14-18](#) Amending CBS Sitka Personnel Policies Handbook to: Change Policy on Probationary Period Increase for Regular Employees; Address Starting Pay for New Employees; Address Pay Upon Promotion; Establish Pay Matrix Procedures; Address Forfeited Annual Leave; Remove Section XXI and Update Attachment A
Attachments: [MOTION ORD 14-18](#)
[ORD 2014-18 Personnel Policy New Matrix etc](#)

XI. NEW BUSINESS:**New Business First Reading**

- J** [ORD 14-19](#) Amending Title 15 of the SGC to increase Water Rates at Sections 15.05.240 A entitled "Service Connection Charge", 15.05.560 entitled "Rates and Fees" and 15.05.625A entitled "Water Service-Sawmill Cove Industrial Park AKA Gary Paxton Industrial Park."
Attachments: [ORD 2014-19](#)
[Items J and K Memo](#)
- K** [ORD 14-20](#) Amending Title 15 of SGC to increase wastewater rates at Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" and 15.05.625 entitled "Wastewater Service - Sawmill Cove Industrial Park AKA Gary Paxton Industrial Park"
Attachments: [ORD 2014-20](#)
[Items J and K Memo](#)
- L** [ORD 14-21](#) Amending SGC to reflect the recent name change of Sawmill Cove Industrial Park to Gary Paxton Industrial park as approved by Resolution No. 2014-08
Attachments: [ORD 2014-21](#)
- M** [ORD 14-22](#) Modifying SGC Section 13.04 entitled "Definitions" to include Float Homes to definition of Float Houses and modifying Section 13.15 entitled "Reserved-Float House" to be entitled "Float Homes" and adding regulations for Floating Homes within the jurisdiction of the CBS of Harbors
Attachments: [ORD 2014-22](#)
- N** [ORD 14-23](#) Modifying SGC Title 19 entitled "Building and Construction" by adding language to exempt float homes under SGC 19.08.025 entitled "Docks and Buildings" and adding Chapter 19.15 entitled "Building Code for Float Homes," Chapter 19.16 entitled "Electrical Code for Float Homes," and Chapter 19.17 entitled "Plumbing Code for Float Homes"
Attachments: [ORD 2014-23](#)

Additional New Business Items

- O** [14-132](#) Approve a conditional use permit for a Specialized Instruction School at 205 Harbor Drive filed by Emily Davis.
Attachments: [CUP Motion](#)
[CUP Specialized Instruction School](#)

Convene as the Board of Adjustment
- P** [14-137](#) Discussion/Direction/Decision on the Port and Harbors Commission

request that the Harbor Fund receive 80% of the tax revenue generated by the vessel tax with the General Fund receiving 20% to cover administrative fees

Attachments: [Port and Harbors request](#)

Reconvene as the Assembly

- Q** [14-138](#) Authorize the Police Chief to apply for grants to fund a School Resource Officer under the COPS Hiring Program (CHP)

Attachments: [COPS Hiring Program \(CHP\)](#)

- R** [14-134](#) 1) Approve a employee contract between the CBS and Municipal Administrator Mark Gorman; and 2) Approve an employee contract between the CBS and Municipal Attorney Robin Koutchak

Attachments: [Admininistrator Contract](#)

[Attorney Contract](#)

XII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIII. EXECUTIVE SESSION

XIV. ADJOURNMENT

*Colleen Ingman, MMC
Municipal Clerk
Publish: 6-6-14*



Legislation Details

File #: 14-139 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 6/5/2014 **In control:** City and Borough Assembly
On agenda: 6/10/2014 **Final action:**
Title: Worksession documents - Food Assessment
Sponsors:
Indexes:
Code sections:
Attachments: [Worksession Docs Food Assessment](#)

Date	Ver.	Action By	Action	Result
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WORK SESSIONS

LIBRARY RENOVATION UPDATE

No advanced documents

5:00 – 5:25 PM

SITKA COMMUNITY FOOD SECURITY ASSESSMENT

5:30 – 5:50 PM

Lisa Sadlier-Hart

Sitka Community Food Security Assessment



Highlights of Results

Sitka Community FOOD ASSESSMENT

Personal Food Security

Can all household members access enough nutritionally adequate, acceptable and safe foods in socially acceptable ways to support an active, healthy life?

Community Food Security

Can a community feed itself especially if faced with a disruption in the food supply chain?

Components of Sitka's Community Food Assessment

- Community Food Resource Profile
- Focus Groups (N=49)
- Food Security Survey (N=422)
- Grounds truth findings at a Sitka Food Summit (N=60)
- Sitka Community Food Assessment Indicators Report

Sitka Community Food Assessment Indicators Report

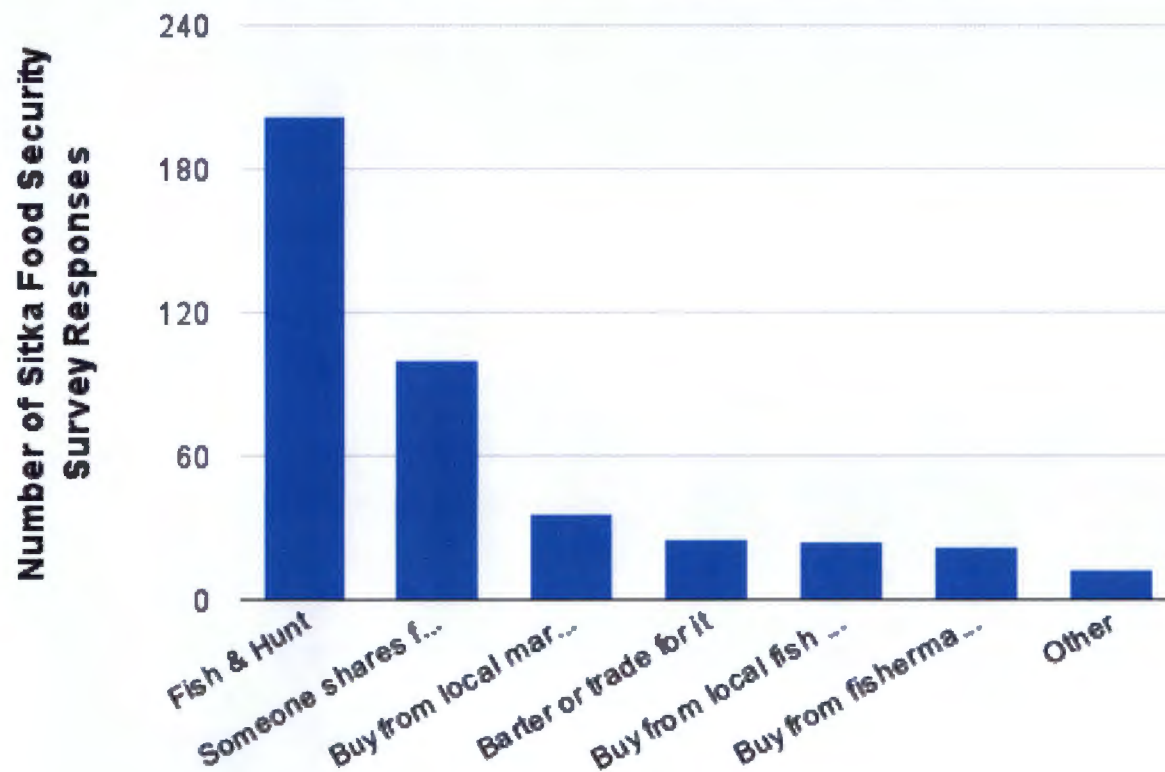
- Sitka Food Facts
- Demographics
- Hunt, Fish, Gather, Grow
- Food Shopping
- Food Assistance
- School Food Environment
- Food Production

Did you know that...

- 48% of Sitka Food Security Survey respondents hunt & fish
- ~132,748 pounds of deer meat was harvested in Game Management Unit 4 in 2011
- ~9,998 pounds of sockeye salmon was harvested in 2010 & 2011 by Sitkans

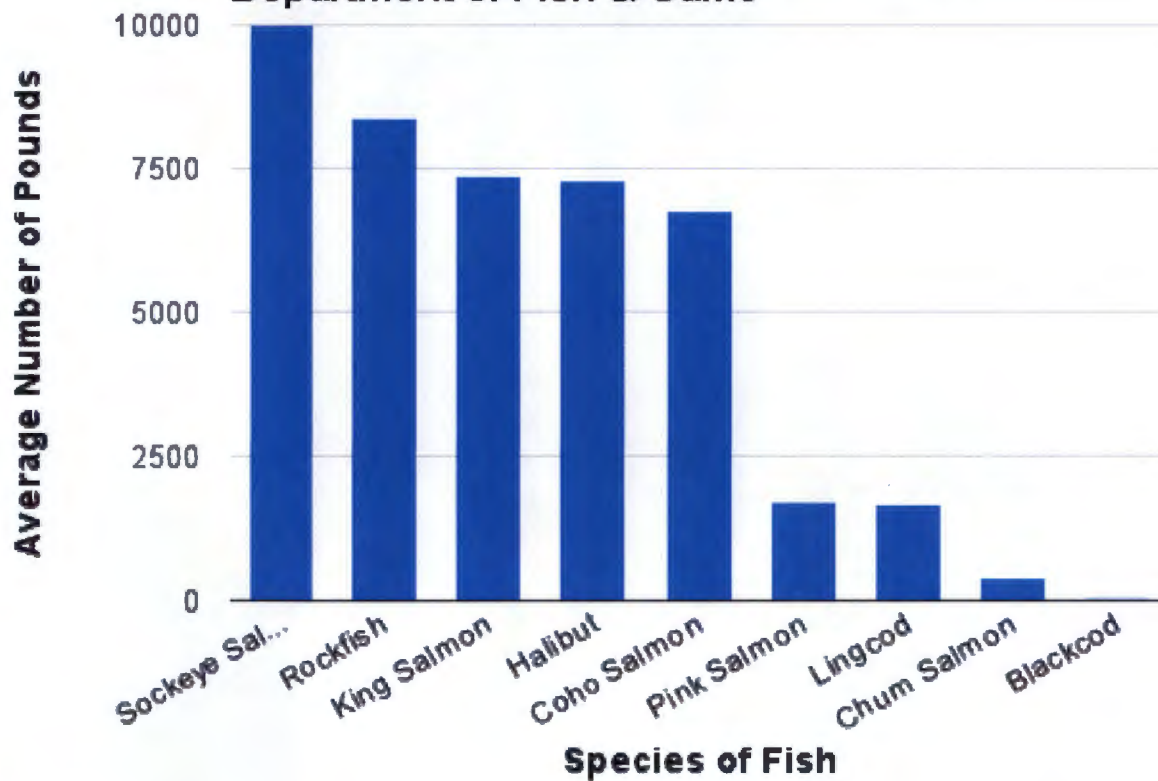
Hunt, Fish, Gather, Grow

Most Common Ways Sitkans Access Fish & Game (Source: Sitka Food Security Survey)



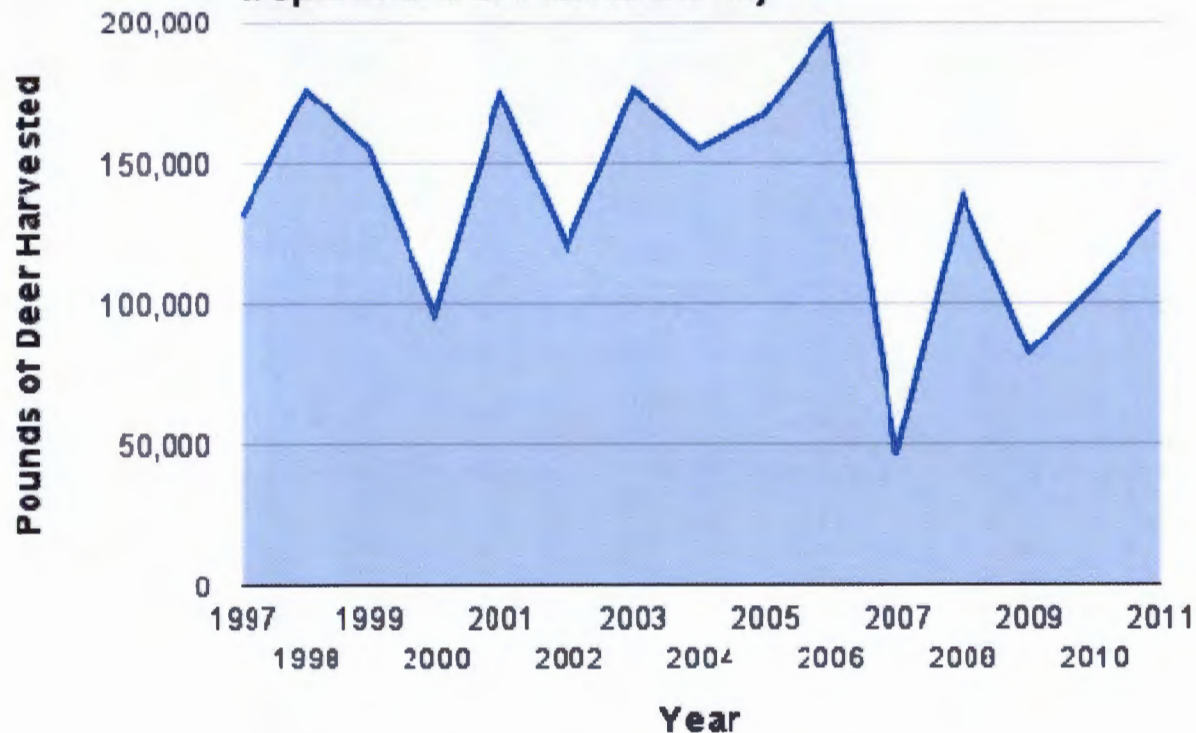
Hunt, Fish, Gather, Grow

Average Fish Harvest for Personal Use in Pounds for 2010-2011 (Source: Alaska Department of Fish & Game)



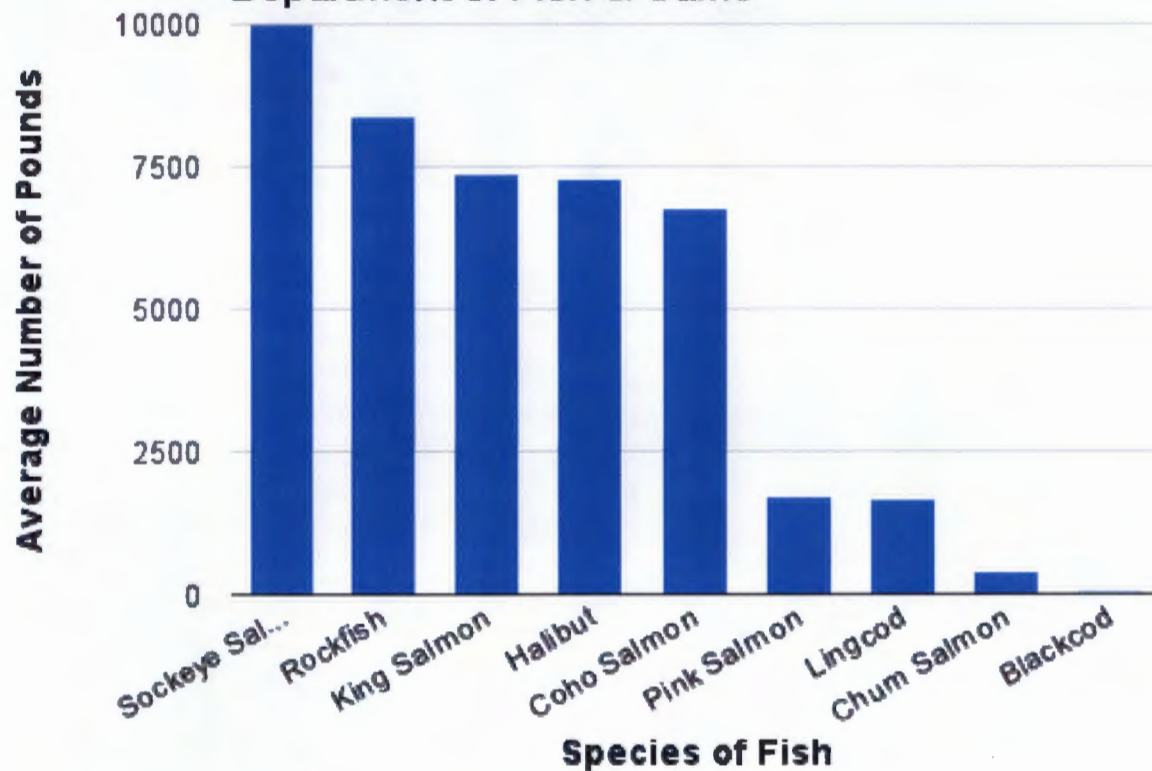
Hunt, Fish, Gather, Grow

Estimated Pounds of Deer Meat over Time in Game Management Unit 4 (Source: Alaska Department of Fish & Game)



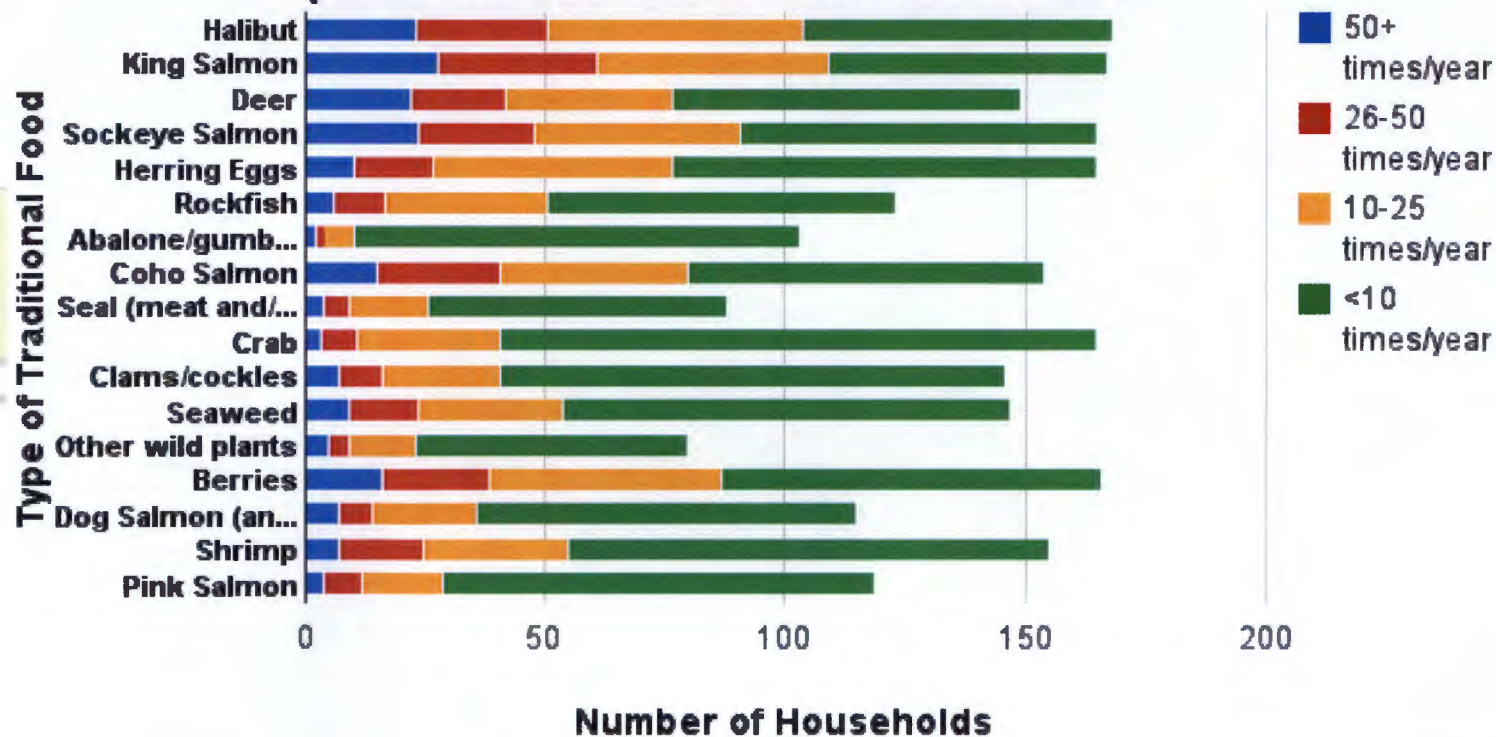
Hunt, Fish, Gather, Grow

Average Fish Harvest for Personal Use in Pounds for 2010-2011 (Source: Alaska Department of Fish & Game)



Hunt, Fish, Gather, Grow

Frequency of Traditional Foods Consumption and Rank of Importance
(Source: 2008 STA Tribal Needs Assess...)

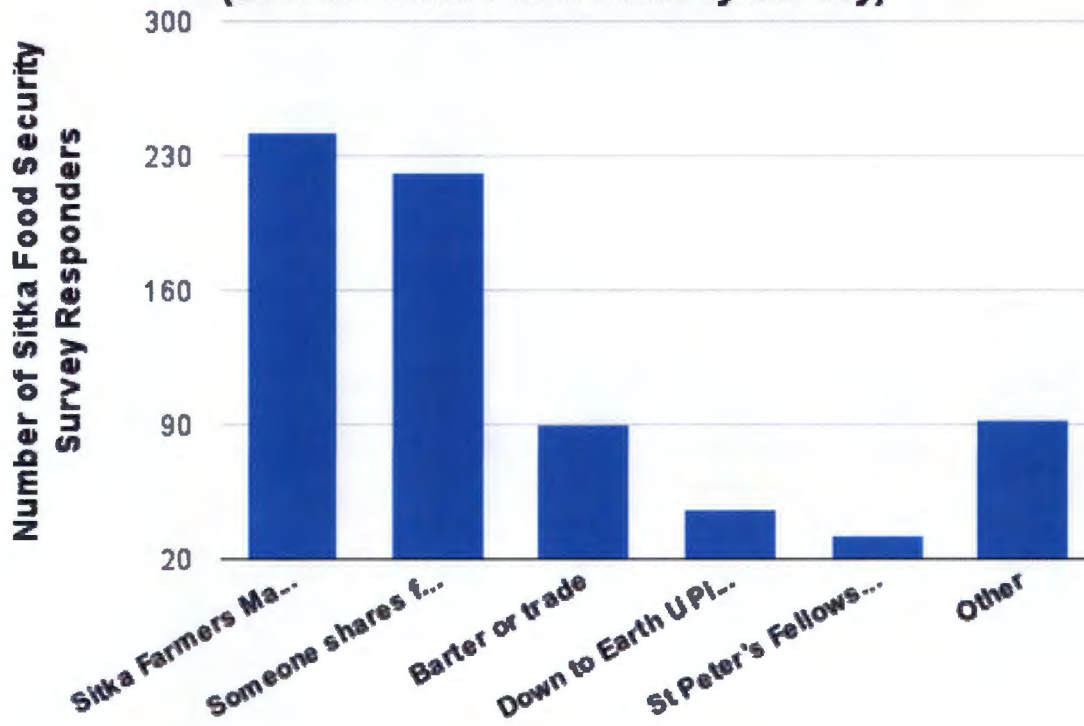


Did you know that...

- 75% of Sitkans eat less than 5 fruits & vegetables per day
- 52% of Sitka Food Security Survey respondents garden
- 77% of Sitka Food Security Survey respondents preserve food

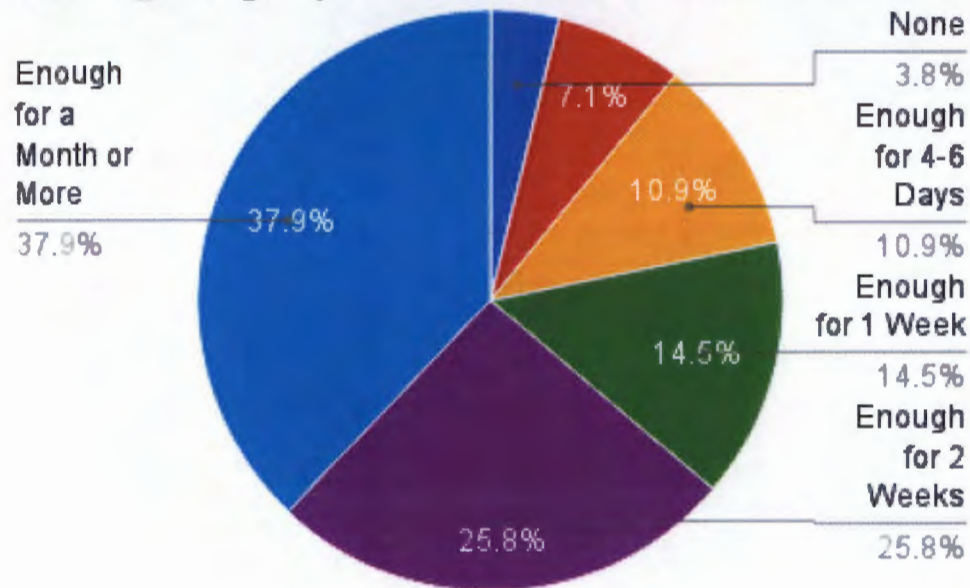
Hunt, Fish, Gather, Grow

Other than gathering, foraging or growing, how do you get local or wild fruits & vegetables?
(Source: Sitka Food Security Survey)



Hunt, Fish, Gather, Grow

How much food does your household have on hand or in storage in case of an emergency? (Source: Sitka Food Securit...

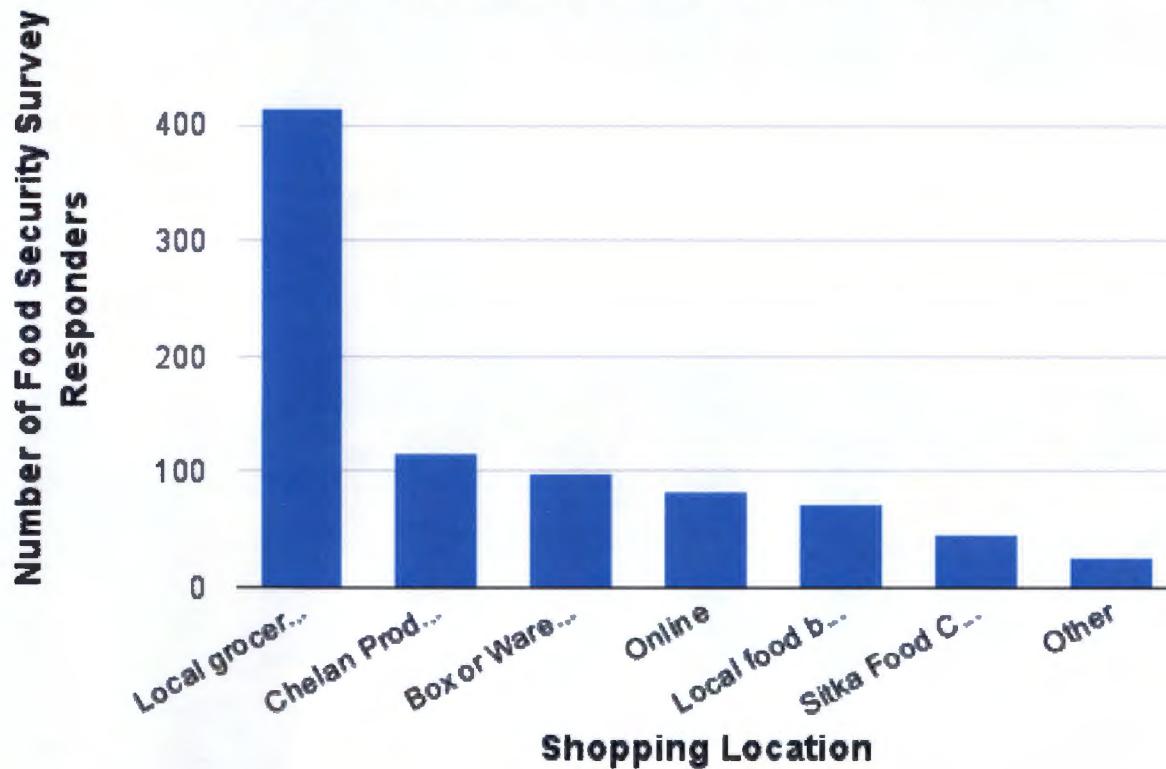


Did you know that...

- 415 of 422 Sitka Food Security Survey respondents food shop locally
- Between September 2003 and 2011, food costs rose 43.6% in Sitka.
- In March 2013, Sitka's food prices were
 - 10.4% higher than Juneau
 - 13.6% higher than Ketchikan
 - 21.5% higher than Anchorage

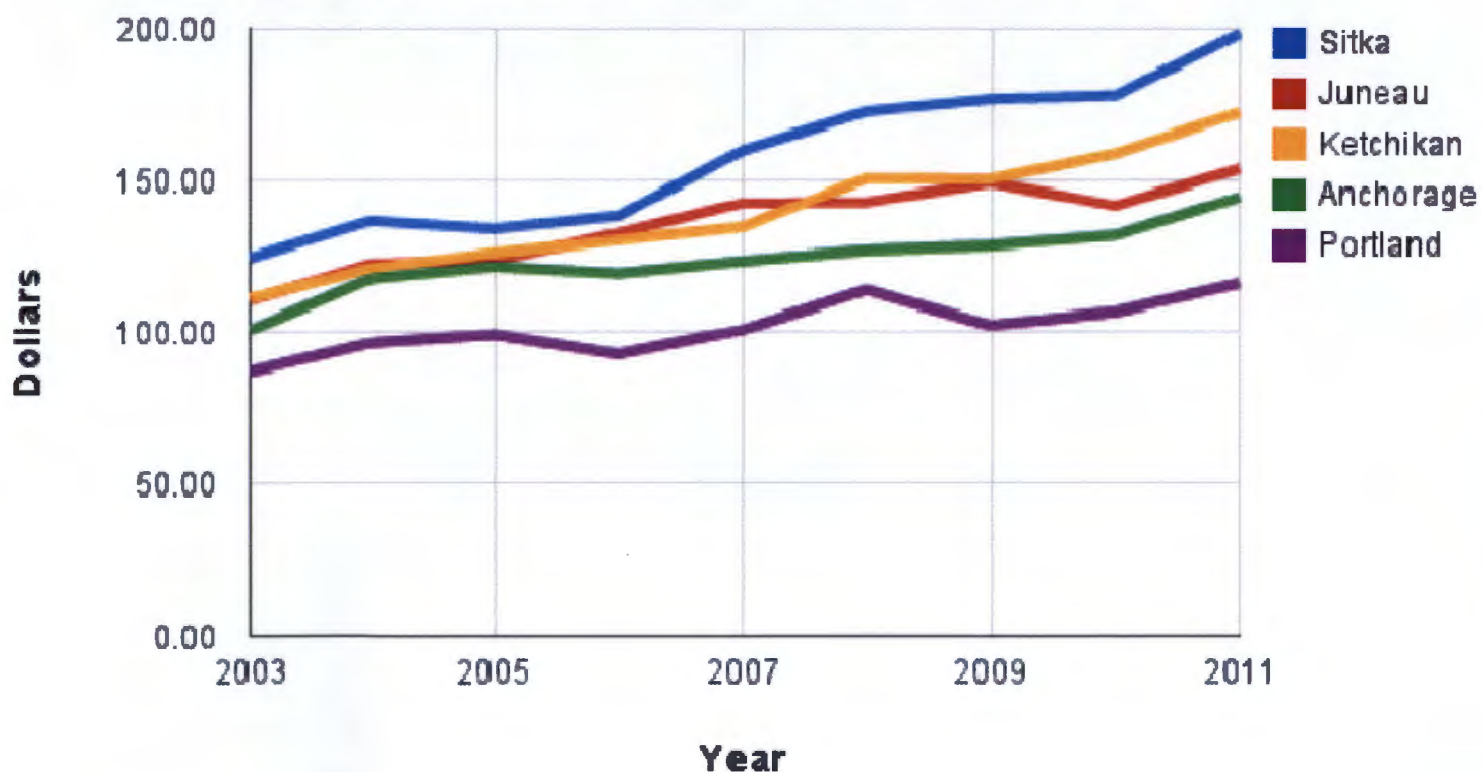
Food Shopping

Distribution of Sitka Food Security Responders as to where they shopped in the last month (responders could check multiple options)



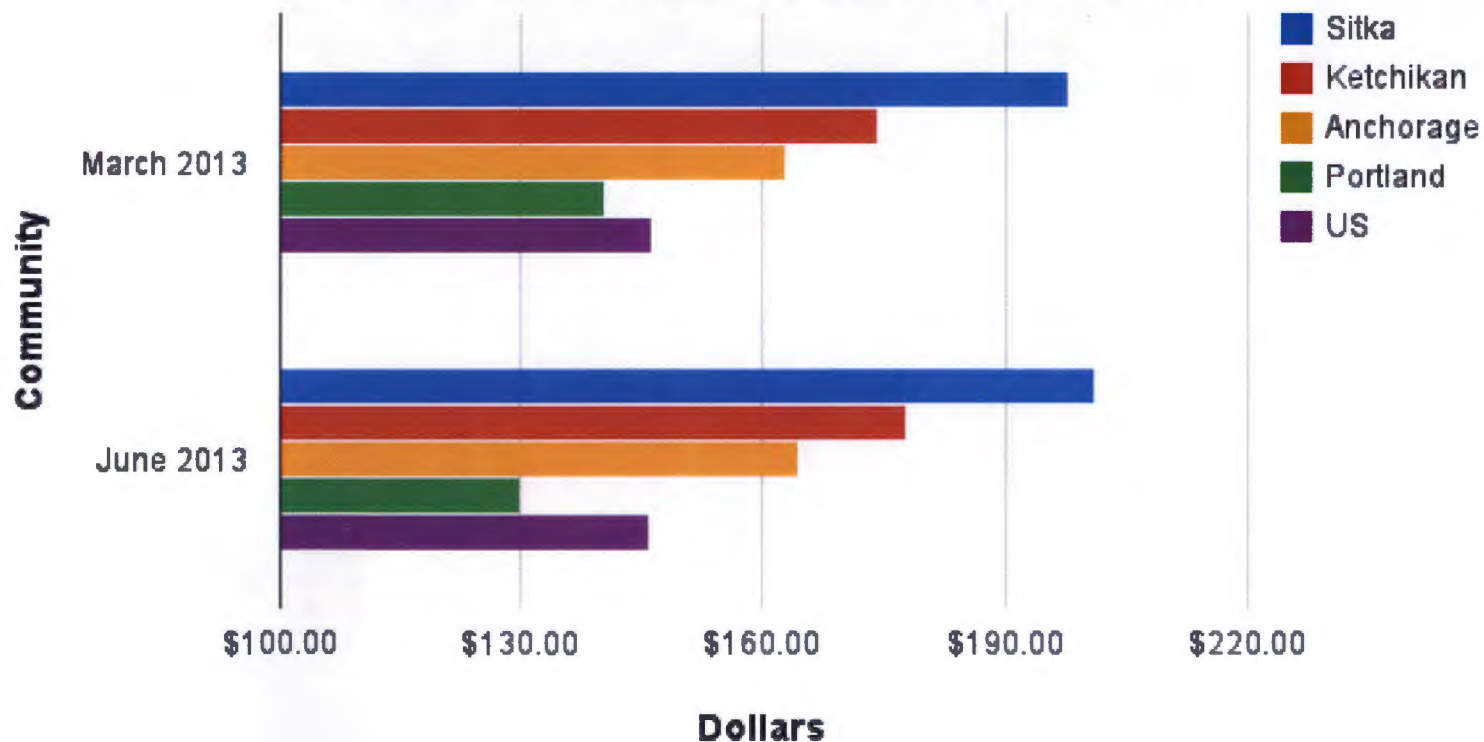
Food Costs

Family of 4 Weekly Food Cost Data in Sitka
2003-2011 (Source: CES Food Cost Survey)



Food Costs

Comparative Food Costs in 4 Communities and the US for March and June 2013 using the Thrifty Food Plan for Family of 4 (Source: UAF CES Fo...)

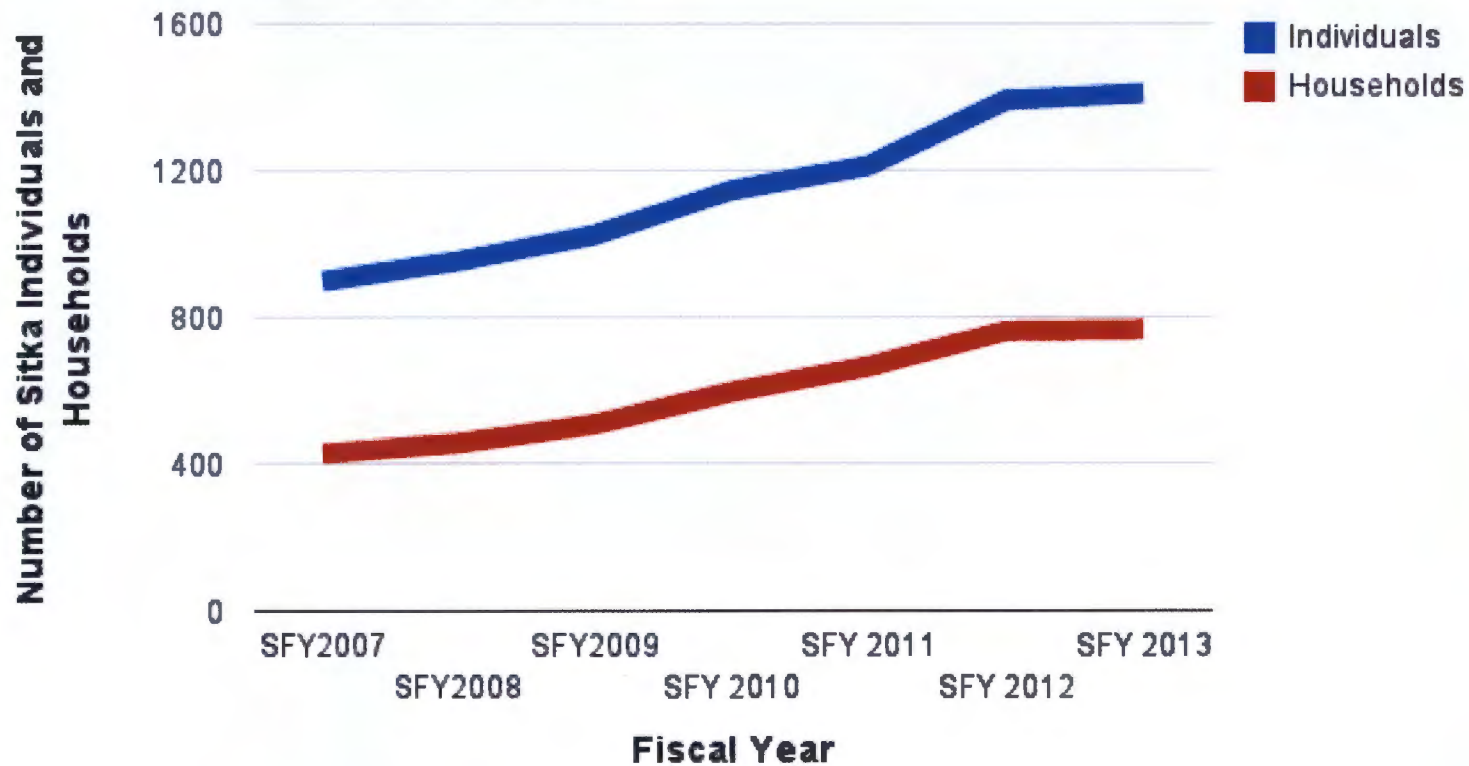


Did you know that...

- \$1,645,702 Food Stamp dollars were redeemed in Sitka in 2012, an increase of \$201,000 from 2011
- 1,410 Sitkans participated in the Food Stamp program in 2013
- 7,243 meals were served by the Salvation Army in 2013, up from 5,514 in 2012

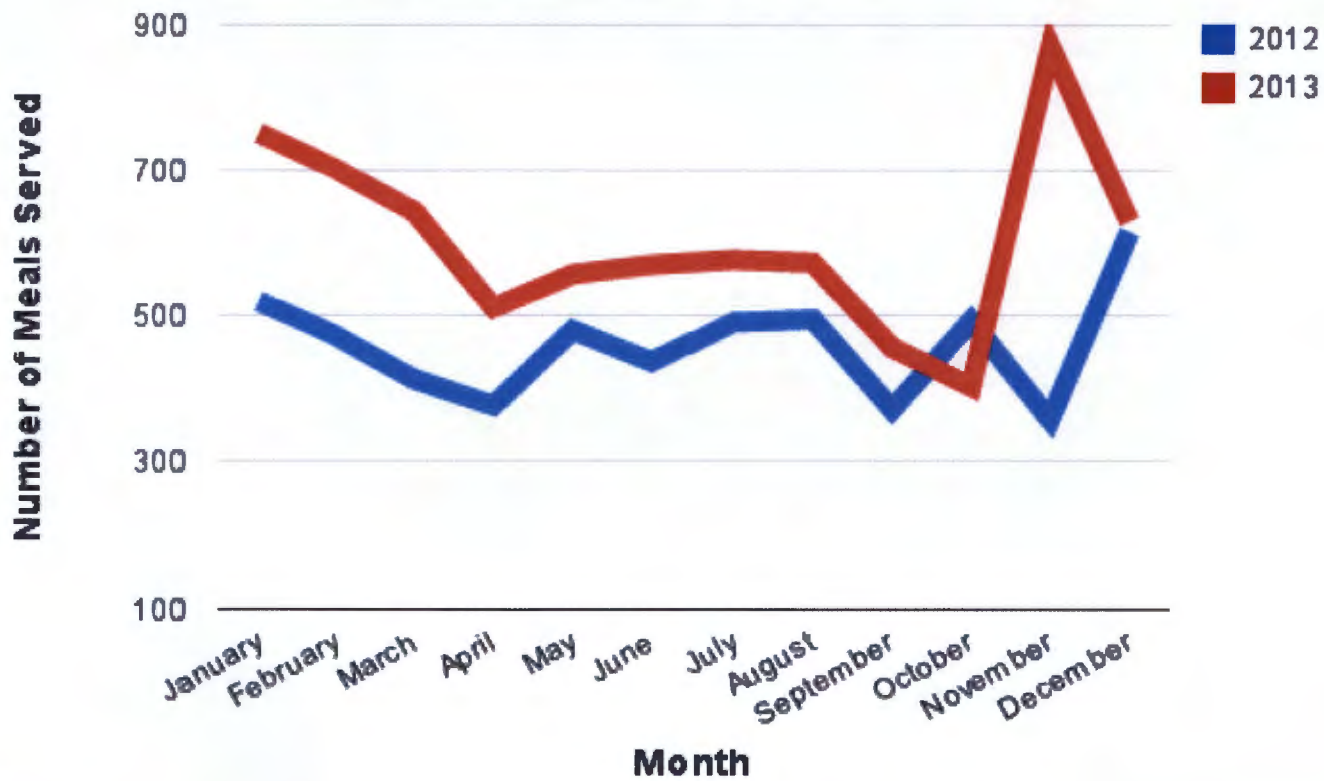
Food Assistance

Sitka Food Stamp Participation 2007-2013
(Source: USDA)



Food Assistance

Salvation Army Soup Kitchen Meals Provided
January 2012-December 2013

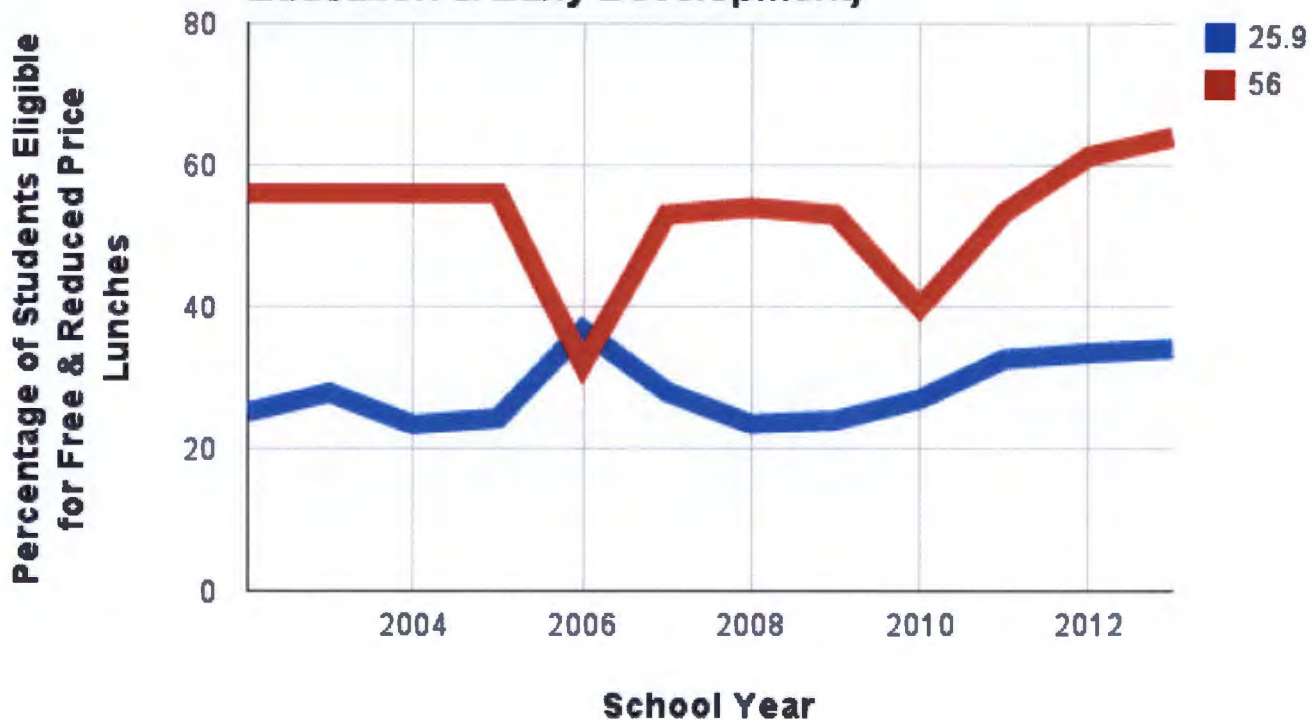


Did you know that...

- 56 children at Baranof & Keet Goshi' Heen Elementary participated in the Blessing in a Backpack program in 2013-2014 up from 50 in 2012-2013
- 26% of the Sitka School District and 56% of MEHS qualify for free or reduced price lunch
- Sitka's Fish to School program is a model for innovative approaches to Farm to School nationwide

School Food Environment

Free & Reduced Price Lunch Eligibility in Sitka
2001-2013 (Source: Alaska Department of
Education & Early Development)



Food Production



Sign Up Today! Call: 734-2276

**Alaskans Own
Community Supported Fishery**



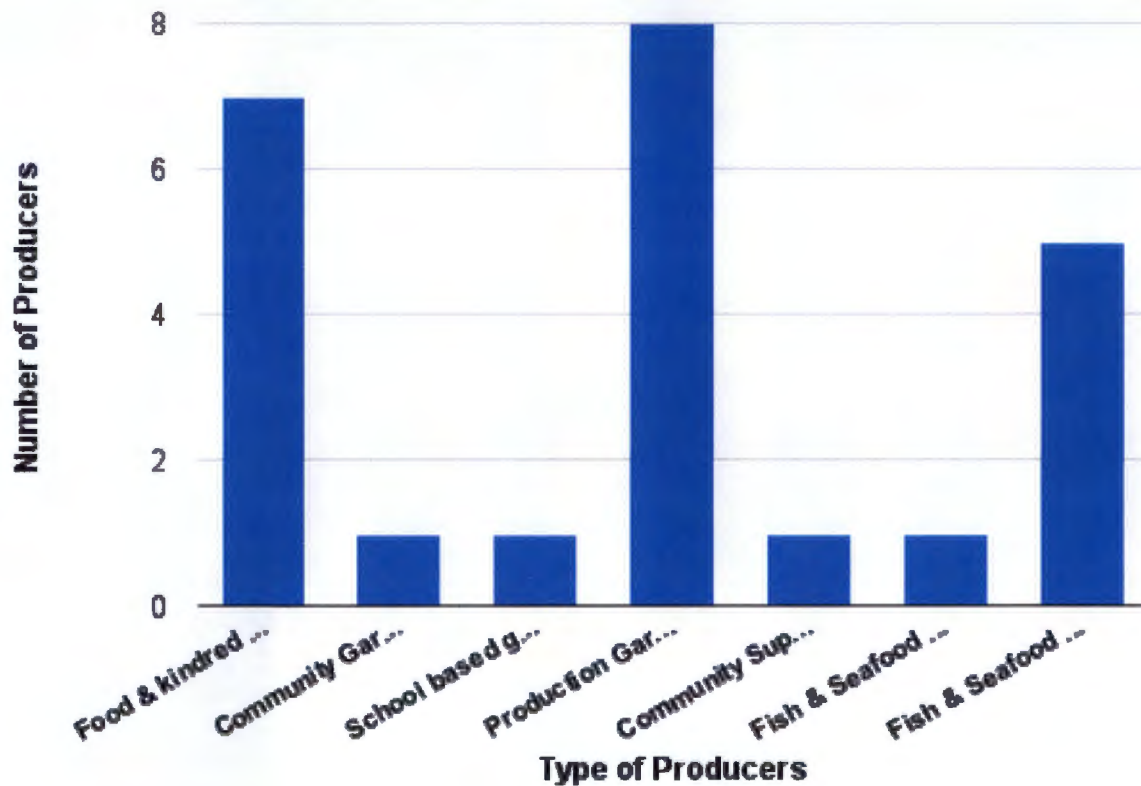
**Alaskans Own
Sustainably Caught, Locally Processed Seafood**
from Local Fishermen
King - Cobe - Hallett - Blackwood - Kachuk - Unipod & More!



Sitka Community FOOD ASSESSMENT

Food Production

Food Producers in Sitka (Source: Community Food Resource Profile)



What Next?

- Review Sitka's food policies
- Incentivize food production
- Seek funding for food system strategic planning
- Identify land that could be made available for food production
- What else?



Legislation Details

File #: 14-140 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Reminders and Calendars
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

DATE

EVENT

TIME

Tuesday, June 10

Worksession:

5:00 PM

1st half – Library Expansion Project Update

2nd half – Sitka Community Food
Assessment Indicators

Tuesday, June 10

Regular Meeting

6:00 PM

Tuesday, June 24

Regular Meeting

6:00 PM



Assembly Calendar

2013 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015

June 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Jun	2	3	4	5	6	7
Reif	Reif	Reif 7:00pm Planning 7:00pm School	Reif 7:00pm Library	Reif 12:00pm Parks & Rec 12:00pm - 1:30pm SEDA Board Meeting	Reif	Reif
8	9	10	11	12	13	14
Reif	Reif 6:00pm Police and Fire	Reif 5:00pm Worksession: Library Update and Sitka Foods Assessment 6:00pm Reg Assembly Mtg	Reif 6:00pm Historic Preservation 6:00pm Port & Harbors Commission	Reif 12:00pm LEPC	Reif	Reif
15	16	17	18	19	20	21
Reif	Reif	Reif 12:00pm Tree/Landscape 7:00pm Planning 7:00pm School	6:30pm STA			
22	23	24	25	26	27	28
		12:00pm Health Needs and Human Services Commission 1:00pm SCVB Board 6:00pm Regular Assembly Mtg		6:30pm Hospital Board		
29	30	1 Jul	2	3	4	5
	McConnell	McConnell 7:00pm Planning 7:00pm School	McConnell 6:00pm Police and Fire 7:00pm Library	McConnell Reif 12:00pm Parks & Rec 12:00pm - 1:30pm SEDA Board Meeting	McConnell Reif	McConnell Reif

Assembly Calendar

2013 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015

July 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 Jun	30 McConnell	1 Jul McConnell 7:00pm Planning 7:00pm <u>School</u>	2 McConnell 6:00pm Police and Fire 7:00pm <u>Library</u>	3 McConnell Reif 12:00pm <u>Parks & Rec</u> 12:00pm - 1:30pm SEDA Board Meeting	4 McConnell Reif	5 McConnell Reif
6 McConnell Reif	7 McConnell Reif	8 McConnell Reif 12:00pm Health Needs and Human Services Commission 6:00pm <u>Reg Assembly Mtg</u>	9 McConnell Reif 6:00pm Historic Preservation 6:00pm Port & Harbors Commission	10 McConnell Reif	11 McConnell Reif	12 McConnell
13 McConnell	14 McConnell	15 McConnell 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u> 7:00pm <u>School</u>	16 McConnell 6:30pm STA	17 McConnell	18 McConnell	19 McConnell
20 McConnell	21 McConnell	22 McConnell 6:00pm <u>Regular Assembly Mtg</u>	23 McConnell	24 McConnell 6:30pm <u>Hospital Board</u>	25 McConnell	26 McConnell
27 McConnell	28 McConnell	29 1:00pm SCVB Board	30	31	1 Aug	2



Legislation Details

File #: 14-141 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Letter and Service Award - Horan
Sponsors:
Indexes:
Code sections:
Attachments: [Horan Docs](#)

Date	Ver.	Action By	Action	Result
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City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

June 3, 2014

Charles Horan
403 Lincoln Street
Sitka, AK 99835

Dear Charles,

On behalf of the City and Borough of Sitka, I want to thank you for your contributions of time and service to our community.

The Sawmill Cove Industrial Park Board of Directors, aka the Gary Paxton Industrial Park Board of Directors, relies on the guidance and leadership of its board members; your time and energy were appreciated and we hope that you, too, benefited from the experience. There has been tremendous growth at the Park; an accomplishment to be proud of and certainly not possible without your long-term commitment and hard work.

We wish you all the best, and hope that you may consider volunteering again in the future.

Warmest wishes,

Sara Peterson
Deputy Clerk

Service Award

The City and Borough of Sitka awards to

Charles Horan

this expression of grateful acknowledgment for your valued services
rendered in the public interest while serving on the
Sawmill Cove Industrial Park Board, aka Gary Paxton Industrial Park Board,
from June 2000 to June 2014. Thank you!

Signed and Sealed by Order of the Administrator of the City and Borough of Sitka
this 3rd day of June, 2014.

Attest:



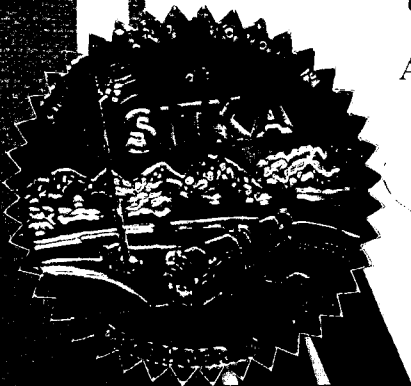
A handwritten signature in cursive script, appearing to read 'Colleen Ingman', written over a horizontal line.

Colleen Ingman, MMC Municipal Clerk



A handwritten signature in cursive script, appearing to read 'Mark Gorman', written over a horizontal line.

Mark Gorman, Municipal Administrator





Legislation Details

File #: 14-142 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Electrical Department - Montly Update
Sponsors:
Indexes:
Code sections:
Attachments: [Electric Dept Monthly Report](#)

Date	Ver.	Action By	Action	Result
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**City & Borough of Sitka
Electric Department**

105 Jarvis Street, Sitka AK. 99836
Telephone: 907-747-4000 Fax: 907-747-3208



BLUE LAKE EXPANSION PROJECT

MONTHLY UPDATE FOR CITY ASSEMBLY

Report No. 18

Month ending May 31, 2014

SCOPE

- 83 ft. dam raise with modified tunnel system and new 15.9 MW powerhouse (\$89 million)
- Eight supply contracts for Owner-Furnished equipment and materials (\$16 million)

PROJECT HIGHLIGHTS DURING THIS MONTH

- May 18 – Gave public tour of project.
- May 28 – Conducted preconstruction meeting with ASRC McGraw Constructors (AMCL) for Contract 8 Reservoir Debris Management.
- May 29 – Bruce and EPS completed the commissioning of the switchyard control building, control panels and relays. City and Borough of Sitka (CBS) control work in the switchyard is now done, until the No. 2 switchyard is energized.
- May – Dam plunge pool was pumped out and prepared for scour wall installation.
- May – Crux Subsurface (Crux) began working night shift on the dam curtain grouting and completed 3 holes on the right abutment. There will be a total of at least 9 holes on the right abutment and 17 holes on the left abutment. No geological surprises have been discovered, however, the contractor has had difficulty with the drilling.
- May – Barnard, NAES, and Schmolck continue the build out of the intake gate house.
- May – Barnard has tested the fit of the fixed wheel gate and will complete the intake structure June 4 as planned.
- May – Schmolck continued the mechanical build out of the powerhouse.
- May – Conducted multiple generating equipment commissioning meetings with contractors and suppliers. Progress is slow.
- May – AMCL removed transformers from the No. 1 side of the switchyard and have begun constructing the transformer foundation and oil containment pit.
- May – NAES performed the following tasks related to the turbine generator installation:
 - Completed secondary concrete placement around draft tubes
 - Completed alignment of all 3 turbine spiral cases
 - Installed all inlet valves and welded all turbine inlet pipes to the penstocks
 - Completed alignment of all generator sole plates
 - Located all Turbine generator control panels in powerhouse
 - Moved all stators and rotors to powerhouse
 - Completed alignment of generator, bearings, exciter and runner in BL3
 - Modified BL5 bearing pedestals to correct error in the soleplate alignment.
- May – NAES has completed the installation of conduit and cable tray in and outside the powerhouse.
- May – NAES began pulling wire in cable trays.

- May – NAES completed the installation of the low voltage and medium voltage switchgear in the powerhouse.
- May – Barnard placed CDF around the new penstock from the turbine inlet pipes up to the water treatment plant access road.
- May - Barnard began erecting the spillway form support structure for the dam spillway construction.
- May – Completed the mid-level outlet pipe installation at the dam.
- May – Barnard showed good progress on the dam construction completing 6 block placements TO DATE – 42 of 53 blocks placed on the Dam Raise, 8 of 9 placements completed on the Left Abutment and Cutoff Wall and 3230 CY of 3350 CY have been placed at the powerhouse. Concrete tests have been better than required by the specification.

COST SUMMARY - updated 5/31/2014

Project Element	Current Contract Total or Projected Amount	Payments	
		Paid this Month	Paid to Date*
Supply Contracts			
Contract 1 - Turbine Generator Equipment	\$11,573,707	\$26,892	\$10,705,022
Contract 2 - Switchgear	\$647,672	\$0	\$584,488
Contract 2A/2B - SS/Raw Water Switchgear	\$300,000	\$0	\$208,547
Contract 3 - Gates and Hoist	\$780,185	\$0	\$703,376
Contract 4 - Penstock	\$836,315	\$0	\$795,778
Contract 5 - 69 kV Transformers	\$603,406	\$0	\$543,130
Contract 6 - Bridge Crane Equipment	\$270,518	\$0	\$245,246
Contract 7 - Steel Building	\$1,139,321	\$0	\$1,084,397
Contract 8, Debris Management**	\$2,258,714	\$0	\$1,412
Contract 9, General Construction	\$93,901,406	\$3,823,204	\$63,788,902
Temporary Filtration**	\$1,651,424	\$54,143	\$291,042
Diesel Fuel	\$1,260,000	\$0	\$0
Remaining Project Costs		\$0	\$0
License Amendment	\$1,400,000	\$6,021	\$1,236,346
Engineering	\$9,498,393	\$2,323	\$11,856,563
Construction Management	\$8,076,201	\$61,414	\$5,618,351
City Performed Work	\$1,495,000	\$111,675	\$1,959,384
Incentive Payment	\$1,600,000	\$0	\$0
Cost of Bond Issuance/Reserve Account	\$3,500,000	\$0	\$0
TOTALS	\$140,792,262		
ESTIMATED TOTAL PROJECT COST	\$145,250,333	\$4,085,672	\$99,621,984

*Paid to Date includes unpaid retainage

COST CHANGES THIS MONTH

- A work change directive has been issued to install a rock trap in the tunnel during the generation outage.
- A work change directive has been issued to replace culverts supplied by the USFS on the Blue Lake road

We do not expect these change items to impact the overall project schedule.

CONSTRUCTION SCHEDULE MILESTONES: PLANNED/ACTUAL

Construction Start	11-20-2012 / 12-03-2012	Sub. Comp. BLU #5	10-24-2014/
Drainage Tunnel Comp.	07-01-2013 / 05-05-2013	Sub. Comp. FVU	11-12-2014/
Tunnel ex. complete	08-19-2013 / 07-24-2013	Sub. Comp. BLU#4	11-22-2014/
Intake Structure complete	06-04-2014/	Substantial Completion	02-01-2015/

NOTES ON PROJECT SCHEDULE

- The most recent look-ahead schedule submitted by Barnard shows the following work to be performed in June:
 - Meet Contract Milestone No. 4 – Intake Structure complete, by June 4, 2014
 - Complete the powerhouse control room build out.
 - Complete the installation and energize Transformer no. 1 (T1) in the switchyard.
 - Continue turbine generator installation of Units 3, 4, and 5
 - Continue placing monolith blocks on dam
 - Begin placing spillway on dam
 - Begin scour wall construction in the dam plunge pool
 - Continue curtain grouting on the dam's rock abutments
- The CM team and Electric Department continue working on the City-performed work tasks to ensure these activities are completed on time.
- Project commissioning plans must be completed. This is a high priority and lags behind schedule.
- Barnard is erecting the support system for spillway forms.

OTHER ITEMS OF INTEREST

- The warmer than normal weather this winter has been good for construction and put more water in the reservoirs. We are managing the reservoirs to store additional water in Blue Lake for use following the generation outage. This additional water will decrease the amount of diesel generation required substantially. We will be making judgments on what appears to be a lack of snow pack.
- The progress on the dam work improved during May.
- The contractor has progressed well on the intake construction this month. This has set us up well for water management related to the generation outage.
- A FERC Board of Consultants (BOC) meeting is scheduled for June 25 and June 26.
- The CM team is developing a contraction joint grouting plan for review by Hatch and the BOC.
- An executive partnering session is scheduled for June 12.
- The Blue Lake Project was featured in an article in Energy & Infrastructure magazine and internationally in India Power Journal.

PROJECT RISK PROFILE

A discussion of the major risk areas follows below. As a general rule risks are measured as follows:

LOW: Probability of less than 10%, or mitigation cost less than \$1 million.

MODERATE: Probability of more than 30%, or mitigation cost up to \$5 million.

HIGH: Probability of more than 60%, or mitigation cost likely more than \$5 million.

The City's project team believes the following risk areas will dominate the potential for increases in overall Project cost. We also believe these areas pose the greatest risk for schedule delays.

Construction Schedule: In Barnard's most recent (May 23, 2014) schedule, the critical start of the 2014 Generation Outage is shown starting on August 24, 2014, zero days ahead of schedule. The powerhouse dry testing, and curtain grouting are the biggest areas of concern for meeting this date.

CURRENT RISK: MODERATE

Generation outage schedule: The commissioning plans must be prepared to properly execute the generation outage and the current schedule calls for only 17 days of wet commissioning. This is optimistic. The additional water we now have in the lakes may mitigate the impacts of this risk.

CURRENT RISK: MODERATE

Weather and Lake Levels: It is now essentially certain that the tunnel intake structure will be completed on schedule. We are now decreasing the flow through the Blue Lake powerhouse to fill Blue Lake and balance water levels between Blue Lake and Green Lake. There is ample water in both lakes. There is now zero need for added diesel generation in the early summer of 2014.

CURRENT RISK: VERY LOW

Temporary Water Filtration Plant: During the August through September 2014 outage of the Blue Lake tunnel, the City will get its drinking water from a temporary water supply. This temporary system is currently being installed at Indian River. This system must be in place and fully operational prior to the Generation Outage. Any delay in the filtration plant beyond August 23, 2014, will delay the Project. Barnard will be providing the filtration project as a change order to Contract 9. The filtration project is being managed by McMillen LLC and CH2M Hill has completed the final design. The City Water Department will operate the plant with assistance from CH2MHILL and the supplier.

CURRENT RISK: MODERATE [The current status of the filtration system design and planned construction is described in Appendix 1. If the filtration system is constructed as planned, we will be on track for the Expansion Project.]

Other: This is a broad combination of bad things that might happen such as: earthquakes; construction site accidents; floods; extreme winter weather; fire; labor unrest; etc. We expect that many of these risks would be covered by insurance at least in part.

CURRENT RISK: LOW

PROJECT PHOTO RECORD THIS MONTH

Photos are taken of each work area each month from a fixed location to document construction progress by work area. Relevant photos of the project for this month are provided on the following pages.



Figure 1. Dam and Left Abutment Area, Barnard began erecting the spillway form support structure for the dam spillway construction. Barnard showed good progress on the dam construction completing 6 block placements



Figure 2. Drainage Tunnel and Scour Wall, Crux Subsurface (Crux) began working night shift on the dam curtain grouting and completed 3 holes on the right abutment. There will be a total of at least 9 holes on the right abutment and 17 holes on the left abutment. No geological surprises have been discovered, however, the contractor has had difficulty with the drilling.



Figure 3. Intake Portal and Right Abutment, Barnard has tested the fit of the fixed wheel gate and will completed the intake structure June 4 as planned.



Figure 4. Gate House Location, Barnard, NAES, and Schmolk continue the inside build out of the gate house.



Figure 5. Dam Staging area, no change this month.



Figure 6. Lower Portal Area, Barnard placed CDF around the new penstock from the turbine inlet pipes up to the water treatment plant access road.



Figure 7. Powerhouse Site, NAES has completed the installation of conduit and cable tray in and outside the powerhouse. AMCL placed forms for the raw water intake.



Figure 8. Powerhouse Interior, NAES performed the following tasks related to the turbine generator installation: completed secondary concrete placement around draft tubes, completed alignment of all 3 turbine spiral cases, installed all inlet valves and welded all turbine inlet pipes to the penstocks, completed alignment of all generator sole plates, located all Turbine generator control panels in powerhouse, moved all stators and rotors to powerhouse, completed alignment of generator, bearings, exciter and runner in BL3, and modified BL5 bearing pedestals to correct error in the soleplate alignment. NAES also completed the installation of the low voltage and medium voltage switchgear in the powerhouse.

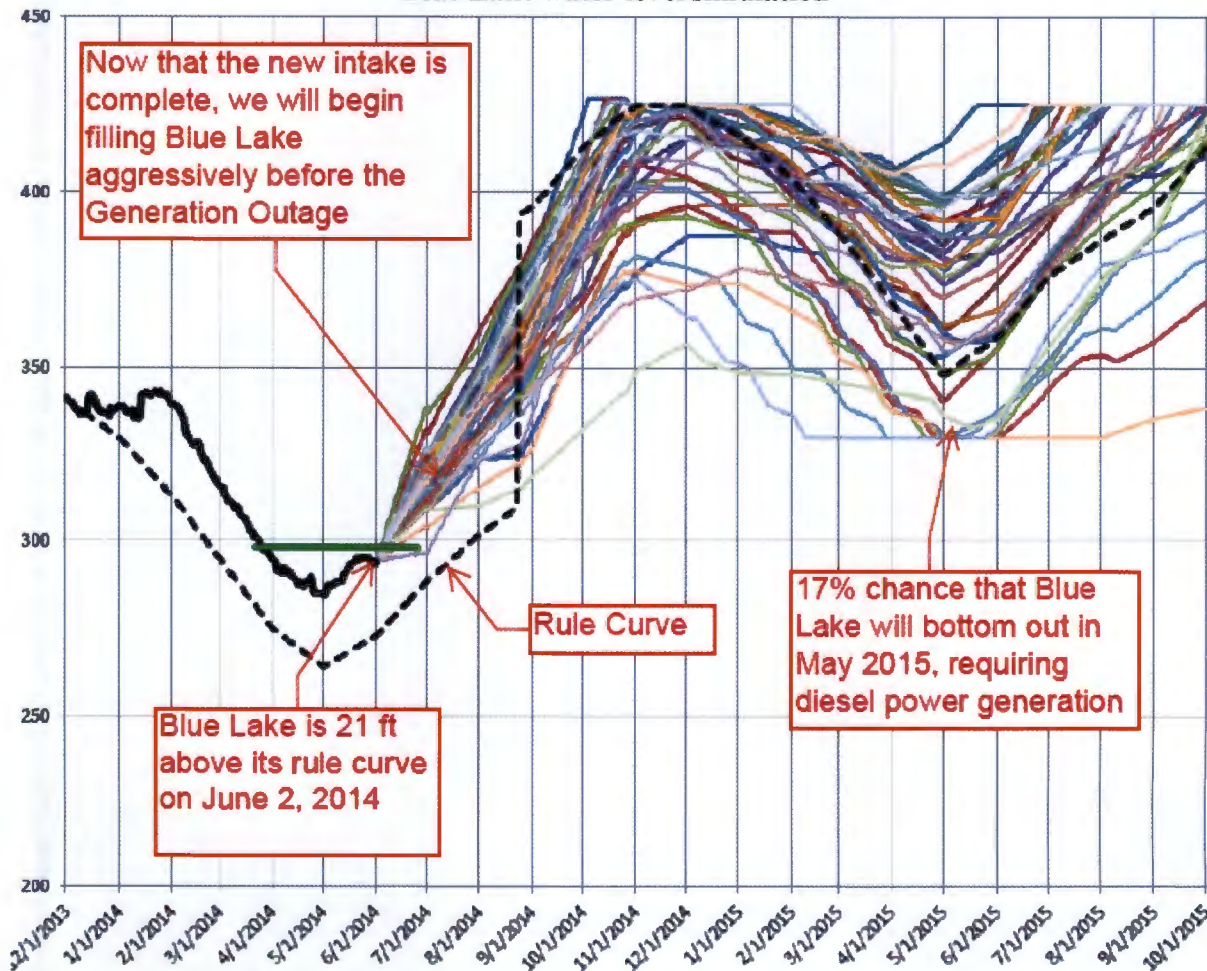
Lake Level Forecast

This June 2, 2014 forecast reflects the completion of the tunnel intake structure in early June and the shift to single-unit operation at Blue Lake to store water in Blue Lake.

Case 23. Start June 2, 2014. Multi-year simulation using 36 year hydrologic record. 117,000 MWH system load. Interruptible loads remain on. Blue Lake powerhouse cut back to one turbine starting June 2. In each of these 36 simulations, D4 diesel is run 10 hours each day during the Generation Outage at an average output of 3 MW.

NOTE: This simulation assumes 90% of average inflow, corresponding to about a 1 in 10 year dry inflow. This reflects the lack of snow pack observed in the Blue Lake and Green Lake basins.

Blue Lake water level simulation

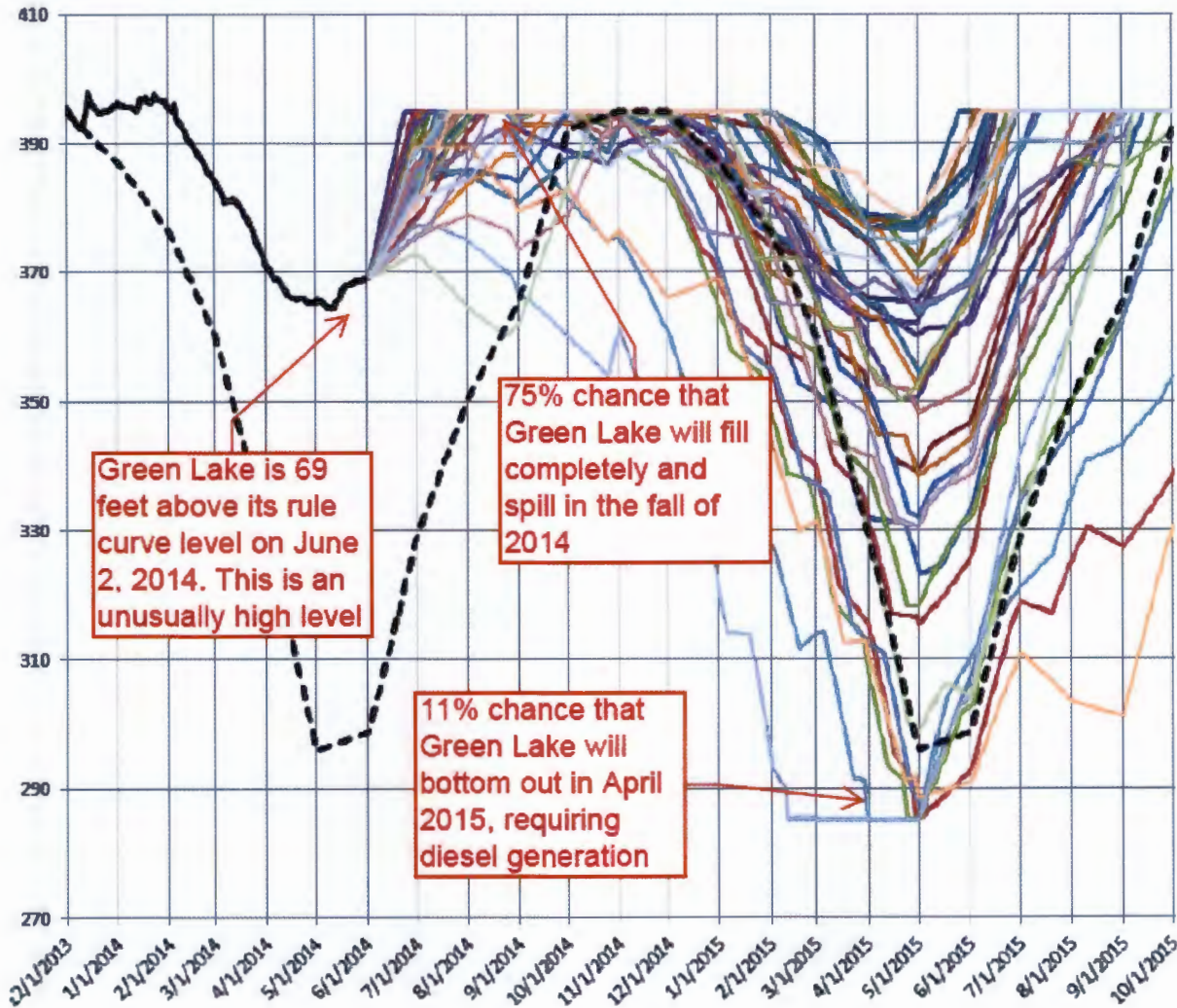


Total diesel generation predicted by this simulation:

Period	Dates	MWH of diesel	Cost at \$0.45 per kWh
Spring 2014	-	0	\$0
Generation Outage	Aug 26 – Oct 26, 2014	1,627 ⁽¹⁾	\$732,000
Spring 2015	Mar 30 – June 16, 2015	936 (ave)	\$421,000 (ave)

(1) Assumes approx 30 MWH per day for daily peaks, scheduled manually in model

Green Lake water level simulation



Note to Assembly

We are reaching an important risk milestone in early June. In May we were operating the Blue Lake Project to hold its lake level down so that the Contractor could finish the tunnel Intake Structure. This structure will be complete by its milestone date of June 4, 2014. We are now able to proceed with filling Blue Lake this fall in advance of the planned August 24 to October 26 Generation Outage.

Had a large storm occurred in late May, it could have interfered with construction of the Intake Structure. If that had happened it would have been a costly weather event for the City. That risk is now behind us.

Appendix 1 to Monthly Update for City Assembly

May 31, 2014

Summary of Temporary Filtration Project Status

Alternative Water Source Investigation Filtration (Blue Lake Project):

Barnard will be providing the Temporary Water Filtration Plant at Indian River as a Change Order to Contract 9.

- Barnard signed an agreement with Pall on the lease of the filter units.
- CH2MHill completed the final design and will be assisting with startup.
- McMillen will perform the construction management.
- The City will provide plant operation with possible assistance from the supplier.
- The piping and pumps are installed.
- Barnard is beginning the commissioning phase.

The Assembly approved additional funding for this work February 18. The total change order amount for Phase I & II is \$3,106,790.00. The majority of the submittals have been submitted and approved.

Permitting is ongoing with ADEC and DNR. Everything is on track currently for acquisition of all required permits prior to operation.

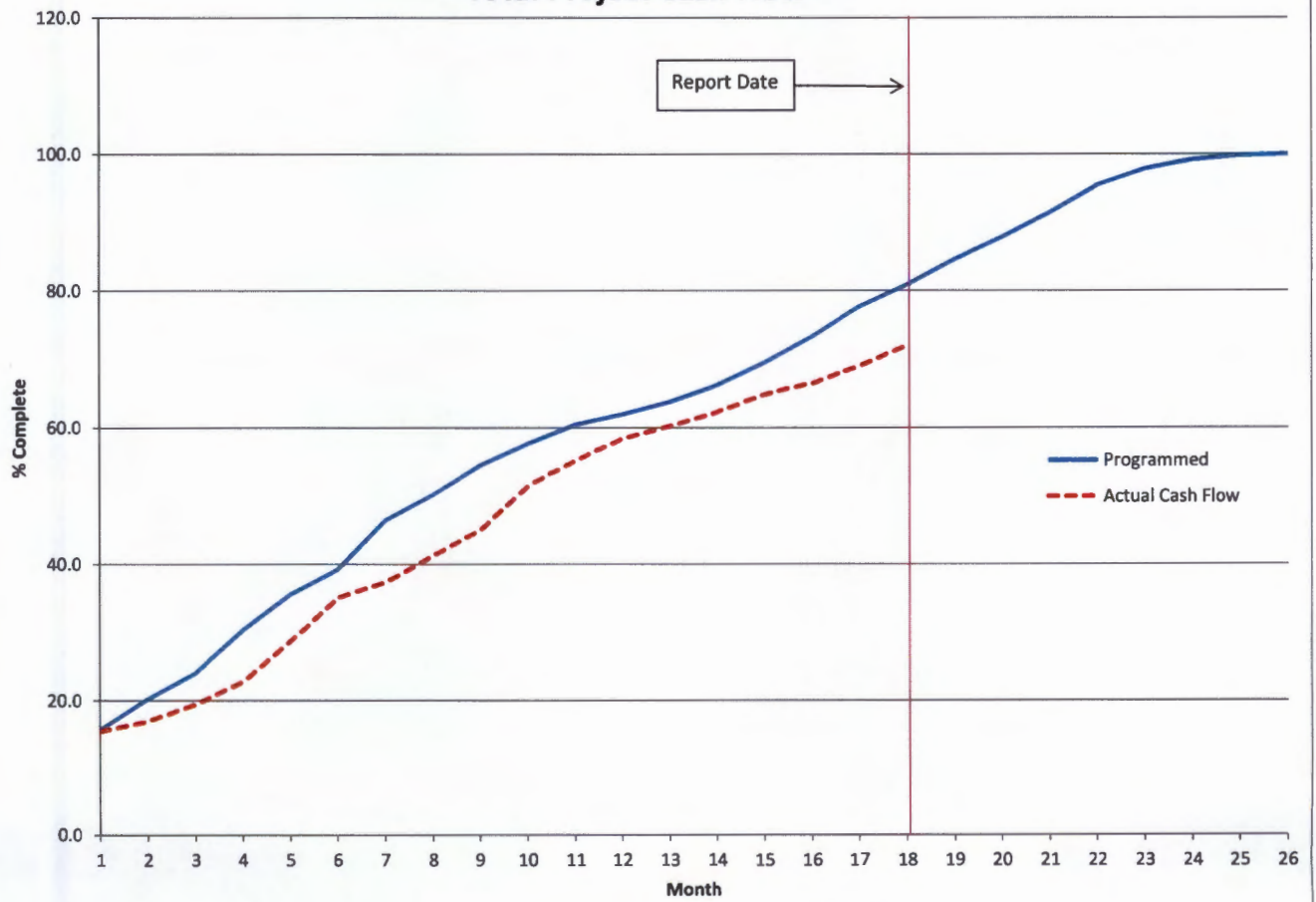
Summary of Titan 130 Diesel Turbine Project Status

- Assembly is complete of the Titan Turbine Generator.
- Fuel tanks are in place and will be complete by end of May.
- Substation work is complete except for one late arriving device, not critical.
- Substation control work is in progress.
- Titan training school by Solar is scheduled June 2-6.
- Titan commissioning complete by late June.
- All acceptance tests complete and Titan ready for service by July 15.



Figure 1. Titan 130 Diesel Turbine

Total Project Cash Flow



BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

1. Progress of work

Environmental Protection

Barnard continues to install erosion and sediment control measures as required at the dam site, storage yard at Sawmill Cove Industrial Park and powerhouse area as ground disturbing activities continue. BMP maintenance and repair is ongoing as needed throughout the project site.

Gate Chamber Concrete

Barnard completed the final concrete placements in the gate chamber in May. The gate guides, sill beam and lintel were also set, aligned and cast in second stage concrete. We have started installing the T-Rails and ladder up the gate shaft.

Gate House

NAES and Schmolk have continued installing the electrical and mechanical gear inside the structure and down the gate shaft.

Intake Structure

Barnard crews have completed all concrete placements for the intake structure, including second stage concrete around the gate guides, lintel beam and sill beam. We anticipate setting the Trashracks and bulkhead gate in early June ahead of June 4 milestone date.

Dam Raise

Barnard crews completed 6 major concrete placements on the dam, mostly focused on Monoliths 3 through 5. These monoliths are now at Elevation 395, except M4.

Crux Subsurface remobilized to the site in late April and has started curtain grouting on the right abutment of the dam. They have completed 3 of 11 holes on the right abutment.

Scour Wall

Barnard dewatered the plunge pool in early May and completed preparation for the installation of Micropiles in early June. Work completed includes a concrete rate slab at EL 155.

Powerhouse

ASRC McGraw completed the control room and offices areas drywall, painting and ceiling installation. ASRC has delivered the casework for the control room and will begin assembly in early June. ASRC completed both second stage concrete placements for Unit #3 and the draft tube encasement for Unit #4 .

Schmolk Mechanical continues installation of all powerhouse plumbing and has continued installation of the HVAC system.

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

NAES Power Contractors has continued installation of the electrical gear including the low voltage and medium voltage switchgear. NAES has also started pulling cables from the major equipment to the LV and MV gear.

NAES has also continued installation of the Turbine-Generator equipment on all three units. Work completed in May includes setting and alignment of Unit #3 generator equipment, alignment of Unit #4 draft tube and generator sole plates, and they have started setting and alignment of the Unit #5 generator.

ASRC has also started concrete work for the raw water pump station. They have completed the floor slab and wall placements.

Southeast Earthmovers completed a portion of the powerhouse backfill in mid-May and has prepared the subgrade for the station service transformers. NAES has the conduit and grounding installed for these transformers as well.

Penstock

Barnard crews completed installation of penstock through Segment 8 in May. This work includes all welding, inspection and coating work in addition to the CDF backfill. Anchor Block #3 was also completed in May. BCCI also completed the pipe work for the 24" penstock drain line into the dissipation chamber.

Switchyard

ASRC and NAES started work in the Blue Lake Switchyard in late April. Work completed to date includes demolition of the existing transformers for T1 installation. Conduit and grouting have been installed for the new transformer pad. ASRC is currently completing the concrete work for the T1 transformer foundation and containment.

Temporary Filtration Plant

Barnard continued installation of the piping, pumps, tanks and filtration trailers for the Indian River Temporary Filtration Plant. We anticipate completing installation of the plant in early June and initiating the startup and commissioning process.

2. Status of Construction

Status of Ongoing Major Construction Activities

- Powerhouse Excavation – 95% complete
- Powerhouse Steel Building – 98% Complete
- Powerhouse Roof – 98% complete
- Precast Wall Panels – 99% complete
- Dam Raise – 42 of 53 monolith blocks placed.
- Dam Spillway – 0 of 9 placements
- Dam Parapet Walls and Crest Slab – 0 of 15 placements
- Left Abutment Thrust Block and Cutoff Wall – 8 of 9 placements completed.
- Powerhouse Concrete – 3230 CY placed to date.
- Gate Chamber Concrete – 212 CY placed to date.

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

- Intake Structure Concrete – 251 cy placed to date.

See Section 1 above for construction work completed in May 2014.

3. Construction Issues

Unit #5 Generator Sole plates were misaligned in their initial set. NAES/Gilkes/HIEC have been working to complete a solution to this issue that involves plugging the existing anchor holes in the drive end bearing and stator frames.

4. Contract Status

Barnard's key subcontractors for the Blue Lake Project are as follows:

Name	Scope
ASRC McGraw Constructors, LLC	Powerhouse Construction
Southeast Earthmovers, Inc.	Excavation
Blue Lake Tunnelers	Underground Construction
Crux Subsurface	Foundation Grouting, Micropiles, PRW's
O'Neill Surveying and Engineering	Land Survey
Baranof Materials Test Lab	Quality Control
NAES Power Contractors	Turbine-Generator Installation/Electrical

Barnard's key material suppliers for the Blue Lake Project are as follows:

Name	Scope
ASRC McGraw Constructors, LLC	Concrete Supply
Gerdau Reinforcing Steel	Concrete Reinforcing Steel
Haskell Corporation	Misc. Metal Fabrication

5. Critical Events and Dates

Please see attached summary progress schedule updated May 31, 2014.

Critical Dates for the Blue Lake Project are as follows:

Milestone	Date	Required Status of Construction
1	07/01/2013	Drainage Tunnel Complete – Completed May 6, 2013
2	08/19/2013	Initial Intake Excavation Complete – Completed July 21, 2013
3	06/04/2014	Intake Structure Complete
4	08/24/2014	Ready for Generation Outage
5	61 days after start of Generation Outage	Substantial Completion of 1 st Blue Lake Turbine Generator
6	91 days after start of Generation Outage	Substantial Completion of 2 nd Blue Lake Turbine Generator
7	80 days after start of Generation Outage	Substantial Completion of Fish Valve Unit

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

6. Reservoir Filling

7. Foundations

Not applicable for this report.

8. Sources of Major Construction Material

The City and Borough of Sitka will be providing most of the major construction materials for this project. Please see list below.

Contract No.	Vendor	Scope of Supply
1	Gilbert Gilkes and Gordon, Ltd.	Turbines and Generators
2	Myers	12.47 kV Switchgear
3	Linita Design and Manufacturing	Bulkhead Gate, Fixed Wheel Gate and Hoist
4	T Bailey, Inc.	Penstock and Manifold
5	WEG Electric	69kV Transformers
6	Benchmark Industrial Services	Powerhouse Bridge Crane
7	CHG Building Systems	Powerhouse Building

Materials Received this Period:

Intake Structure trashracks were received in May.

Misc. Metals/Rebar - Barnard has been receiving misc. metals and rebar for various project features throughout the month of May.

9. Material Testing and Results

Concrete testing is ongoing for the dam raise, gate chamber and powerhouse concrete.

Compaction testing was completed for the gatehouse retaining wall.

No issues have been encountered to date.

10. Instrumentation

Not applicable for this report.

11. Photographs

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

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Figure 1: Powerhouse Progress.



Figure 2: Unit 3 Rotor Alignment

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

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Figure 3: CDF Backfill on Lower Penstock



Figure 4: Duct Bank and SST Foundation

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



Figure 5: T1 Transformer Foundation



Figure 6: Dam Raise and Spillway Shoring Deck

BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: MAY 31, 2014

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



Figure 7: Intake Structure

12. Erosion Control and Other Environmental Issues

Barnard is continuing to install the required environmental protection measures on the project site ahead of ground disturbing activities. Ongoing maintenance of dewatering system at powerhouse excavation site will be required to maintain water quality in Sawmill Creek.

13. Other Items of Interest



Legislation Details

File #: 14-143 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Public Works Monthly Report
Sponsors:
Indexes:
Code sections:
Attachments: [Public Works Monthly Report](#)

Date	Ver.	Action By	Action	Result
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PUBLIC WORKS ASSEMBLY UPDATE FOR WORK COMPLETED IN MAY

Centennial Hall Renovation:

Milestones This Period

- The Consultants updated the drawing set to reflect the decisions made with the 35% design and funding approvals. The base plans show the full build out of the Museum, Assembly Chambers, and Stage Wings. The sub-consultants were issued NTP by Architect with updated drawing set.
- The first round of Design Development Public Meetings with the consultants will take place June 3 & 4, 2014 at Harrigan Centennial Hall.
- The Landscape & Site Group and Visitor Experience/Facilities will meet on June 12, 2014 with Monique Anderson. The time still to be determined.
- The next round of design development meetings is scheduled July 15 & 16, 2014. Small focus group meetings will take place as needed through the Design Development phase of the project.

Future Milestones

- Construction Documents and 95% cost estimate due in late fall 2014.
- Project bidding winter 2014.
- Award construction contract winter 2014.
- Begin construction spring 2015.
- Complete construction summer/fall - before Alaska Day 2016.

Background

The 35% design estimated cost for this project is \$16.2 million for the full scope of the remodel project. The approved funding plan includes three State grants totaling \$8,230,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,175,000 FY 11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 pending heat pump grant, pending \$3,300,000 State CPET Grant, additional local funding if needed to be determined at a later date.

Centennial Hall & Crescent Harbor Parking Lot Development:

Milestones This Period

- Work on Change Order 6 for supplementary lighting has delayed by the delivery of the wrong light pole bases. The supplier took responsibility for the mistake and will deliver the correct poles in mid July.
- Change Order 7 for minor electrical and grading work is nearly complete.
- The Centennial Hall parking lot has been topsoiled and hydroseeded.

Future Milestones

- Remaining work includes the following: completion of Change Orders 6 & 7 tasks, completion of punch list tasks (consisting mainly of pavement "birdbath" repair), installing a guard rail near the lightering dock, and sealing the decorative pavers.
- Final contract completion date was extended to July 1, 2014, by Change Order 6. A change order will be needed to further extend the completion date to allow for the correct light poles to be erected, and to install the guardrail and seal the pavers.

Background

The project includes the complete reconstruction of the Centennial Hall Parking Lot and Crescent Harbor Parking lot. The improvements include storm drain, water, sewer, curb and gutter, paving, lighting, pedestrian plaza and landscaping. The project was accepted as substantially complete on September 30, 2013. S&S General Contractors was awarded the construction contract in the amount of \$2,613,651. The total project budget is \$3,950,000. There is an unencumbered balance of approximately \$200,000.

Edgecumbe Drive Street Reconstruction:

Milestones This Period

- The Assembly approved award to S&S on May 27, 2014. The contract was delivered to S&S for review and signature.

Future Milestones

- Issue notice to proceed on contract in early June
- Project kickoff meeting within 20 days of contract award.
- DOWL HKM, S&S's design consultant, is expected to complete geotechnical work and final design by December 2014.
- Public meeting to discuss progress of the design slated for August 2014.
- Construction to begin in April 2015. Substantial completion date is August 21, 2015. Final completion date is October 30, 2015.

Background

The project includes drainage, sidewalk, curb and gutter, road subgrade and pavement improvements on Edgecumbe Drive from Peterson Street to Cascade Creek Road. The total project budget is \$5.46 million.

Hollywood & New Archangel Design:

Milestones This Period

- Received and reviewed 65% design drawings.
- Discussed proposed easements at the corner of Sawmill Creek Road and Hollywood Way with affected parties. Both are amenable to granting small easements to accommodate project features.

Future Milestones

- 95% design drawings and cost estimate due June 2014.
- Construction drawings and final cost estimate due July 25, 2014.

Background

The project includes design for water, sewer, storm drain, pavement, curb and gutter and sidewalk improvements on Hollywood Way and New Archangel Street from Halibut Point Road to Marine Street. Funding for design is available from ADEC Loans (Hollywood Water \$250,000, Hollywood & New Archangel Sewer \$500,000), General Fund budget for streets (\$5,000), and Enterprise Funds (Hollywood Water \$25,000, Hollywood Sewer \$25,000, New Archangel Sewer \$25,000). Project will require an additional \$55,000 contribution from the general fund to address Hollywood Way road rebuilding and drainage.

O’Cain Water Main replacement:

Milestones This Period

- Received draft as-built and topographical survey of O’Cain Street right-of-way. Only the water main under the western leg of the O’Cain loop will be replaced.

Future Milestones

- Complete design for replacement of water main and services on this stretch of O’Cain Street in June 2014.
- Complete construction by end of September 2014.

Background

The water main was installed in 1968 and is in need of replacement. Some water services provide service to multiple residences; this project will provide a dedicated service to each residence. The \$100,000 project will be funded from the Drinking Water Enterprise Fund.

Airport Baggage and TSA Area design:

Milestones This Period

- Participated in teleconference with the Transportation Security Administration (TSA). They committed to search for available funding to correct inefficient baggage belt layout in TSA room. The belt was designed and constructed by TSA.

Future Milestones

- Await information of funding availability from TSA. Conceptual project received lukewarm support from airport users, largely due to proposed funding strategy (passenger facility charges (PFCs)). We will not proceed with future work until the availability of TSA funding is known.

Background

The project includes design for expansion of the baggage makeup and TSA baggage screening areas. Funding collected from a previous PFC program amount to \$275,000 for the design project.

Lake Street / Monastery Street Lift Station Improvements:

Milestones This Period

- Received as-built survey from survey consultant.

Future Milestones

- Develop Design Build bid package for bids in June 2014
- Will pursue replacement/repair of these lift stations by September 2014.

Background

The Lake Street and Monastery Street lift stations require an inordinate amount of maintenance and repair by the Wastewater staff and are in need of immediate replacement or repair. Pumps are outdated and difficult to find replacement parts for, and access to the Lake Street lift station is dangerous due to the location of the ladder rungs. Current available funding is from the Wastewater Enterprise Fund (\$350,000 for Lake Street and \$30,000 for Monastery Street). ADEC has made a loan commitment for repair/replacement of Channel, Lake Street and Monastery Street lift stations for \$1,379,170, which will be available in July 2014.

Blatchley Middle School:

Milestones This Period

- The door correction change order work is underway and should be complete by the end of summer 2014.
- The one-year warranty is in effect and the contractors are addressing issues as required.

Future Milestones

- Sitka School District is working on prioritizing the list of uncompleted major maintenance items that may be completed with the remaining project funding.

Background

The project's (combined Fund 704 now closed out, and Fund 706) funding including the Assembly approved accumulated interest is \$12,863,000 for major maintenance and is nearly complete. There remain encumbered funds for the remodel project and remaining funds for additional major maintenance needed at the school.

Ultra Violet (UV) Disinfection Facility:

Milestones This Period

- The 100% design review has been completed.
- The conditional approval to construct was received in April 2014

Future Milestones

- The project is planned to be bid for construction in the first week of June 2014.
- The project award for construction is planned for July 2014.
- Project construction could start in August 2014 depending on contractor schedule.
- The project construction is planned to be complete March 2015.
- ADEC approval to operate is planned to be received May 2015.

Background

The Blue Lake drinking water system is a surface water system, which must comply with the EPA Enhanced Surface Water Treatment Rules (ESWTRs). The UV Disinfection Facility will provide the additional microbial and disinfection controls required under the ESWTRs. The current project cost estimate is \$8,966,000. Funding for this project is provided by State of Alaska Department of Environmental Conservation (ADEC) loans and grants:

- \$4,000,000 FY 2011 ADEC Loan. Includes \$2,500,000 financed with \$1,500,000 subsidized.
 - \$2,550,000 FY 2012 ADEC Loan
 - \$3,500,000 FY 2012 ADEC Grant (30% local match requirement).
 - \$2,061,000 FY 2013 ADEC Grant (30% local match requirement).
- \$12,111,000 Total Project Funding.

The grants and loans indicated as pending are grants and loans listed on the Alaska Drinking Water Fund intended use plans, for which CBS has submitted appropriate paperwork to have the grant or loan finalized.

Library Development Design:

Milestones This Period

- The 95% design has been reviewed by City staff. An updated cost estimate is pending. Bid alternates have been refined and total an additional \$352,000 should additional

funding become available or construction bids come in lower than the estimate. Contingency for construction remains intact.

- The City has revised its application to the Rasmuson Foundation for this project. The amount of the grant request was changed to \$313,267. The approximate timeline for the award notification, if selected, is July 2014.
- The City has begun preparing for the use of the Stratton Library as a temporary library facility during construction. This space provides an opportunity to continue many of the current library programs and services. The State is committed to supporting the Kettleon project by making this facility available for the costs of utilities and maintenance required during the temporary occupancy. An MOA was signed in April.

Future Milestones

- Design completion June 13, 2014.
- Advertisement for bids July 2014.
- Construction begins August 2014.
- Construction Complete August 2015.

Background

The design phase is expected to take 12 months at a minimum with the earliest advertisement for construction planned for late summer/fall 2014. The project construction may be completed in 2015, depending on the phasing plan that is developed. The State funding of \$5.7 million awarded to CBS is a direct appropriation with no funding match requirements. A private donation of \$400,000 has also been given to the project by the John J. and Eleanor Brust Family and the City has committed \$250,000 in CPET funding. \$350,000 of the budget was allocated to the Centennial Hall Parking Lot Project to relocate the Swan Lake storm drain, leaving a current project budget of \$6.0 million for the expansion and renovation of the Library.

Alternative Water Source Filtration (Blue Lake Project):

Milestones This Period

- CBS, CH2MHill and the State of Alaska Department of Conservation Drinking Water team (DECDW) are working closely together to obtain final approval to construct.
- CH2MHill had been reviewing and approving material and equipment submittals from Barnard Construction.
- Chlorine disinfection contact tanks have been tested for tank coating VOC and none was found. This information was submitted to DECDW for review and approval.
- Onsite piping for the project is ongoing.
- Pall filtration units have been delivered to the site.
- DEC Loan for the project is been finalized.
- Met with DNR for additional water take from Indian River for project duration.

Future Milestones

- Barnard Construction's activities are ongoing
- Pall personnel are planned to be on site to assist in filtration startup second week of June 2014.
- CH2MHill personnel are planned to be on site for startup the week of June 16, 2014
- CBS personnel are scheduled to grade the existing pond, clean out the intake pipes and place the temporary diversion wall when required to bring the system online in July 2014.
- The system is planned to be operational in July 2014.

Background

The proposed schedule has the design completed in October 2013, Alaska Department of Environmental Conservation permitting completed in March of 2014, construction of the piping and pumping completed in April 2014 and final installation of the filter units in June 2014 for operation in July 2014. The preliminary design cost estimate has a projected design and construction cost of \$3,000,000. Due to the lack of well potential in the Indian River Valley, temporary surface water filtration will need to be utilized during the Blue Lake Project outage. Award of the design contract to CH2MHILL was approved by Assembly on February 12, 2013. A temporary filtration system has been designed to treat Indian River water to serve the public during the Blue Lake penstock outage in 2014. We continue working closely with CH2MHill, the designer, reviewing details for the temporary filtration system and answering specific questions about the site and old facilities.

ANB Harbor Replacement (Project # 90674):

Milestones This Period

- Bedrock was encountered consistently deeper than anticipated during pile installation across the harbor. Post-installation structural analysis of the float system indicates that eight piles will exceed deflection criteria under worst case design loading. Excessive pile deflection could cause damage to the float system if remedial action is not taken thereby potentially voiding the warranty on the floats. A change order for a dewatering test program to determine which methodology of concrete infilling the piles would be required has been completed.
- Puffin Electric has begun to install GFI breakers at each pedestal in the harbor in accordance with NEC requirements.
- ANB Harbor sign is now under fabrication.
- Transpac Marinas completed installation of supplemental floatation billets to trim the floats. Another trip to Sitka is anticipated to complete this work.

Future Milestones

- Complete concrete infilling of 8 piles which are shown to exceed deflection criteria under worst case design loading.
- Complete installation of GFI breakers.
- Complete asphalt repairs in the ANB Harbor parking lot and Katlian Street
- Close out grant agreement with the State of Alaska.

Background

CBS received a FY13 State of Alaska Municipal Harbor Facility Matching Grant, for the ANB Harbor Replacement Project, which will cover 50% of eligible construction costs not to exceed \$4,250,000 in match funding. CBS has received bond proceeds from the Alaska Municipal Bond Bank in the amount of \$4,300,000 for this project. On January 10, 2013, the Assembly awarded a Professional Services Contract to Moffatt & Nichol for the ANB Harbor Replacement Project. On June 25, 2013, the Assembly approved award of the Procurement Contract to Transpac Marinas, Inc. for \$2,698,870. On October 22, 2013, the Assembly approved award of the Installation Contract to Pacific Pile & Marine L.P. for \$3,639,319. The total project cost is currently estimated at \$7,500,000.

Swan Lake Restoration / Dredging Project (Project # 90747):

Milestones This Period

- The floats for the dredging have arrived in Sitka.

Future Milestones

- The contractor is planning to begin dredging in June and complete all work in 2014.
- Purchase of a refurbished aquatic weed harvester was included in the grant funding. These floating machines cut and remove the vegetation to improve recreational opportunities and water flow through the lake. The search for a suitable harvester is ongoing with several suppliers.

Background

The Assembly approved award of a construction contract to Island Enterprises, Inc. in the amount of \$399,806 for the Swan Lake Restoration – Lake Dredging project on April 23, 2013. The project includes dredging prioritized selected locations to improve water flow through the lake, winter habitat for fish, access and recreation in general. The City and Borough of Sitka received \$771,236 in Federal funds through the Coastal Impact Assistance Program (CIAP) for this restoration project on Swan Lake. The grant is administered through the Wildlife and Sport Fish Restoration Program, CIAP Branch and runs through December 2015.

Baranof Warm Springs Dock Replacement (Project # 90741):

Milestones This Period

- A preferred site plan was developed by the State of Alaska based on feedback from CBS staff and users of the BWS dock.
- Dan Tadic Senior Engineer traveled to Baranof Warm Springs with the State of Alaska Department of Transportation Engineer to perform a site visit and confirm preliminary design layout.
- The State designers are continuing work on design of the float system with feedback from CBS Harbor Dept. and PW staff.

Future Milestones

- Provide timely review/comment for State of Alaska as needed to keep project moving forward.
- Design development during summer/fall 2014.
- Construction is anticipated in fall 2015.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the dock once it is reconstructed. The Assembly approved the Administrator to execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF will be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant.

Seaplane Base (Project # 80242):

Milestones This Period

- Contacted the Coast Guard Engineer in Juneau concerning the project. The Coast Guard was interested in working with CBS in locating the Seaplane Base using access from Coast Guard property. CBS prepared 2 project layouts to be sent to the Coast Guard for further discussion on access.
- FAA recently informed Public Works (PW) that entitlements of \$450,000 are available for the project currently. There may also be a possibility of getting additional funds to complete design and environmental process - perhaps up to \$700,000. In order to secure any additional funds above our entitlements, PW would need to prepare a high level scope and schedule as well as provide confirmation that the site identified in the planning study has been selected as the site for development. It should be cautioned; however that FAA also stated that the entitlements of \$450,000 may not be protected should CBS choose not to move forward with the project this year.

Future Milestones

- Face to face meetings with upland property owners to discuss potential for them to provide tidelands access for new Seaplane facility.
- Continue discussions with the Coast Guard on access through their property.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed to include a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and concluded that the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings along Seward Avenue was the preferred alternative. In February 2009, the CBS Assembly unanimously approved Resolution 2009-35 "Supporting the Development of the City and Borough of Sitka Seaplane Base." This resolution approved staff applying for and executing an Federal Aviation Administration Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered another new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Due to a high workload within Public Works (PW) and limited staffing, the project has not been advanced since the completion of the Siting Analysis.

Airport Water Main Repairs – US Coast Guard Housing Project (Project # 90731):

Milestones This Period

- Obtained State Fire Marshall and Federal Aviation Administration project approval. Alaska Department of Environmental Conservation approval pending. All these permits are required to obtain Airport Permits.
- Obtained Alaska Department of Transportation Utility permit for the work.
- Signed contract with contractor for the work.

Future Milestones

- Construction is anticipated in July/August 2014.

Background

The existing 8-inch cast iron (CI) water main which serviced the Sitka Rocky Gutierrez Airport and associated outbuildings experienced a break in 2012. As part of the repair effort, a section of the pipe was removed and an old valve was opened to provide water to the airport from an old 10-inch asbestos cement (AC) water main which also services the US Coast Guard housing on Lifesaver Drive. The 10-inch AC pipe is fed from a 16" ductile iron (DI) water main in Airport Road. The US Coast Guard contracted with ANC Research & Development, LLC to upgrade the water system within Lifesaver Drive. As part of this work, they will be replacing the 10-inch AC water main with High Density Polyethylene (HDPE) pipe within Lifesaver Drive from the 16" DI water main in Airport Road. With a Contractor already contracted to complete work for the US Coast Guard in the immediate vicinity, it was advantageous to contract with them to complete repairs for the City and Borough as well to avoid additional mobilization fees. On August 13, 2013, the Assembly approved award of a Construction Contract to ANC Research & Development, LLC in the amount of \$56,425 to install a new section of 8-inch water main to service the airport and remove the vintage 10-inch AC pipe from service. Funding for this project is provided from a FY 2013 Water Fund Capital Budget Item: Repair, Airport Water Main near USCG Housing for \$75,000.

Federal Land Access Program (FLAP) Grant:

Milestones This Period

- Working with Corps of Engineers to get nationwide permit for installing two culverts on the Cross trail in phases 4&5.
- Construction has begun on the section from the High School to the Gavan Trail Intersection.

Future Milestones

- Compensatory Mitigation negotiated with a restrictive covenant (conservation easement) on a tract of City land located near the cross trail project – Still working towards resolution
- Materials are ordered for the construction phases.
- Continue construction of the Cross trail that is not impacted by the Corps Permit for culverts.
- The completion date is estimated around May 2015.

Background

The City and Borough of Sitka has been awarded a \$916,897 MAP-21 Federal Lands Access Program (FLAP) Grant for Phase 5 Cross Trail multimodal pathway (Cross TMP), Baranof Street and Yaw Drive connectors, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2013 - 03 in February 2013.

Phase 4 of the project, a \$926,000 STIP Grant for a multimodal pathway reconstruction and re-routing from Yaw Drive to the CBS property was funded by the Department of Transportation in the 2009 STIP. DOT planners, with the concurrence of Western Federal Lands (WFL) and CBS, initiated action to combine the two projects as a single \$1.8 M grant and have the project managed by Western Federal Lands for greater efficiency and cost savings.

Solid Waste Management Plan:

Milestones This Period

- The Consultant Team has been collecting current data for an existing conditions analysis.
- A SWAC committee meeting was held on May 28, 2014 at Centennial Hall with a good direction of a narrow scope focused on diversion and curbside recycling.
- Approximately 500 surveys have been received on the Solid Waste Management Plan survey.

Future Milestones

- Updated Solid Waste Division under the public works section of the CBS website. This will include all of the current information from the SWAC Group meeting to include the minutes, presentation, and a copy of the scope of work.
- Proposed Project Schedule:
 - June – July; Alternatives Evaluation.
 - July; SWAC Meeting to present Alternatives evaluation findings.
 - August – September; Plan drafting and presentation.
 - August; SWAC meeting to present plan.

Background

The City and Borough of Sitka (CBS) currently does not have a Solid Waste Management Plan to address the current or future needs of the Solid Waste Fund and general operations. As we approach the end of the current collection and off-island disposal contracts in 2015, we believe it is in the best interest of the CBS to be better prepared with a plan that details the goals and direction of our solid waste management backed with data and a financial plan.

At the June 6, 2013 Assembly Meeting, the Assembly approved advertising for a Request of Qualifications and select a consultant to assist Public Works in developing a Solid Waste Management Plan.

The funding for a Solid Waste Management Plan will come from the working capital of the Solid Waste Fund which is approximately \$1.3 M. The Solid Waste Management Plan is a time and materials, not to exceed \$250,000 contract. The total amount is dependent on the complexity of future goals and the amount of public process exploring options.

Sawmill Cove Industrial Park Dock (Project #90748):

Milestones This Period

- The firm of Moffatt & Nichol (M&N) has been awarded a contract to provide the design for the SCIP Dock Project. Their main task during the month of May has been to utilize existing data plus public and private interviews to prepare a Basis of Design document (BOD). This document is a compilation of the design criteria that, along with available finances, will govern/guide the scope of the project thru the Alternatives Analysis and on into detailed design. The BOD includes the size and shape goals for the structure, the desired water depths, the bearing capacity – both vertical loads on the structure and the more horizontal loads induced by the mooring / berthing of ships and boats. This is considered to be a “living document” that will be updated and expanded as the design process moves forward.
- The Project Engineer for the geotechnical sub-consultant visited the site in mid-May to plan the subsurface investigation of the site’s soils and rock. In concert with the City of Sitka’s Project Manager, proposed locations for exploration borings were determined.

Each of the major rock stockpiles at the SCIP was evaluated to determine the suitability of the rock for use as embankment, riprap, etc.

- A surveying party from DOWL/HKM was on site (at SCIP) on May 22 & 23, 2014. The two-man crew concentrated on offshore work – getting “several thousand points” to develop bathymetric topography in the area of the proposed Dock. They also gathered topographic info for the uplands adjacent to the dock area, and “as-built” information for existing utilities such as water, sewer and storm drains.

Future Milestones

- Subsurface geotechnical investigations will be conducted on site during the month of June, consisting primarily of drilled boreholes from which soil and rock samples will be extracted and evaluated. Current plans call for two borings on shore and three borings offshore, with up to two more offshore borings added if conditions warrant – i.e. if the first three borings are showing significant inconsistencies, such as widely varying depth to bedrock. Representative samples of soil and rock from the borings will be shipped to Shannon & Wilson’s laboratory for testing.
- When the geotechnical data has been collected and evaluated, the Moffatt & Nichol engineers will utilize that data along with the surveying data and the Basis of Design document to prepare an Alternatives Analysis Report, which will be presented to CBS near the end of June. This document will give the engineers’ opinion of the three or more design types being considered – i.e., (1) concrete deck on piles, (2) anchored sheetpile bulkhead, and (3) cellular (sheetpile) cofferdam. The Consultant will recommend the best structure type for the site conditions, and for the available funding.

Background

The project is funded by a Designated Legislative Grant, administered by the State of Alaska, Department of Commerce, Community & Economic Development, Division of Community & Regional Affairs. The total amount of the Grant is \$7.5 M. On the local level, the project is administered by Public Works and the Sawmill Cove Industrial Park Director (Mr. Garry White).



Legislation Details

File #: 14-145 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Alaska National Insurance
Sponsors:
Indexes:
Code sections:
Attachments: [AK Natl Insurance](#)

Date	Ver.	Action By	Action	Result
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Anchorage
Boise
San Francisco
Seattle

SERVICE LEADER IN COMMERCIAL INSURANCE

June 4, 2014

John P. Sweeney, III
Chief Financial and Administrative Officer
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Dear Mr. Sweeney:

Thank you for your letter dated March 26, 2014. Although the lack of guard rails on the breakwater structure will not impact your current coverage, we feel that the installation of guard rails is the best practice to prevent fall accidents from the walkway and to discourage the public from venturing off of the breakwater structure.

We welcome a meeting with representatives from The City and Borough of Sitka to discuss this further. We would like to include representatives from our loss control and underwriting departments and suggest that Mike Venneberg coordinate and participate in the meeting.

We appreciate our long standing relationship and look forward to working with all involved to get this resolved in everyone's best interest.

Sincerely,

Kevin Korynta

Kevin S. Korynta
Senior Underwriter
Alaska National Insurance Company

Cc: Venneberg Insurance
Steve Johnson / Senior Loss Control Consultant



Legislation Details

File #: 14-144 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/5/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Bear Task Force Update <10 minutes
Sponsors:
Indexes:
Code sections:
Attachments: [Bear Task Force](#)

Date	Ver.	Action By	Action	Result
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This is an update of the Bear Task Force activity.

The Bear Task Force has existed for several years and has taken on several major projects all with the goal of increasing safety for citizens and for the bears as well.



The Bear Task Force includes people from key stakeholder groups including Phil Mooney from the Alaska Dept of Fish and Game, and Andrew Thoms from the Sitka Conservation Society to name a couple of the key groups and individuals.

Besides proposing the Bear Attraction Nuisance ordinance the group has been busy with other projects including pilot projects involving bear resistant garbage containers, educational programs, and more.

- The task force recently completed a new program called “Clean the Scene”. The task force organized and mobilized a number of volunteer groups including the Boy Scouts, the Girls Scouts, the Civil Air Patrol and the Law Enforcement Cadet Corp to name a few. The mission of this project was to identify and clean up bear trash cache sites. From the April 22 update we have since completed work on bear cache sites from Pherson Street + Gavan Trailhead back towards Kimsham (190 lbs), Indian River trail to Gavan trailhead (92 lbs), and Price Street + Wolfe Drive + Sisters Lane (612 lbs) for a grand total of 3,264 lbs.
- The past couple years have been a group effort, including the enforcement portion of the issue. When the Police get a bear related call that involves garbage we developed a procedure to document (photographs) the garbage, contact the owner if known, and forward the information to Phil Mooney at Fish and Game who makes a follow up contact. This procedure has worked well to document and educate the public.

The Task Force strategic plan is pasted below, as additional information about the bear issue and the Bear Task Force's efforts. Many of the goals in the plan have been achieved, while others remain either as uncompleted or ongoing.

Bear Task Force Strategic Plan Draft

The three items below are essential to living with bears in Sitka in a way that people or bears do not get hurt or are in danger.

1. Education

- a. Continue school education programs with ADFG, School District, SCS, etc. utilizing ADFG's curriculum
- b. Continue with PSAs on the radio and in the paper in the spring and throughout the year
- c. Continue Bear Aware door-to-door canvassing
- d. Fortress of the Bear continues with education activities (Fortress, Les and Evy)
- e. Provide bear safety materials at the City Billing desk that are given to every customer that opens a trash-pick up account (Public Works, ADFG)
- f. Develop stickers for trash cans that educate on keeping smelly trash out until day of pickup (SCS and ADFG)

2. Prevention

- a. Develop a range of options for trash management that moves towards bear resistant containers and calculate costs spectrums for various options(Public Works, ADFG, ALPs, other)
 - i. Cans with latches
 - ii. Cans that self-latch
 - iii. Different types of cans in different neighborhoods based on bear activity
- b. Map out most "bear-risk" neighbor hoods (ADFG, Sitka PD)
- c. Investigate options of zoning to include bear-secure garbage storage (BIHA, City of Sitka, ?)
- d. House numbers on Trash Cans (ALPs, Public Works)

3. Enforcement

- a. Draft a letter of recommendations for changing the bear ordinance to the City Attorney (ADFG, Police Department, Troopers--- Police Chief will draft letter)
 - i. Get rid of "first warning"
 - ii. Change the amount of trash to "any amount," or something that uncontestable
 - iii. Options for households with no place to store trash?
 - iv. Other items as per recommendation of State Wildlife Troopers?
- b. House numbers on trash cans (ALPS, Public Works)

end



Legislation Details

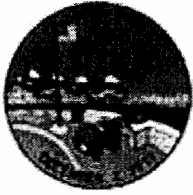
File #: 14-130 Version: 1 Name:
Type: Minutes Status: AGENDA READY
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Approve the minutes of the May 27 and 29 Assembly meetings
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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If this is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
May 27 & 29 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, May 27, 2014

6:00 PM

Assembly Chambers

Worksession: 5:00PM to 5:50PM

14-119 Bus Tour of Edgecumbe Drive Reconstruction Project

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

IV. CORRESPONDENCE/AGENDA CHANGES

14-128 Reminders and Correspondence

V. CEREMONIAL MATTERS

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)

VII. PERSONS TO BE HEARD

Hugh Hallgren, retired CEO of Sitka Community Hospital and Long Term Care Unit, thanked the Assembly for their service to the community and the professional attitudes he shared while working with them, their predecessors and the administration. Reif and others thanked him for his efforts in turning the hospital around.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Attended two cruise ship inaugurations for the Norwegian Pearl and Disney Wonder; met with Lesil McGuire who is running for Lt. Governor; attended Sitka Convention and Visitor's Bureau membership meeting; helped hand out diplomas at Sitka High School Graduation; attended Mr. Wayne's High School Government Class where they were given an objective to reduce the budget by \$500,000. Tonight she was invited to the Eagles Nest for a Wrangler Patriot Tour.

Administrator - He attended the Sawmill Cove Industrial Park Board meeting and heard encouraging news about interested parties in occupying most of the real estate out there. Received a check from the Redination for \$15,000. Trying a pilot project over the next few weeks where the city will establish two sets of kayak racks in the harbors and rent them out. Gorman announced June 3rd Raven Radio would host a Town Hall call in show talking about the condition of our roads and needs to repair them. He had a visit from a resident that was concerned about leash law avoidance and wanted to remind Sitkans there are leash laws in Sitka.

Attorney - Traveled to Anchorage for the International Attorneys Conference. One of the topics was "Design Build" contracts; when the new templates come out we will be able to share them.

Liaisons - Hackett attended the SCIP meeting; Health Needs and Social Services; Port and Harbors where float homes dominated the meeting; Hospital Board issued a contract to help search for a new CEO. Seven applicants are to travel to Sitka in mid-June. They are also working hard on the electronic records system. Hackett also attended the Tree & Landscape meeting where they are working hard on a new ordinance. She thanked the Pioneers of Alaska, Penny Brown and Julie White for the work they did planting at the Roundabout.

Miyasato and Swanson attended Mr. Wayne's SHS government class and congratulated the Sitka High Graduates.

IX. CONSENT AGENDA

Hunter moved to approve the Consent Agenda consisting of Items A, B, E & H. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- | | | |
|----------|------------------|--|
| A | 14-120 | Approve the minutes of the May 13, 2014 Assembly meeting |
| | | This item was APPROVED on the CONSENT AGENDA . |
| B | 14-121 | Appoint Dan Littlefield to a three year term on the Building Department Appeals Board |
| | | This item was APPROVED on the CONSENT AGENDA . |
| C | RES 14-07 | Authorizing municipal matching grant applications to the Alaska Department of Environmental Conservation for Hollywood Way water |

and sewer/ New Archangel Street sewer improvements, Monastery Street and Baranof Street water and sewer improvements - Sawmill Creek Road to Degroff Street, and Jeff Davis Street water and sewer improvements

A motion was made by Hunter to approve Resolution 14-07 on first and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- D RES 14-09** Setting the millage rates for the fiscal year July 1, 2014 through June 30, 2015
- Reif pointed out that the millage rate had not been increased in over thirty years. Hackett pointed out that four of those six mills were dedicated to the schools.
- A motion was made by Hunter to APPROVE Resolution 14-09 on first and final reading. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato
- E 14-126** Award a janitorial contract to Malo's Janitorial for a three year contract at Sitka Rocky Gutierrez Airport for \$70,872 per year
- This item was APPROVED on the CONSENT AGENDA.**
- F 14-122** Authorize the Municipal Administrator to hire a Tax Accountant at Grade 29 Step L and approve a moving allowance of \$5,000
- Hackett pulled the item out of curiosity, expressing concerns of hiring someone from Delaware, not knowing how they would adapt to life in Sitka. Jay Sweeney, Chief Finance and Administrative Officer, offered this individual was the most qualified and had the prerequisites and educational experience. Sweeney noted an effort was made to hire locally even so far as asking a local candidate to reconsider.
- Esquiro inquired if the city had considered contracting this function out. Sweeney, responded "Yes" he had had conversations with the Administrator. Sweeney stated the Finance Department would like to see someone find efficiencies and innovations and that the position become multi-functional. Reif liked the approach.
- A motion was made by Hunter to approve the hire. The motion PASSED on the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato
- G 14-125** Approve the Health Needs and Human Services Commission proposed goals for 2014-2015
- Commission Chair Willow Moore reviewed the top three goals. 1) Compile baseline Community services Assessment: Review of Available Community Services/Health and Human Service Organizations. 2) Enlist partners to complete a thorough and professional community assessment (e.g.) Community Indicators) to document community needs. 3) Reinstate coalition (using a model like Advancing our Community). "Advancing our Community: will then organize Biannual or Quarterly meetings with the purpose of bringing diverse organizations/populations together to increase communication, collaboration, efficiency among those businesses and organizations operating in the health and human service sector. The coalition will also serve to decrease duplication of services.

A motion was made by Hackett to approve the Health Needs and Human Services Commission proposed goals for 2014-2015. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- H 14-127 Adopt the Finance Director's interpretation of SGC 4.09.270 eliminating the requirement for persons engaged in long-term residential rental business activity to file sales tax returns

This item was APPROVED on the CONSENT AGENDA.

X. UNFINISHED BUSINESS:

- I ORD 14-13A Amending SGC Chapter 4.12 entitled "Property Tax" to add SGC 4.12.045 entitled "Exemptions - Disaster Damage" to Allow Reassessment of Property Damaged by Disaster

Hackett pointed out that if a citizen were to have a disaster they could have their property reassessed.

A motion was made by Swanson to pass Ordinance 2014-13A as amended on first reading. The ordinance PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- J ORD 14-14 Adjusting the FY 2014 Budget for known changes

A motion was made by Miyasato to approve Ordinance 2014-14 on second and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

XI. NEW BUSINESS:

New Business First Reading

- K RES 14-08 Renaming the Sawmill Cove Industrial Park to "Gary Paxton Industrial Park"

Mayor read the resolution in full.

Ward Eldrige stated a name change may be offensive to those who fought to help the environment.

Reif read a couple of his own personal "Whereas's" all ending in "Mission Accomplished" and also acknowledged Deborah Paxton's role in Paxton's success.

Esquiro had hoped to see a more permanent naming to recognize Paxton and was concerned there would be no permanence here. Reif understood Esquiro's concerns and informed that he had called Deborah Paxton when he initiated this and asked if there was something Paxton would like his name attached to. They both felt that the Cove was most appropriate.

A motion was made by Swanson to APPROVE Resolution 2014-08 on first and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

L ORD 14-17

Authorizing the transfer/sale of City and Borough of Sitka's pocket lot as depicted in the Turney Burkhart Planned Unit Development and located in the Turney Burkhart Subdivision to Sitka's Community Land Trust (CLT)

Mayor McConnell recused herself because of her affiliation with SCDC.

Chris Spivey, a resident of Lillian Drive, stated the idea appealed to him. Additionally he added, First Bank was granting SCDC \$5,000 towards their affordable housing efforts. Greg Reynolds, SCDC Board Member spoke in support of the project. Melissa Wentzel spoke to her personal experience having lived in a Community Land Trust community and she witnessed families enjoying home ownership and believed that if we could get it started here in Sitka it would be great. Randy Hughey viewed it as a simple, elegant solution to impact affordable housing and that didn't require ongoing support. He reported SCDC had raised \$63,100 to date.

SCDC Director Mim McConnell spoke to the summary she distributed earlier that had been compiled by Mike Brown. She asked for Assembly support adding that they had been working on this project for six or seven years.

Miyasato supported, explaining the importance of trying to keep young people here.

Gorman assured that the cost of transferring the property would be assumed by SCDC. Mark Brown answered Hackett's concern with regard to the \$25 monthly repair and replacement reserve, which seemed inadequate to her. Bottom line, it was a start. Eventually the funds would end up getting pooled when there were more housing units.

Reif expressed firm belief in the CLT model and in providing affordable housing. He stressed that they would need to be successful to continue doing these types of partnerships. Esquiro didn't favor the \$1 purchase price. He would like to see the assessed value paid. He asked Gorman if it was possible for this organization to borrow \$78,000 from SE Economic Development Funds in an effort to not give the land away. Esquiro argued it was important for him to be protective of the city's interest. Reif added, he did hear from one constituent that did not support the idea pointing out that there was an LID for Lillian Drive subdivision and this lot would not have to buy in. Reif was on the Planning Commission when that subdivision was put in and the city got it for nothing. Gary Winnop had to give it to the city initially. Hackett believed it would never be a park, for one we could not maintain in. Swanson inquired if the CLT had the money to build the house out right. Hughes replied that SCDC does not have the money. It would be a construction loan that ultimately would become the responsibility of the buyer.

A motion was made by Hackett to approve. The motion PASSED on the following vote.

Yes: 5 - Hunter, Hackett, Reif, Swanson, and Miyasato

No: 1 - Esquiro

Recused: 1 - McConnell

M ORD 14-15 Adopting budgets for the fiscal year July 1, 2014 through June 30, 2015

Reif noted the Enterprise Funds were a cooperative model and that the city did not try and make any profit. The city worked at keeping the rates as low as possible which was challenging in a remote community. Another area of concern was the Permanent Fund. Reif believed it should be inflation proof. Hackett brought forward that the six percent took out each year went directly to the General Fund and was significant. Inflation proofing would give us less money but she agreed it needed to happen.

With regards to the RIDE, Reif noted there was a month that all rides were free and wondered why. Connie Sipe, Executive Director, and Gerry Hope, Transportation Director, explained there was a funding formula which included the number of free rides per year.

Esquiro wondered whether the RIDE could be self-sustaining next year and not require \$25,000. Sipe argued that public transit would never be self sufficient. Without Tribal funding next year there would need to be further cuts. Hope stated the Federal Transit Authority required a 43% match and they'd be out of business if it wasn't met.

Miyasato stated the \$25,000 was a small pittance, remarking that this was used by all citizens in Sitka.

Hunter stated the budget was balanced from an operational standpoint but not infrastructure. There was still an unfunded liability that continued to grow.

A motion was made by Hunter to approve Ordinance 2014-15 on first reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

N ORD 14-16 Amending Chapter 15 of the Sitka General Code at Section 15.05.204A entitled "Service Connection Charge" and increase water rates at Sections 15.05.620 entitled "Rates and Fees" and 15.05.625A entitled "Water Service - Sawmill Cove Industrial Park"

Jay Sweeney, Chief Finance and Administrative Officer, read from a prepared statement regarding rate increases.

A motion was made by Hunter to pass Ordinance 2014-16 on first reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Additional New Business Items**O 14-124 Award a design-build contract for the Edgecumbe Drive Reconstruction Project to S&S General Contractors for \$4,636,500**

Mayor noted the Assembly had toured Edgecumbe Drive. Hackett remarked that roads were expensive and the lions share of maintenance costs. Miyasato thanked staff for the tour and commented that this particular road needed a lot of work.

Public Works Director, Michael Harmon, stated that roads were a huge funding hurdle. Typically roads had a twenty-five year life. Moving the program forward he

hoped a maintenance program could be built in.

Administrator Gorman stated \$2.7 million a year was needed to maintain the existing roads. Senior Engineer, David Longtin estimated the Edgcombe Drive project would begin in the spring of 2015 with final completion scheduled for October of 2015. The submissions were rated on the Design Build/Best Value Bid model meaning the City would do the work under one contract. Esquiro saw the need for the project. He was glad to see the contingency and that any remaining funds would be rolled back to the Public Infrastructure Sinking Fund.

A motion was made by Hunter to approve this item. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

P 14-123

Award a contract to Municipal Solutions, LLC to conduct and complete a comprehensive management plan for the City and Borough of Sitka

Reif found this both exciting and scary requiring tough and uncomfortable decisions. That said, he felt CBS would have a better municipal government and be able to provide some services at lower costs. Hackett felt this was a step in the right direction. Hunter asked about the "Success Payment" portion of the contract. Gorman said he negotiated up to \$10,000. If there was a substantial savings there was an agreement in place to look at it. Esquiro was interested to see what kind of information the city would get as a result of this study. Gorman envisioned that Municipal Solutions would bring to our attention things we were aware of and those we were not. He believed the cost would be repaid several times over.

A motion was made by Hunter to approve this item. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

XII. PERSONS TO BE HEARD:

Hunter wanted to clarify he was optimistic about a Public Infrastructure Sinking Fund for Sitka. We need to come up with \$5 Million a year, the "how" is what we still need to figure out.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Hackett to ADJOURN. Hearing no objections the meeting ADJOURNED at 8:57 PM.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Thursday, May 29, 2014

6:00 PM

Assembly Chambers

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS: REPORT

A 14-129 Hear and receive the Gallagher Consulting (Fox Lawson Associates) Final Report following their review of Compensation and Benefits for City and Borough of Sitka

Gorman informed that staff was given a presentation that afternoon. HR Director, Mark Danielson, gave a brief history of the compensation study and related history over the last nine years. Unions began seven years ago and the concern now was that unions were running up against non-union employees.

Lori Messer of the firm Fox Lawson and Associates stated the CBS existing pay matrix was outdated. This was evident by the fact seventeen of the non-union employees were off the existing pay matrix at Step O.

A discussion ensued on health and administrative costs and such things as Child Care reimbursement. Danielson reported there had been a lot of discussion on looking into these programs over the years. Some were doable with no risk such as Child Care, others were complicated and wouldn't work for CBS.

New Business First Reading

B ORD 14-18 Amending CBS Sitka Personnel Policies Handbook to: Change Policy on Probationary Period Increase for Regular Employees; Address Starting Pay for New Employees; Address Pay Upon Promotion; Establish Pay Matrix Procedures; Address Forfeited Annual Leave; Remove Section XXI and Update Attachment A

Jay Sweeney, Chief Finance and Administrative Officer, believes this was a "kind plan" and spoke in support of it.

HR Director, Mark Danielson pointed out that the biggest question was sustainability. The biggest change for an employee would be stopping at Step H. After an employee reached Step H, the ways to advance would then either be through performance and increases to the matrix, which would be at least 1.5% each year. Employees below Step H would receive Step progressions and a percentage every year. A major administrative change was the increase awarded after completion of a six month satisfactory evaluation would go away. Gorman advised that 72% of work force was below Step H. Money to fund this had already been budgeted and identified.

Esquiro would like sufficient time to review. Members indicated that if Esquiro wasn't ready to vote on June 10 he could postpone action until the following meeting.

Miyasato stated if employees were not compensated they would go somewhere else; it was an actuality.

Administrator Gorman explained that the lowest compensated were getting the higher percentages along with senior staff. He mentioned that senior staff worked 60-70 hours a week consistently.

Jay Sweeney offered that the 2.5% was already set aside. Reif asked questions on performance pay appropriations. Gorman said he planned to define it, what it would look like and how it would be allocated. He was not a fan of step increases. He was supportive of an employee who did a wonderful job and therefore was awarded a bonus. Esquiro agreed, very similar to the private sector.

A motion was made by Swanson to approve this Ordinance 2014-18 on first reading with a non-substantive amendment. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Reif wanted to make sure the Assembly was kept informed. He trusts Gorman to do that, but wanted something in place for future administrators.

A motion was made by Reif to amend at Line 149 by adding: The Administrator will provide to the Assembly (two times a year) a report of the employees receiving performance pay, the amount and reason. The amendment PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

VI. PERSONS TO BE HEARD:

Chief Dave Miller spoke about the volunteers that worked for the city. He had learned that 13 of the last 15 left because they couldn't find jobs where they could live comfortably.

Hackett reminded that Sitka would host the Regional Baseball Tournament followed

by the State Baseball Tournament.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Esquiro to ADJOURN. No objections were heard and the meeting ADJOURNED at 7:45 PM.

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: 14-133 Version: 1 Name:

Type: Appointment Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Appointments: 1) Reappoint Susan Royce to a term on the Animal Hearing Board. and 2) Appoint Ptarmica McConnell to a term on the Gary Paxton Industrial Park Board

Sponsors:

Indexes:

Code sections:

Attachments: [Appointments](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion is suggested:

Appointments

I MOVE to re-appoint: 1) Susan Royce to a term on the Animal Hearing Board;
and 2) Ptarmica McConnell to a term on the Gary Paxton Industrial Park Board

June 2, 2014


Sara Peterson
Deputy Clerk
City of Sitka
100 Lincoln St.
Sitka, Ak. 99835

Via Fax 907-747-7403

Dear Sara:

Along with my attached application, this letter confirms my interest in continuing on the Animal Hearing Board. Although not very active, when needed the board acts as a buffer between an alleged offender and possible punishment.

Sincerely,


Susan V. Royce
1919 Cascade Creek Rd.
Sitka, Ak. 99835



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: Animal Hearing Board
 Name: Susan V. Royce Daytime Phone: 747-8650, 752-1022
 Address: 1919 Cascade Creek Rd, Sitka, AK Evening Phone: 747-6664
 Email Address: SVRoyce@gmail.com Fax Number: N/A
 Length of Residence in Sitka: 38 years Registered to vote in Sitka? Yes No
 Employer: McGowan Law Firm (part time), Self employed Court reporter
 Organizations you belong to or participate in: Sitka Vol. Fire Dept.

Explain your main reason for applying: I am very interested in the welfare of all animals, especially dogs.

What background, experience or credentials will you bring to the board, commission, or committee membership? Teach dog classes - puppy kindergarten, obedience, agility through U.A.S. Canine behavior consultant.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 6/2/14 Signature: [Signature]

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
 Sara Peterson, Deputy Clerk
 100 Lincoln Street
 Fax: 907-747-7403
 Email: sara@cityofsitka.com



ANIMAL HEARING BOARD

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
SUSAN ROYCE 1919 Cascade Creek Rd.	747-6064 747-6599 fax svroyce@gmail.com	7/9/02 7/12/05 6/24/08 6/14/11	7/09/05 7/12/08 6/24/11 6/14/14	CHAIR Animal Trainer
CARIN ADICKES 1401 Edgecumbe Dr.	747-1078 4seapeople@gci.net	1/26/10 1/8/13	1/26/13 1/8/16	Animal Interest Group
MORGAN DOUBLEDAY 1705 Sawmill Creek Road	747-5424 w 738-4242 c	4/8/08 6/22/10 6/11/13	7/10/10 6/22/13 6/11/16	Dog Keeper
KATHY INGALLINERA 108 Kiksadi Court	966-8764 w 966-2251 h	7/12/11	7/12/14	Non-animal Keeper
MARY ANN JONES 515 Charteris St	747-1815 w 747-8787 h majeryj@gmail.com	9/13/11	9/13/14	Alternate Resigned 10/12/12
DAVID HUNT PO Box 1774	747-7387 w sitkavet@alaska.com	8/9/11	8/9/14	Veterinarian

Note: Hearing boards do not have an assembly liaison nor does the Animal Control Officer sit on the board. The hearing board consists of five members as defined in Ordinance 02-1656.

5 Members from Public and one alternate

Initial terms staggered (1) one-year (2) two-year and (2) three-year terms and (1) alternate with 3-year term. Established by Ordinance 02-1656

The Animal Hearing Board shall meet within 5 business days, or as soon as possible thereafter, after receipt for a hearing.

Revised: June 13, 2013



**Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka**

Board/Commission/Committee: Gary Paxton Industrial Park Board

Name: Ptarmica McConnell Daytime Phone: (907) 738-9941

Address: 2575 Sawmill Creek Rd, Sitka Evening Phone: (907) 738-9941

Email Address: ptarmica@sheeatika.com Fax Number: (907) 747-5727

Length of Residence in Sitka: 7 years (lifetime SE AK) Registered to vote in Sitka? Yes No

Employer: Shee Atika, Inc.

Organizations you belong to or participate in:

Greater Sitka Chamber of Commerce (Board member), Alaska Chamber (Board member)

Explain your main reason for applying:

I believe that my business experience and background could be beneficial to the GPIB Board. I would like to help the City and current Board members make the Park a success.

What background, experience or credentials will you bring to the board, commission, or committee membership?

My most relevant experience relates to property administration, lease negotiations, and marketing/buying/selling commercial real estate.

During my seven years at Shee Atika, I have successfully managed relationships with contractors, subcontractors, vendors, government regulators, attorneys, consultants, outside accountants, and senior level executives, as well as members of the Alaska Congressional Delegation and their staffs. Much of this communication has been done from a distance using audio/visual conferencing, emails, and telephone, all of which place a premium on being able to effectively and efficiently articulate a point of view to correctly analyze new facts and situations as they present themselves. I have worked closely on Shee Atika's real estate portfolio, which consists of 26,000 acres of surface estate and several commercial properties both inside and outside of Alaska. I have worked on some of Shee Atika's large and successful government contracting businesses, which over the years has involved almost a billion dollars in contract revenue. I have had front line responsibility for the accounting, financial and operational aspects of the Shee Atika businesses, which include making presentations to large audiences.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 6/2/14 Signature: Ptarmica McConnell

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting. Applications received after the deadline will be considered but will not be included in the Assembly packets for review prior to appointment.

Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
Sara Peterson, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: sara@cityofsitka.com

PTARMICA MCCONNELL
2575 Sawmill Creek Road
Sitka, AK 99835

907/738-9941

ptarmica@sheeatika.com

GARY PAXTON INDUSTRIAL PARK BOARD

Seeking a seat on the Gary Paxton Industrial Park Board. Highly motivated, results-driven financial and operational management professional. Detail oriented, efficient, and organized individual with experience in managing multiple projects and people. Possess strong analytical and problem solving skills, with the ability to make well thought out decisions individually or as part of a team. Excellent written and verbal communication skills. Highly trustworthy, discreet, and ethical.

CORE QUALIFICATIONS

- Leadership
- Teambuilding
- Property Management and Lease Administration
- Land, Property and Operations Sales
- Community Leader
- Finance and Accounting Management
- Operations Management
- Human Resource Management
- 8(a) Administration
- Government Contracts

PROFESSIONAL EXPERIENCE

SHEE ATIKA, INCORPORATED (SAI), Sitka, AK 2007 to Present
Sitka's urban native corporation consisting of 8 employees and over 3,200 shareholders.

Controller (Sept 09-January 2014)

Chief Operating Officer (January 2014-present)

Oversee all operations, human resource and financial functions of Shee Atiká, Inc. and subsidiaries. Serve as the point of contact with all vendors and customers, including government agencies. Assure all companies are in compliance with all applicable laws, rules, regulations, GAAP, and internal guidelines. Oversee and finalize annual budget and coordinate with outside auditors to conduct annual audit. Oversee support functions for Board of Directors and Shareholder Services. Oversee all security requirements and all activities related to government contracting.

CITY AND BOROUGH OF SITKA, Sitka, AK 2008 to 2009
Municipality serving a population of approximately 9,000.

Contract Secretary

Perform secretarial duties on a contract basis for the City of Sitka's Planning & Zoning Commission and Ports & Harbors Commission. Attend meetings and prepare minutes based on Commission comments and public comments.

SOUTHEAST ISLAND SCHOOL DISTRICT, Port Alexander, AK 2002 to 2007
Rural school district serving eight schools including the Port Alexander School

Instructional Aide

Teach K-12 students a variety of subjects in a remote location. Prepare lesson plans, seek out resources, instruct students. Develop analytical and contextual projects for students, help write curriculum, and serve on the committee that updated the District's Strategic Plan. Interact with students, teachers, parents, school district, and the community for the betterment of the students. Assisted Student Council with setting up a recycling program for the town.

CITY OF PORT ALEXANDER, Port Alexander, AK 2002 to 2006
Municipality serving a population of approximately 50.

City Clerk

Serve as a liaison between the community and the City Council as well as between other government agencies and the City Council. Prepare minutes and write ordinance amendments and resolutions, develop and implement a clerk manual, responsible for accounting, budgeting, and elections. Responsible for all functions related to rural municipal government for a second class city.

VOLUNTEER EXPERIENCE

CITY OF PORT ALEXANDER Port Alexander, AK 2001 and 2006
City Council member

CITY OF PORT ALEXANDER Port Alexander, AK 2004 to 2006
Planning Commission member

CITY OF PORT ALEXANDER Port Alexander, AK 2001 to 2007
Arts Commission member

PORT ALEXANDER SCHOOL Port Alexander, AK 2005 to 2007
Advisory School Council President

BIG BROTHERS BIG SISTERS Sitka, AK 2008 to 2010
Big Sister

GREATER SITKA CHAMBER OF COMMERCE Sitka, AK October 2010 to Present
Board President

ALASKA STATE CHAMBER Sitka, AK 2012-Present
Board Member (Sitka Chamber Representative)

EDUCATION

MASTERS DEGREE IN BUSINESS ADMINISTRATION, Service Operations Mgmt Juneau, AK 2009
University of Alaska Southeast

BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION, General Emphasis Juneau, AK 2006
University of Alaska Southeast

COMPUTER SKILLS: MS Office, IBM and Mac experience, various accounting programs, network experience, In Design, Adobe, and other office programs.

GOVERNMENT CONTRACT CLASSES: Government Contracts, Government Contract Accounting, Cost Accounting Standards, Cost-Reimbursement Accounting, Cost Allowability, Federal Acquisition Regulations.



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
GRANT J. MILLER P.O. Box 6097	738-3443 w 747-7870 fax grant@gci.net	6/13/06 6/10/08 6/8/10 6/12/12	6/13/08 6/10/10 6/8/12 6/12/14	CHAIR
DAN JONES 719 Sirstad St	738-6998 c 747-6373 h danielgjonespe@gci.net	10/11/11 10/22/13	10/11/13 10/22/15	VICE-CHAIR
CHARLES HORAN 403 Lincoln Street	747-6666 w 747-7417 fax charles@horanappraisals.com	6/1/00 5/28/02 6/8/04 6/13/06 6/10/08 6/8/10 6/12/12	6/1/02 5/28/04 6/8/06 6/13/08 6/10/10 6/8/12 6/12/14	At-large
CHRISTOPHER FONDELL 407 Lincoln Street	747-5744 w 747-0660 fax chrisf@gci.net	7/24/07 7/14/09 7/12/11 7/9/13	7/24/09 7/14/11 7/12/13 7/9/15	
STEVEN EISENBEISZ 2214 Sawmill Creek Rd	738-9075 c akninezeroseven@yahoo.com	12/10/13	6/12/14	<i>Wilkinson's term</i>
Garry White 329 Harbor Drive, #212	747-2660 w 747-7688 fax garrywhite@gci.net			Sawmill Cove Director
Mark Gorman City & Borough of Sitka 100 Lincoln Street	747-1808 w 747-7403 fax markgorman@cityofsitka.com			Municipal Administrator
Pete Esquiro 108 Sand Dollar Drive	747-6874 assemblyesquiro@cityofsitka.com			Assembly Liaison
Linda Wilson 329 Harbor Drive, #212	747-2660 w 747-7688 fax admin@sitka.net			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: June 2, 2014



Legislation Details

File #: 14-131 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Award the FY2014 Fisheries Enhancement Funds in the amount of \$33,900 to Sitka Sound Science Center

Sponsors:

Indexes:

Code sections:

Attachments: [Fisheries Enhancement](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion is suggested:

POSSIBLE MOTION

I move to award the FY 2014 Fisheries Enhancement Funds in the amount of \$33,900 to Sitka Sound Science Center




City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly
From: Mark Gorman, Municipal Administrator 
Subject: FY2014 Fisheries Enhancement Fund Proposals
Date: June 3, 2014

The Fisheries Enhancement Fund was established by ordinance and approved by voters in 2006.

The amount available for disbursement from the FY2014 budget is \$33,900. Our office received two timely proposals. The first from Sitka Sound Science Center and the second from Scott Saline. Both proposals are included.

I recommend award to Sitka Sound Science Center.

RECOMMENDED ACTION: Award the FY2014 Fisheries Enhancement Funds in the amount of \$33,900 to Sitka Sound Science Center.

LEGAL NOTICE

Request for Proposals By the City and Borough of Sitka, Alaska Fisheries Enhancement Fund

Request for Proposals for the disbursement of the available \$33,900 in the Fisheries Enhancement Fund, established by Ordinance 2006-38 and approved by voters in the regular election held October 3, 2006, will be received at the office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska until Friday, May 30, 2014, 2:00 pm. Proposals received after the time fixed for receipt will not be considered.

The proposal should contain the following information:

- History of the organization
- Current balance sheet
- Pro forma financial statements
- Dollars requested from funds
- Statement of what will be achieved with the funding
- Explanation of how this will enhance the fisheries within the City and Borough of Sitka

Questions may be directed to Sara Peterson, Deputy Clerk, 100 Lincoln St., Sitka, Alaska, 747-1808.

Publish: April 30, May 5, May 9, May 14, May 23, May 27

4.09.010 Levy of sales tax.

C. A flat rate of ten dollars per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer, collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a "fish box" means any packaging by a fish charter operator or processor of fish and/or seafood caught or taken as part of the charter by a fish charter customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:

1. Thirty percent in the harbor fund;
2. Thirty percent in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the assembly; and
3. Forty percent in the general fund.

(Ord. 12-46A § 4 (part), 2013; Ord. 09-55 § 4, 2009; Ord. 06-38 § 4, 2006; Ord. 03-1758 § 4(B), 2004.)

SITKA SOUND SCIENCE CENTER

834 Lincoln Street, Suite 200
Sitka, Alaska 99835
Admin Phone: 907.747.8878
www.sitkascience.org



May 20, 2014

Dear City and Borough of Sitka Assembly,

It is with great honor and gusto that we submit this proposal to you for the Fisheries Enhancement Fund. The Sitka Sound Science Center believes our operations dovetail well with the purpose of the Fund. Our salmon hatchery, one of the first in the State of Alaska, is producing salmon for the common property Sitka Sound fishery and our organization is enhancing people's understanding of aquaculture, commercial fishing, and the marine environment through our research and educational programs.

In addition to our salmon hatchery program, we are under construction with phase 1 of our renovation project – replacing the windows, fixing the roof and yes, painting our 1929 grand dame Sage Building! But in addition, we have many exciting research projects going on as well as important educational programs. We have 12 year round employees at the Science Center and we hire an additional 18 in the summer.

Thank you in advance for considering our proposal and we look forward to your careful review.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Busch', with a long horizontal flourish extending to the right.

Lisa Busch
Director
Sitka Sound Science Center

Application City and Borough of Sitka Fisheries Enhancement Fund

Sitka Sound Science Center

2014

The Sitka Sound Science Center's respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery \$33,900 from the Fisheries Enhancement Fund. The SJ salmon hatchery is one of the oldest salmon production facilities in the State of Alaska. Our facility is permitted for 12 million chums, 3 million pink and 250,000 Coho eggs. The Sitka Sound Science Center produces these fish for the commercial, sport and subsistence harvest in Sitka Sound and Deep Inlet. We have a strong partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs which has returned a \$4.2 million total value in the past five years.

History of the Organization: Sitka Sound Science Center

The Sitka Sound Science Center is a non-profit 501c3 organization formed in 2007. The Sitka Sound Science Center is dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of the Gulf of Alaska through education and research. Our vision is to build on Sitka's legacy and potential as an educational and scientific community. We have 13 year round staff members and 18 additional summer employees. We own the 1929-era Sage building that at one time housed the Sheldon Jackson college science classrooms and laboratories. Today we operate the Molly O. Ahlgren Aquarium and the Sheldon Jackson Salmon Hatchery. Our hatchery contributes to the Sitka Sound common property fishery, the Deep Inlet chum fishery and towards training people in the UAS Fisheries Technology Training Program. These students are the future of salmon enhancement and fisheries management.

The Sheldon Jackson Salmon Hatchery was one of the first hatcheries permitted in the State of Alaska. In 1975, Sheldon Jackson College received permit number 3 from the Alaska Department of Fish and Game. The hatchery was a production facility and a training location where students learned fisheries biology, natural resource management and fisheries enhancement techniques. Graduates from the fisheries program at Sheldon Jackson College from 1975 to 2007 are now professionals and leaders in fisheries enhancement, management and policy around the State of Alaska. When the Science Center took over operation of the hatchery in 2007, our board remained committed to contributing to the common property fishery and continuation of the unique training program our location and facility affords.

Our programs:

Our hatchery facility

What's new? We have begun a \$1.2 million upgrade for the Sage Building, that houses the Science Center. With funds from the Rasmuson Foundation, DIPAC, the Ahlgren Family Fund, a loan from the State of Alaska Revolving Loan Fund for Fisheries Enhancement, and private donations we are making upgrades to the Sage Building that will increase energy efficiency that will help improve the efficiency of the hatchery. This renovation includes replacing 70 windows in the building, repairing the concrete on the exterior and replacing the roof. We were recently awarded a second grant from the Pacific Salmon Treaty Northern Fund to improve our freshwater intake system. This is the second phase of a project that will upgrade the filtration of the water from Indian River.

Enhancement

Sitka Sound Science Center is part of the almost \$1 billion aquaculture industry in Alaska. Southeast Alaska hatcheries contribute millions of pounds of fish to commercial, charter, sport, personal use and subsistence fisheries, resulting in the injection of millions of dollars into the Sitka economy. The McDowell study (May 2010) demonstrates how important hatcheries are to our community and regional economy. The SJ hatchery facility is permitted by the State for 12 million Chums, 3 million Pinks, and 250,000 Coho that return to Crescent Bay, providing important local sport, commercial and charter fishing opportunities near town. Our nonprofit organization provides 9 million chum eggs for the Deep Inlet remote release site. The value of the SSSC's S.J. Hatchery contribution over the last seven years is estimated at \$4.2 million in total value. Over \$3.7 million of that value has gone to the common property fishery. In addition, our organization is training people to work in fisheries enhancement. We have a formal Memorandum of Understanding with the University of Alaska Southeast to provide hands on training to people in the University of Alaska Fisheries Technology Program. We are the only working hatchery in the State of Alaska, and in most of the Pacific Northwest, to have such a training facility.

The Science Center coordinates and conducts scientific research related to enhancement. We are entering our third year working with the Prince William Sound Science Center on a multi-million State of Alaska project to investigate hatchery and wild salmon interactions.

We continue to conduct controlled research experiments for the hatchery feed company Skretting in which we are testing alternative fish food ingredients. Currently we are doing research in partnership with University of Alaska Southeast, University of Alaska Fairbanks School of Fisheries and NSRAA on humpback whales feeding on hatchery released smolt and fry. This is a growing problem for the common property fishery and hatcheries who are seeing enhanced salmon production literally swallowed up by marine mammals.

We conduct longline fishery research, funded by NOAA, and in partnership with Scripps Institution of Oceanography, the University of Alaska Southeast, the Central Bering Sea Fishermen's Cooperative, and the Alaska Longline Fishermen's Association. We are working with the National Marine Fisheries Service on an ocean acidification study and we are funded by NOAA and the Department of Environmental Conservation to conduct monitoring and clean-up of marine debris on the beaches around Sitka. We also conduct a number of projects for the National Oceanic and Atmospheric Administration (NOAA) including a RNA/DNA of blackcod and outreach for the \$18 million Gulf of Alaska Integrated Ecosystem Research (GOAIERP) project which is investigating fish recruitment of commercially important species.

The Sitka Sound Science Center has an important partnership with the University of Alaska Fisheries Technology Training Program to train students in aquaculture, fisheries and marine biology at our facility. This year UAS moved this program from Ketchikan to Sitka in part because of our strong partnership. We provide aquaculture instruction to a number of colleges and universities outside of Sitka that bring students to Sitka for field courses in marine-related sciences. These colleges include: Stanford University, University of San Francisco; Duke University, Knox College, and University of Alaska Fairbanks School of Fisheries.

Community Support

Sitka Sound Science Center has a wide breadth of community support as represented by our donations from fish processors such as Silver Bay Seafoods; private foundations including the Sitka Charitable Trust, the Boat Company, Rasmuson Foundation, and a breadth of individual donations. We are also supported by Douglas Island Pink and Chum (DIPAC) and the Northern Southeast Regional Aquaculture Association (NSRAA). Our Board of Directors represents a cross section of Sitka. Our board members are: Jim Seeland (chair, Fish Tech Training Program); Trish White (vice chair, owner, White's Pharmacy); Heather Woody (treasurer, Southeast Regional Health Consortium); Kitty LaBounty (secretary, UAS); Justin Penny (Wells Fargo); Linda Waller (Sitka Sound Seafoods); Nancy LeClerc-Davidson (retired); Rob Allen (retired businessman), and Steve Clayton (Building Contractor).

Dollars Requested: Sitka Sound Science Center respectfully requests the balance of the fisheries enhancement fund \$33,900

Statement of what will be achieved with the funding: Fisheries Enhancement funding will enable Sitka Sound Science Center to continue building its hatchery production and enhancement operations. The return of pink salmon and chum is expected to be below average this year and the monies from the Fisheries Enhancement Fund will go directly into supporting hatchery operations, funding our hatchery technician. This position is responsible for feeding fish, tagging fish, water quality monitoring and other essential hatchery tasks that support strong, healthy fish releases. The facilities upgrade is an expensive project that will support increased hatchery operations and teaching capabilities into the future.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka:
Sitka Sound Science Center is a fisheries enhancement tool in many ways. We:

- Enhance the quantity of fish stocks returning to Sitka Sound by releasing 250,000 Coho, 3 million Chum and 3 million Pink salmon that return to Crescent Bay.
- Enhance and contribute to the Deep Inlet terminal fishery in partnership with NSRAA to release 9 million Chum salmon.
- Train adults and students to become competent aquaculture technicians for work at NSRAA or other hatcheries/salmon enhancement projects in the City and Borough of Sitka through on-the-job training and UAS Fisheries Technology class laboratories.
- Introduce K-12 students to fisheries enhancement, science and other marine related disciplines as options for their future careers by providing hands-on laboratories and supporting science curriculum at all Sitka Schools.
- Educate visitors about hatcheries and how salmon enhancement works in conjunction with wild salmon management and conservation in Southeast Alaska
- Educate visitors and residents about the important role of commercial, sport and subsistence fishing to Sitka's economy, lifestyle and culture.
- Provide internship opportunities for college students studying science and to work in science education and hatchery operations during the summer.
- Provide summer employment opportunities for Sitka High School students to work in science education and hatchery operations.
-

ATTACHED:

Letters of Support from NSRAA, DIPAC and Silver Bay Seafoods

Hatchery Pro Forma

2013 SSSC Balance Sheet

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

(907) 747-6850
FAX (907) 747-1470
EMAIL steve_reifenstuhl@nsraa.org

1308 Sawmill Creek Road Sitka, Alaska 99835

May 15, 2014

RE: Support for Sitka Sound Science Center 2014 Fish Box Tax Request

Dear Mayor McConnell & Sitka Assembly,

The Sitka Sound Science Center through its operation of the Sheldon Jackson Hatchery clearly meets the enhancement requirements for receiving the 2014 Fish Box Tax funds. Simply, SSSC conducts salmon enhancement programs that benefit common property fisheries in Sitka. No other entity in Sitka, applying for the funds, fulfills that mission. In addition, SSSC provides several functions that support enhancement programs in fundamental ways, including educating kindergarten to college students in science, conducting aquaculture research, and providing student/employee salmon hatchery training.

Commercial fishermen have benefited directly from the 12 million chum eggs (increased from 10 million in 2013) associated with the Sheldon Jackson Hatchery permit. If it were not for SSSC operating the hatchery there would be 200,000 fewer adult chum salmon to catch in Sitka Sound each year. The total value of the SJ hatchery chum caught in Deep Inlet by the commercial fleet from 2006 to 2013 is \$3,700,000. These dollars flow through Sitka's economy.

NSRAA is a private non-profit fisheries enhancement organization based in Sitka. We have several large salmon production facilities that benefit commercial, sport, subsistence, and personal use fishermen in the region. The NSRAA board is comprised of 15 commercial fishermen representing the three salmon gear groups, one crew seat, and 9 non-commercial seats including subsistence, conservation, municipality, Native organization, and sport fishermen. NSRAA has a strong partnership with Sitka Sound Science Center that began at its inception. NSRAA believes SSSC is ideally suited for receipt of the fish box tax, and wholly deserving.

The SJ hatchery was one of the very first permitted enhancement facilities in the State of Alaska. It has been producing salmon for common property fisheries in Sitka Sound since 1975. Importantly, SSSC has improved the hatchery infrastructure, staff, and programs. Fishermen depend on SSSC's 12 million permitted chum eggs which provide a meaningful common property contribution.

Please support this important enhancement operation in Sitka.

Sincerely,

Steve Reifentstahl, General Manager
Northern Southeast Regional Aquaculture Association



Douglas Island Pink and Chum, Inc.

2697 Channel Dr. • Juneau, Alaska 99801
www.dipac.net • 907.463.5114 • FAX 907.463.3213

May 19, 2014

Dear Sitka Assembly,

This is a letter of endorsement for the Sitka Sound Science Center's (SSSC) application to receive the fish box tax money from the City of Sitka. Douglas Island Pink and Chum, Inc. (DIPAC) supports the Science Center's efforts on several fronts.

DIPAC, based in Juneau, has benefited from the training SSSC and Sheldon Jackson College have been providing to students for decades. This training is done well, in large part, because students are participating in hands-on educational opportunities at the Sheldon Jackson hatchery - a real working salmon enhancement facility. The hatchery enhances the common property fishery in Sitka Sound; work it's been doing since the early 1970s.

DIPAC also supports Sitka Sound Science Center financially. Over the last several years our board voted to approve over \$237,000 in contributions to SSSC for the purchase of a net pen and building improvements. We believe the Science Center is doing good work, supports Southeast Alaska fisheries and you are lucky to have them in Sitka.

Regards,

Eric Prestegard
Executive Director



208 Lake St. Suite 2E Sitka, Alaska 99835

Phone: 907.966.3110 Fax: 907.966.3115

May 14, 2014

Mayor Mim McConnell and
Members of the Assembly
City and Borough of Sitka
100 Lincoln St.
Sitka, AK 99835

Dear Mayor McConnell and Members of the Assembly,

On behalf of Silver Bay Seafoods, I join the Sitka community in strongly endorsing the Sitka Sound Science Center (SSSC) to receive the fish box tax money from the City of Sitka. Silver Bay Seafoods believes in the work of the Science Center – both in its mission of scientific research and science education and as a salmon production facility.

Silver Bay has a long-term contract with the Science Center for cost recovery and fish processing. We are supportive of the contributions that the Science Center makes to the common property fishery in Sitka Sound, enhancing commercial, sport and subsistence fishing. While SSSC is not a large production facility, it has a long and important history in Sitka and in Alaska. It was one of the original hatcheries permitted by the State of Alaska in 1972 (it holds permit number 3 issued by the State) and holds a long and important legacy of salmon enhancement for the State of Alaska.

We are grateful that the hatchery was stabilized by Sitka Sound Science Center after Sheldon Jackson College shut down in 2007. As a non-profit, SSSC has done a good job in diversifying its revenue sources. The developing non-profit is showing great promise for helping our local economy in a number of ways and we believe it well deserves to receive the City and Borough of Sitka Fish Box tax money this year.

Thank you for your support.

Sincerely,

Richard A. Riggs, CEO

2:41 PM
05/06/14
Accrual Basis

Sitka Sound Science Center
Balance Sheet
As of May 6, 2014

	<u>May 6, 14</u>
ASSETS	
Current Assets	
Checking/Savings	1,070,321.89
Accounts Receivable	118,771.11
Other Current Assets	1,350.00
Total Current Assets	<u>1,190,443.00</u>
Fixed Assets	
15000 · Sage Building	203,000.00
15001 · Lincoln Street Land	377,000.00
15500 · Equipment Capitalized	60,600.00
15555 · Accumulated Depreciation	-20,674.00
Total Fixed Assets	<u>619,926.00</u>
TOTAL ASSETS	<u>1,810,369.00</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	1,013.86
Credit Cards	6,077.24
Other Current Liabilities	
230000 · Payroll Liabilities	0.01
240000 · Payroll Tax Liabilities	2,214.63
250000 · Deferred Revenue	524,947.43
260000 · Rental Deposits	50.00
Total Other Current Liabilities	<u>527,212.07</u>
Total Current Liabilities	534,303.17
Long Term Liabilities	222,109.56
Total Liabilities	<u>756,412.73</u>
Equity	
32000 · Retained Earnings	1,099,173.11
Net Income	-45,216.84
Total Equity	<u>1,053,956.27</u>
TOTAL LIABILITIES & EQUITY	<u>1,810,369.00</u>

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

(907) 747-6850
FAX (907) 747-1470
EMAIL steve_reifenstuhl@nsraa.org

1308 Sawmill Creek Road Sitka, Alaska 99835

May 15, 2014

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Please support this important enhancement operation in Sitka.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Reifenstuhl'. The signature is fluid and cursive.

Steve Reifenstuhl, General Manager
Northern Southeast Regional Aquaculture Association

**Saline
Replat
417 Katlian Avenue**

KATLIAN AVENUE

WCMC 11
S 2542

LOT 32

CURB & GUTTER

LOT LINE TO
REMOVED TH
SURVEY

LOT 31

CONCRETE
RET. WALL

1' HDPE
LVERT

POSED CBS TIDELANDS
PURCHASE (478 SQ. FT.)

DEEDED
LOT 31A

STRUCTURE

TIDELANDS

TRAILER

DECK

4.8'

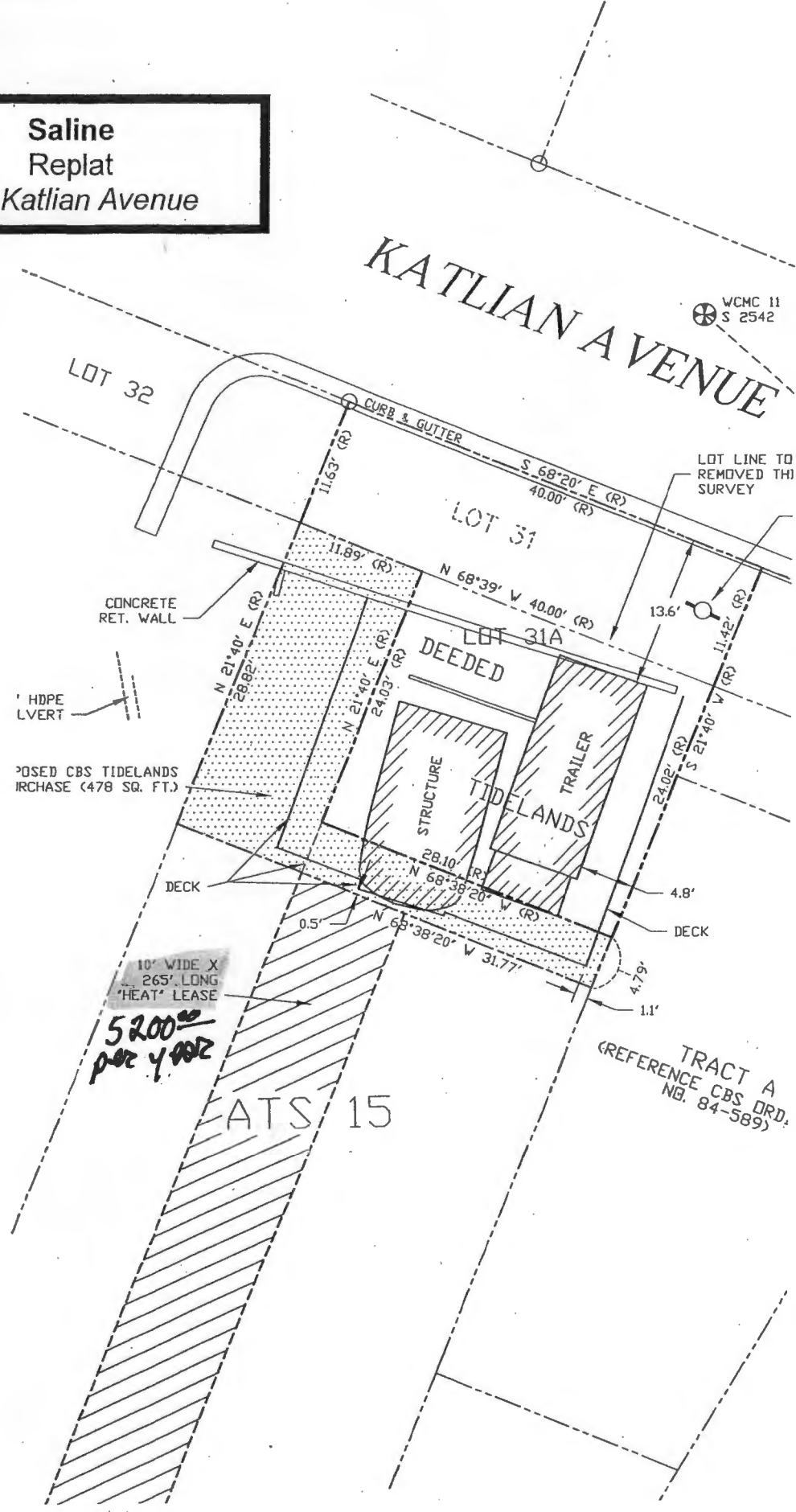
DECK

10' WIDE X
265' LONG
'HEAT' LEASE

*5200⁰⁰
per 4.002*

ATS 15

TRACT A
(REFERENCE CBS ORD.
NO. 84-589)



History:

32 year Resident of Sitka

Can't remember how long I've been trying to
Open LOCAL SEAFOOD RESTAURANT

With these tidecrands in my name I can start
CORP OF ENGINEER permitting process to sell
ice to BOAT channel in addition to KATLIAN
Street delivery and sell LOCAL fish out of
417 KATLIAN

3 Kids in School here
will create JOBS

BALANCE sheet.

2

417 KATLIAN I own w/no Liens
* 424 KATLIAN is Liened by AIPS
* 300616 "D" CLASS HALIBUT Liened
by AIPS to pay for
CUTTING INTO KATLIAN to
FIRE SPRINKLE my NON-COMBUSTIBLE
concrete eating AREA
AND concrete my Drive through
AND financed by ICE Machine
EUROPEAN that I will build
w/my state of ALASKA
mechanical ADMINISTRATOR'S
Unlimited REFRIGERATION License
#962

FINANCIAL -

(2)

enclosed 2011/2012 taxes
2013 extended to Oct

Dollars Requested

③

Staff currently has over priced this
10' x 265' "Heat Lease" AT APPROX
5200⁰⁰ per year.

All 33,000⁰⁰ to allow permit
processes to start for 5 years
of Red tape expense

What to be Achieved (4)

(5)

CORP OF ENGINEER PERMITTING CAN ONLY
START W/ LEASE OR PURCHASE OF TIDELANDS

ONCE IN MY NAME I WILL ACCESS SITKA
BOAT CHANNEL TO DELIVER FOR SALE 5 TONS
OF ICE TO : SPORT / CHARTER / PRIVATE VENTURES

ALSO MY GROUND SOURCE HEAT PUMP GROUND LOOP
AND AQUARIUM PIPING TO HEAT MY
SEAFOOD RESTAURANT

CITY'S REQUIREMENTS MUST BE CHANGED AND
WHY WOULD COME IF MY PROPOSAL GOES
FORWARD

Enhancement of Fisheries

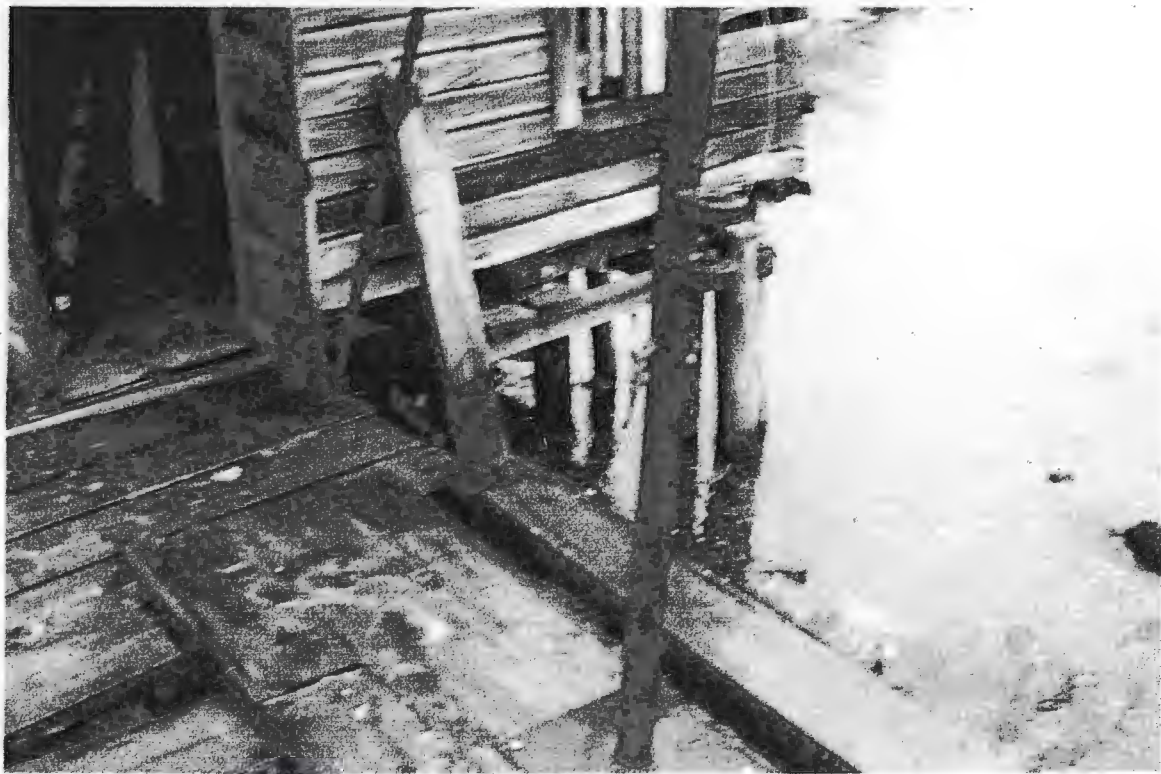
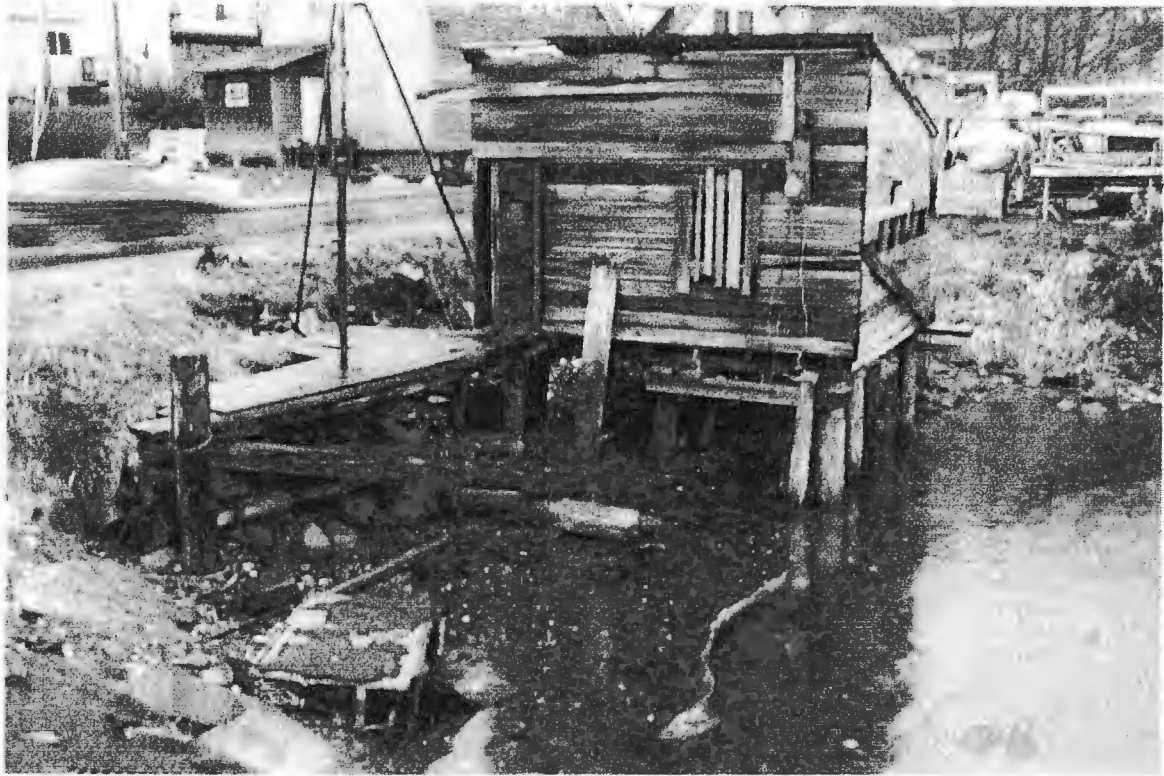
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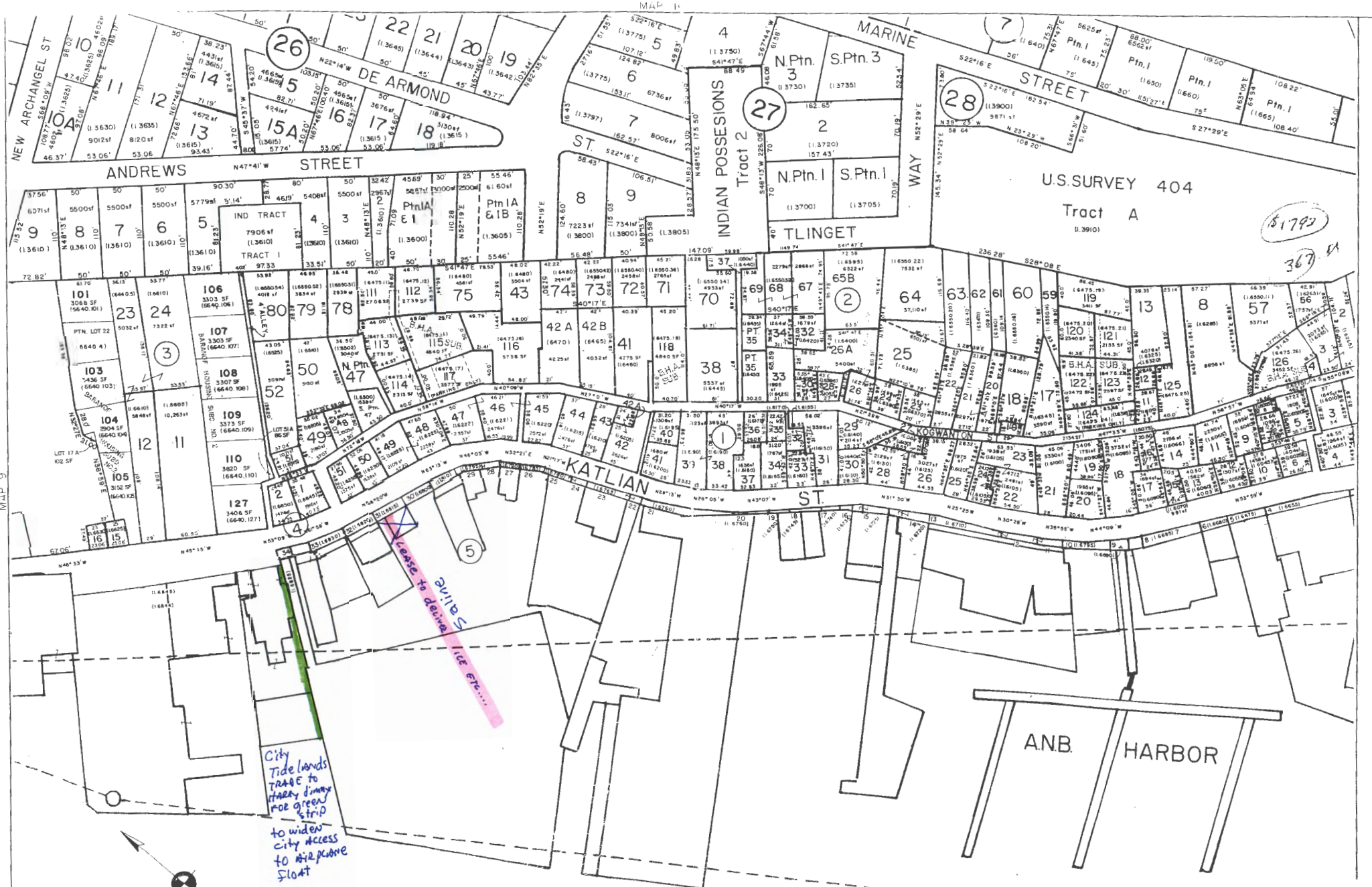
SITKA SALMON DERBY WOULD NOT BE
POOREST QUALITY BE FLOATING ICE
SALES FOR PORT/SIDEWARD DELIVER

SMALL SCALE TROLL/JUG/GUNNET COULD
PURCHASE ICE FOR THEIR
FISH PROCESSING

THESE TIDELANDS W/ PERMITTED TRACK
COULD HAUL OUT SMALL BOATS + AIRPLANES
IN ADDITION TO FISH CHILLING

DAY I BOUGHT 417 KATLIAN to sell fish/chip.
FROM MY OWN HALIBUT





MAP 9

MAP 1

26

27

28

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51793

367

City
Tidelands
TRAC to
HARRY JIMMY
MOORE green
strip
to widen
city access
to phone
plant

Lease to Harry Jimmy Moore green strip...

ANB HARBOR

U.S. SURVEY 404
Tract A
(.3910)

INDIAN POSSESSIONS
Tract 2

TLINGLET

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ST.

KATLIAN ST.

ANDREWS STREET

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LOT 100A
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= land Harry Jimmy has been trying to trade for City tidelands
 = City tidelands





Legislation Details

File #: 14-135 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Approve award to furnish Diesel Fuel to Petro Marine Services
Sponsors:
Indexes:
Code sections:
Attachments: [Fuel Bid](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the consent agenda, the following motion is suggested:

POSSIBLE MOTION

I move to award the bid to Furnish Diesel Fuel to Petro Marine Services for a contract period of July 1, 2014 to June 30, 2016.



City and Borough of Sitka

PUBLIC WORKS

113 JARVIS STREET • SITKA, ALASKA 99835
PHONE (907) 747-4041 • FAX (907) 747-7668

MEMO

To: Mayor McConnell and Assembly Members
Mark Gorman, Municipal Administrator

From: Michael Harmon, Public Works Director *MH*
Gary Baugher Jr., Public Works M&O Superintendent *GEB*

cc: Jay Sweeney, Finance Director *J*

Date: June 2, 2014

Subject: Furnish Diesel Fuel (Heating Oil)

Background

Delta Western asked that the City and Borough of Sitka give them an opportunity to bid on the Furnish Diesel Fuel Contract. The current contract that is in place runs from July 1, 2012 and ends June 30, 2014. The current contract is with Petro Marine Services for a cost of .32 above the Oil Pricing Information Service (OPIS).

The City and Borough of Sitka put out a bid for a Furnish Diesel Fuel Contract in April 2014. The intent of this contract is to Furnish Diesel Fuel to the City and Borough of Sitka, Sitka School District, and Sitka Community Hospital. The term of the Contract shall run for a period of two (2) years commencing on July 1, 2014 and ending at the end of the Day June 30, 2016. With mutual agreement by both parties, two (2) additional One-year extensions may be awarded. The total term of this Contract, including all extensions, shall not exceed four (4) years.

Analysis

There were two (2) bids received, as indicated in the following table:

Bidder	*OPIS plus	Total Bid Amount
Petro Marine Services	.287	\$98,063.75
Delta Western, Inc.	.3448	\$117,788.00

* Note: Oil Price Information Service (OPIS) is a comprehensive source for petroleum pricing and news information. OPIS is used to benchmark gasoline, diesel, and jet fuel prices. This contract utilizes the Seattle OPIS.

The Public Works Department would like to award this contract to Petro Marine Services in the amount of \$98,063.75. The pricing that Petro Marine Services gave us is a substantial savings from the last two years when the price above OPIS was .32 per gallon. The term of this contract shall run for a period of two-years. With mutual agreement, two additional one-year extensions may be awarded. The total term of this agreement shall not exceed four (4) years.

Fiscal Note

Funds are budgeted annually in each organizations budget cycle. Budgets should reflect a savings as they were budgeted as .32 per gallon above the OPIS pricing, and the new bid pricing is for .28 per gallon above OPIS.

Recommendation:

Public Works recommends the award of a Furnish Diesel Fuel Contract to Petro Marine Services.

Record of Bid Opening

Furnish Diesel Fuel City and Borough of Sitka, Sitka School District and Sitka Community Hospital
May 22, 2014 - 2:00pm - Municipal Clerk's Office

	CONTRACTOR	Payment option Checked	State of AK Business License	Addendum #1	Official Plan Holders list	Bid Form	Group I Ultra Low Sulfur Diesel #2	Group II Ultra Low Sulfur Diesel #2	Group III #1 Diesel Fuel	Total Bid Amount
1	Petro Marine Services	YES	YES	YES	YES	YES	\$ 53,095.00	\$44,485.00	\$ 483.75	\$98,063.75
2	Delta Western Inc.	YES	YES	YES	YES	YES	\$ 63,788.00	\$53,444.00	\$ 556.00	\$117,788.00
3										\$0.00
4										\$0.00
5										\$0.00
6										\$0.00
7										\$0.00

Present: Deputy Clerk, Sara Peterson; Tori Fleming, Contract Coordinator; Chris Wilbur, Facilities Manager; Jerry Jacobs, Petro Marine Services

**CONTRACT BETWEEN CITY AND BOROUGH OF SITKA (OWNER) AND
CONTRACTOR
FOR FURNISHING DIESEL FUEL TO CITY AND BOROUGH OF SITKA,
SITKA SCHOOL DISTRICT, AND SITKA COMMUNITY HOSPITAL**

This Contract is executed by the parties, Owner and Contractor as described below:

OWNER: CITY AND BOROUGH OF SITKA
100 LINCOLN STREET
SITKA, AK 99835

CONTRACTOR: Petro Marine Services
1 Lincoln Street
Sitka, AK 99835

The Owner and Contractor agree to the following terms and conditions concerning Furnishing Diesel Fuel to the City and Borough of Sitka, Sitka School District, Sitka Community Hospital, as set forth below.

On June 10, 2014, the City and Borough of Sitka Assembly approved the award recommendation, based on the response to the bid request, entitled, "Furnish Diesel Fuel, City and Borough of Sitka, Sitka School District, Sitka Community Hospital", issued on April 24, 2014.

**ARTICLE 1
THE WORK**

The Contractor shall furnish diesel fuel for the City and Borough of Sitka, Sitka School District, and Sitka Community Hospital as required by the Contract documents enumerated in Article 5, below.

**ARTICLE 2
TIME OF COMMENCEMENT AND COMPLETION**

Work shall commence upon receipt of the Notice to Proceed. The term of this Contract shall run for a period of two (2) years commencing on July 1, 2014 and ending at the end of the day June 30, 2016. With mutual Contract, two (2) additional one-year extensions may be awarded. The total term of this Contract, including all extensions, shall not exceed four (4) years.

**ARTICLE 3
PAYMENT**

The Owner shall pay the Contractor as provided in this Contract the following prices per gallon:

Ultra Low Sulfur Diesel #2:

Seattle OPIS Rack Average plus Contractors Adjusted Price of \$0.287 per gallon

#1 Diesel Fuel: reference OPIS #2 rates

Seattle OPIS Rack Average plus Contractors Adjusted Price of \$0.387 per gallon

Contract pricing will be based according to the Seattle OPIS Rack Average published price. The price per gallon shall be a mark-up or mark-down from the Seattle OPIS price.

Select One Option:

- Option A:** The payment will be calculated off of the weekly Seattle Rack Average OPIS price per gallon, for the appropriate type of fuel, reported for on the Thursday prior to the week of delivery. The delivery week under this contract is Monday through Sunday. For example, the OPIS Rack Average fuel price from Thursday, June 9th would be used for all fuel delivered Monday, June 13th through Sunday, June 19st.
- Option B:** The payment will be based off of a four (4) month average of the Seattle Rack Average OPIS price per gallon, for the appropriate type of fuel. The payment will be based off of a four (4) month average that will be calculated from the weekly OPIS Rack Average price reported on every Thursday and added together, then calculated to average over an 120 day (4 month) period prior to delivery. For example, the payment for fuel delivered Friday, June 10th through Wednesday, June 15th will be based on the four month OPIS Rack Average fuel price calculated from the average of the prices on every Thursday back from Thursday, June 9th, 120 days.

ARTICLE 4 **METHOD OF PAYMENT**

Bidders are required to use the Seattle OPIS as a price location. The OPIS price location shall remain firm throughout the term of this Contract including any renewals.

Payment will be made within 30 days upon receipt of delivery slips signed by the truck driver in accordance with the following information:

- All invoices shall include delivery point, brand name of fuel supplied, type and quantity of fuel delivered, and the price charged. The invoice price per gallon is based upon the OPIS CONTRACT AVERAGE per gallon price plus or minus the contractor's adjusted price and delivery charge multiplied by the number of gallons delivered.
- Contractor is not required to list OPIS price such that it would be a violation of copyright law. However, Contractor is required to submit a copy of the applicable weekly Seattle OPIS Contract average price for the type of fuel delivered.
- All correct current Contractor information, such as name and address, to ensure the payment can be accurately made.

- Delivery receipts containing all required information shall be processed. Those not including all required information will be returned to the Contractor to include all required information.
- Fuel quantity will be measured in net gallons.

ARTICLE 5
ENUMERATION OF CONTRACT DOCUMENTS

The additional documents which are specifically incorporated into this Contract by reference and which form the Contract documents are:

- A. The Contractor's executed bid form and bid schedule, dated May 22, 2014.
- B. Addendum No 1.
- C. The Bid Documents, entitled Furnish Diesel Fuel, City and Borough of Sitka, Sitka School District, Sitka Community Hospital, dated April 24, 2014 which includes, Instructions to Bidders; Specifications; and Bid Form.
- D. Any and all later modifications, change orders and written interpretations of the Contract issued by the Owner and agreed to by Contractor.

Any other attachments to this Contract do not form a part of the Contract but are for reference or proof of compliance with the requirements of the Contract.

ARTICLE 6
NOTICES

All legal notices relating to this Contract, including changes of address shall be mailed to the Owner and Contractor at the following addresses:

<u>OWNER</u>	<u>CONTRACTOR</u>
City and Borough of Sitka Public Works Director 100 Lincoln Street Sitka, AK 99835	Petro Marine Services Jerry Jacobs, Plant Manager 1 Lincoln Street Sitka, AK 99835

ARTICLE 7
INSURANCE AND INDEMNIFICATION

Before the execution of the Contract, the Contractor shall obtain all insurance required under this section; and he shall not allow any Subcontractor to commence work until the Subcontractor also has obtained similar insurance applicable to his work. The Contractor shall maintain insurance throughout the life of this Contract including the warranty, guarantee and maintenance period.

Proof of the required insurance shall be provided to the CBS in the form of a Certificate of Insurance, showing the type and the amounts of insurance, the policy number, expiration date and signed by an authorized representative of the insurance company. Each Certificate of Insurance shall state that the policy or policies have been endorsed whereby the insurance company will provide not less than thirty (30) days written notice to the CBS of any material change, cancellation, or non-renewal of the insurance

policies. **All insurance policies required under this Article shall name the CBS as an additional insured for the purposes of the Project and shall contain a waiver of subrogation against the CBS.**

The Contractor, its principals, partner, employees, agents, representatives, heirs or assigns, hereby agrees to protect, defend, save harmless and indemnify the CBS, its officials, employees and authorized representatives or its successors against any loss, cost, damage, suits, expense, judgment or liability of any kind whatsoever from or by reason or on account of, as a result of work or activities or any nature whatsoever arising directly or indirectly under this Contract including any claims for injury to person or property or death to the parties or to employees of the Contractor or its principals or of the CBS.

The Contractor shall provide the following types of insurance:

1. Worker's Compensation	Minimum Limits
Employer's Liability and Workers' Compensation as required by Alaska State Workers' Compensation Statutes.	Statutory
2. Comprehensive General Liability	Minimum Limits
Single Limit	\$1,000,000
General Aggregate	\$2,000,000
3. Comprehensive Automobile Liability	Minimum Limits
Including all owned, hired and non-owned vehicles	\$1,000,000

No provision in the contract documents lessens, alters, or makes inapplicable the requirements for insurance and indemnification stated in City and Borough of Sitka Standard Specifications, Division 10, Article 6.18. In the event of conflict between the above-referenced articles and any other contract provision(s), the requirements set out in the above-referenced articles control.

I personally guarantee that I will keep current all my business and personal accounts with the City and Borough of Sitka (i.e. utilities, harbor billings, taxes, etc.) as long as this contract is in effect. If I default on the promise set out in the previous sentence, the City and Borough of Sitka may withhold payment on this contract and/or garnish a portion of this payment to bring current my outstanding balance(s) with the City and Borough of Sitka.

ARTICLE 8 **JURISDICTION: CHOICE OF LAW**

This Contract shall be governed by the laws of the State of Alaska, and any lawsuit that may be brought shall be filed and prosecuted only in Sitka, Alaska in the Superior Court for the State of Alaska.

ARTICLE 9
ATTACHMENTS

In the event there is any difference between an attachment to the original of this Contract on file with the City and Borough of Sitka Municipal Clerk and any attachment to a duplicate original of the Contract, the attachments to the original filed with the City and Borough Municipal Clerk shall control.

ARTICLE 12
NONDISCRIMINATION

Contractor will not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.

Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.

IN WITNESS, the Parties execute this Contract through their duly authorized representatives, and represent by the signing of this Contract by their duly authorized representatives that they are authorized to sign this Contract between Owner and Contractor for Furnishing Diesel Fuel - City and Borough of Sitka, Sitka School District and Sitka Community Hospital on behalf of the Party they represent.

CITY AND BOROUGH OF SITKA

CONTRACTOR

Municipal Administrator

Name and title of Office (printed or typed)

Date: _____

Company Name (printed or typed)

Signature

Date: _____

ATTEST:

Name and Title of Office (printed or typed)*

Municipal Clerk

Signature

Date: _____

CONTRACT AND ATTACHMENTS
TO ORIGINAL APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

Municipal Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

The foregoing document was acknowledged before me this _____ day of _____
_____ 20____ by _____, Municipal Administrator of the
City and Borough of Sitka, an Alaska Municipal Corporation, on behalf of the City and
borough of Sitka.

Notary Public for State of Alaska
My Commission Expires: _____

*Second Corporate Officer.

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

The foregoing document was acknowledged before me this _____ day of _____
_____ 20____ by _____, the
(title of office) _____ of (name of corporation)
_____ for and on half of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

The foregoing document was acknowledged before me this _____ day of _____
_____ 20____ by _____, the
(title of office) _____ of (name of corporation)
_____ for and on half of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____



Legislation Details

File #: 14-136 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Approve award to Aggregate Construction Inc. in the amount of \$163,788.00 for Verstovia Paving from Sirstad to Pherson

Sponsors:

Indexes:

Code sections:

Attachments: [Verstovia Street](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the consent agenda, the following motion is suggested:

POSSIBLE MOTION

I move to award a contract to Aggregate Construction, Inc. for \$163,788.00 to mill and repave Verstovia Street, to include driveway approaches and entrances.



City and Borough of Sitka

PUBLIC WORKS

113 JARVIS STREET • SITKA, ALASKA 99835
PHONE (907) 747-4041 • FAX (907) 747-7668

MEMO

To: Mayor McConnell and Assembly Members
Mark Gorman, Municipal Administrator

From: Michael Harmon, Public Works Director *MH*
Gary Baugher Jr., Public Works M&O Superintendent *GEB*

cc: Jay Sweeney, Finance Director *JG*

Date: June 2, 2014

Subject: Mill and Overlay Verstovia Avenue

Background

Verstovia Avenue is listed to mill and repave on our five year street repair plan due to its remaining service life making it a prime candidate for a mill and repave. Verstovia Avenue was originally paved over 20 years ago when a lot of other streets were paved. A streets service life is calculated off of a 20 year life cycle. Verstovia Avenue is a well-traveled residential road that is experiencing a lot of maintenance issues such as alligator cracking making this road difficult to navigate.

Analysis

A formal bid was advertised in May 2014. The City and Borough of Sitka received one bid from Aggregate Construction, Inc. (ACI) in the amount of \$163,788.00. This project consists of milling and repaving approximately 2778 Linear Feet of Verstovia Street from Sirstad Street to Pherson Street, to include driveway approaches and entrances. This project has a substantial completion by September 15, 2014 with 30 days for Final Completion.

Fiscal Note

The funding for this project will come from the Capital Projects Budget, G/L 700-600-630-5212.000 project # 90735. The FY13 budget included an appropriation in the amount of \$150,000 for repaving Verstovia Avenue. The proposed FY15 budget includes an additional appropriation of another \$150,000 for the project, for \$300,000 total. To be ready to move forward promptly with the commencement of this project, Administration is asking for conditional approval to award a contract to Aggregate Construction in the amount of \$163,788, pending final approval of the FY15 budget. Actual contract documents will not be signed until the FY15 budget is formally approved by the Assembly.

Recommendation

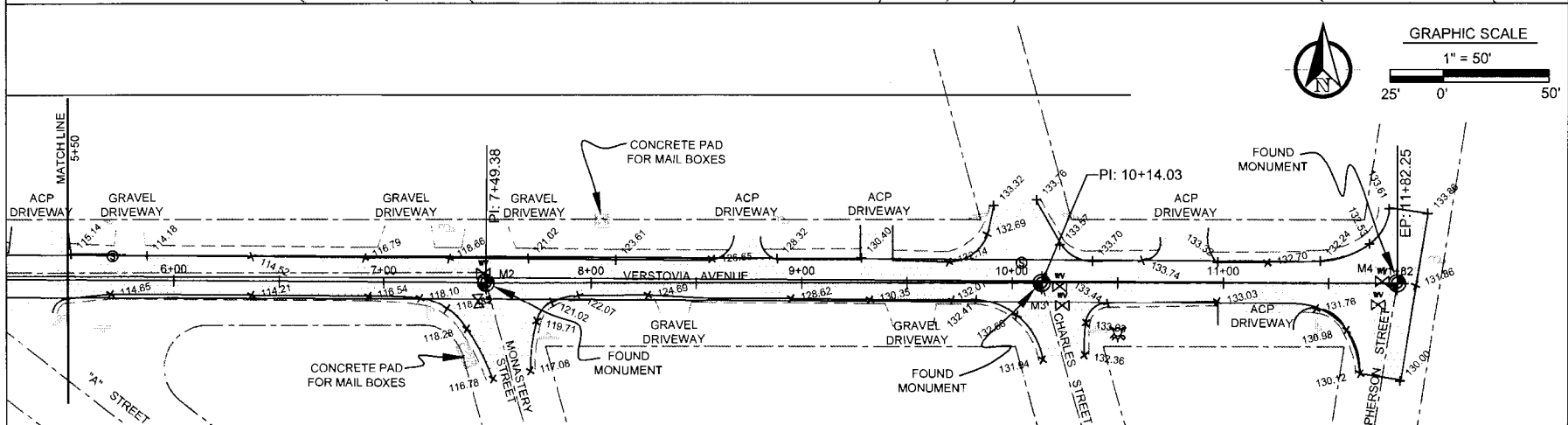
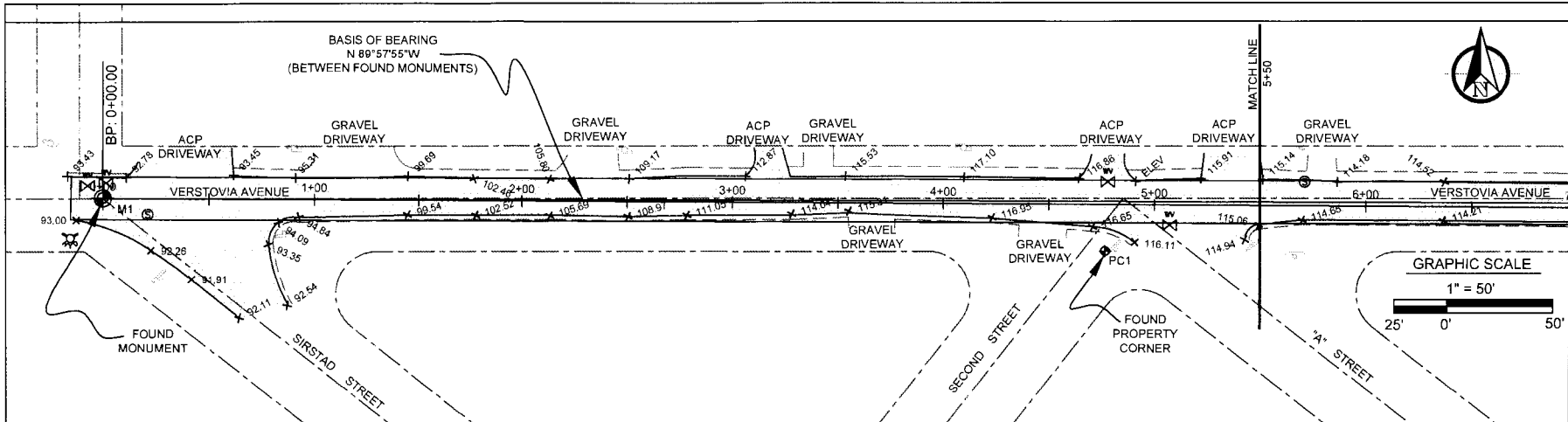
Award Aggregate Construction, Inc. (ACI) with a contract for \$163,788.00 to mill and repave Verstovia Street, to include driveway approaches and entrances. Project number 700-90735.

**Mill and Overlay Verstovia Avenue - May 29, 2014 - Clerk's Office
City and Borough of Sitka, Alaska**

	CONTRACTOR	Plan Holders List	Alaska Business License	Alaska Contractors Certificate	<u>Bid Form</u> signed & notarized	Bid Bond 5% base bid	ADD. ACK. (1, 2, 3)	Base Bid amount	Additive Alternate #1	GRAND TOTAL
1	Aggregate Construction Inc.	Y	Y	Y	Y	Y	NA	\$ 156,788.00	\$ 7,000.00	\$ 163,788.00
2										\$ -
3										\$ -
4										\$ -
5										\$ -
6										\$ -

Staff Present: Municipal Clerk Colleen Ingman, Contract Coordinator Tori Fleming, Nick Kepler, Public Works Maintenance Supervisor, Gary Baugher PW M&O Superintendent

NOTE:



****LEGEND****

POWER POLE		ROW/PLATTED CENTERLINE	
SPOT ELEV.		EDGE OF GRAVEL	
SEWER MANHOLE		EDGE OF EXISTING ASPHALT	
WATER VALVE		EDGE OF PROPOSED ASPHALT	
HYDRANT			
SIGN			
FOUND MONUMENT			
EXISTING CONCRETE			
EXISTING ASPHALT			

NEW ASPHALT AREA = 25,754 S.F.

NOTES:
1. BASIS OF COORDINATES & ELEVATIONS ARE ASSUMED

DESCRIPTION	CONTROL POINT DATA		
	NORTHING	EASTING	ELEVATION
M1 FOUND MONUMENT	10007.708	10110.755	92.38
M2 FOUND MONUMENT	10002.33	10860.117	119.29
M3 FOUND MONUMENT	10002.198	11124.768	133.10
M4 FOUND MONUMENT	10001.992	11292.989	131.57
PC1 FOUND PROP. CORNER	9992.582	10587.502	117.01

CITY OF SITKA
DESIGN SURVEY

VERSTOVIA AVENUE

SHEET NUMBER
1 2

LOG
Larson Inc
Professional engineering company

CITY AND BOROUGH OF SITKA
AGREEMENT BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION OF
MILL AND OVERLAY VERSTOVIA AVENUE

This Agreement is executed by the parties, Owner and Contractor as described below:

OWNER: CITY AND BOROUGH OF SITKA
100 LINCOLN STREET
SITKA, AK 99835

CONTRACTOR: AGGREGATE CONSTRUCTION, INC
LARRY SHINN
P.O. BOX 772
SITKA, AK 99835

On June 10, 2014, the City and Borough of Sitka Assembly approved the award recommendation, based on the response to the bid request, entitled. "Mill and Overlay Verstovia Avenue."

The Owner and Contractor agree to the following terms and conditions concerning Construction of Mill and Overlay Verstovia Avenue, as set forth below.

ARTICLE 1
THE WORK

The Contractor shall perform all the work required by the contract documents enumerated in Article 6, below, for Construction of Mill and Overlay Verstovia Avenue and related work.

ARTICLE 2
TIME OF COMMENCEMENT AND COMPLETION

Work shall commence upon receipt of the Notice to Proceed. All work must be substantially completed no later than **September 15, 2014** with an additional 30 days for final completion. Time is of the essence, and liquidated damages will be charged against the Contractor as provided in Article 11, below.

ARTICLE 3
CONTRACT SUM

The Owner shall pay the Contractor as provided in this contract the total sum price of **\$ 163,788.00** for the successful completion of the specified work.

ARTICLE 4

PROGRESS PAYMENT

Based upon applications for payment submitted by the Contractor, the Owner shall provide for Progress Payments to the Contractor on a monthly schedule. Upon proper application submitted no later than ten (10) days prior to the next scheduled Contractor payday, the Contractor shall be paid for the value of the work performed and materials stored at the site during the period preceding payment. Each application for progress payment shall be on an approved Application for Payment form and shall contain a completed Schedule of Values. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner or its representative may require. All sums properly due shall be paid within thirty (30) days of receipt of application. Prior to final payment, the Contractor shall submit the written consent of surety to such payment and shall submit notarized waivers of lien from all materialmen and subcontractors.

ARTICLE 5 FINAL PAYMENT

The Owner shall make final payment within thirty (30) days after issuance of a Certificate of Final Completion of the work subject to provisions of the General conditions. The Certificate of Final Completion acknowledges that all work required by the contract documents has been completed in accordance with requirements of the contract. The Contractor shall request the final inspection at least five (5) days in advance of the anticipated date of inspection. If all work has not been satisfactorily completed, the contractor shall be liable for all costs incurred by the Owner in making such inspection.

ARTICLE 6 ENUMERATION OF CONTRACT DOCUMENTS

The additional documents which are specifically incorporated into this agreement by reference and which form the contract documents are:

- A. The Contractor's executed bid form and bid schedule, dated May 28, 2014.
- B. Addendum No's. N/A.
- C. The Project Manual, entitled Mill and Overlay Verstovia Avenue, dated Monday, May 12, 2014 which includes Part I – Bidding Documents; Part II – Contract Documents; Part III – State and Federal Davis Bacon Requirements; Part IV – Special Provisions; Part V – Drawings.
- D. All reports contained in said Project Manual or otherwise referenced and incorporated into the contract documents.
- E. City and Borough of Sitka, Alaska, 2002 Standard Specifications which includes General Provisions, Technical Specifications, and Details, as applicable.
- F. All Bonds required by the Project.
- G. Any and all later modifications, change orders and written interpretations of the Contract Documents issued by the Owner and agreed to by Contractor.
- H. The Drawings, entitled Design Survey Verstovia Avenue (1 pages).

Any other attachments to this agreement do not form a part of the agreement but are for reference or proof of compliance with the requirements of the agreement.

ARTICLE 7
NOTICES

All legal notices relating to this contract, including changes of address, shall be mailed to the Owner and Contractor at the following addresses:

OWNER

City and Borough of Sitka
Public Works Director
100 Lincoln Street
Sitka, AK 99835

CONTRACTOR

Aggregate Construction, Inc
Larry Shinn
PO Box 772
Sitka, AK 99835

ARTICLE 8
INSURANCE AND INDEMNIFICATION

Before the execution of the Contract, the Contractor shall obtain all insurance required under this section; and he shall not allow any Subcontractor to commence work until the Subcontractor also has obtained similar insurance applicable to his work. The Contractor shall maintain insurance throughout the life of this Contract including the warranty, guarantee and maintenance period.

Proof of the required insurance shall be provided to the CBS in the form of a Certificate of Insurance, showing the type and the amounts of insurance, the policy number, expiration date and signed by an authorized representative of the insurance company. Each Certificate of Insurance shall state that the policy or policies have been endorsed whereby the insurance company will provide not less than thirty (30) days written notice to the CBS of any material change, cancellation, or non-renewal of the insurance policies. **All insurance policies required under this Article shall name the CBS as an additional insured for the purposes of the Project and shall contain a waiver of subrogation against the CBS.**

The Contractor, its principals, partner, employees, agents, representatives, heirs or assigns, hereby agrees to protect, defend, save harmless and indemnify the CBS, its officials, employees and authorized representatives or its successors against any loss, cost, damage, suits, expense, judgment or liability of any kind whatsoever from or by reason or on account of, as a result of work or activities or any nature whatsoever arising directly or indirectly under this Contract including any claims for injury to person or property or death to the parties or to employees of the Contractor or its principals or of the CBS.

The Contractor shall provide the following types of insurance:

- | | |
|--|-------------------------------|
| 1. Worker's Compensation | Minimum Limits |
| Employer's Liability and Workers' Compensation as required by Alaska State Workers' Compensation Statutes. | Statutory |
| 2. Comprehensive General Liability Single Limit | Minimum Limits
\$1,000,000 |

General Aggregate	\$2,000,000
3. Comprehensive Automobile Liability	Minimum Limits
Including all owned, hired and non-owned vehicles	\$1,000,000

No provision in the contract documents lessens, alters, or makes inapplicable the requirements for insurance and indemnification stated in City and Borough of Sitka Standard Specifications, Division 10, Article 6.18. In the event of conflict between the above-referenced articles and any other contract provision(s), the requirements set out in the above-referenced articles control.

I personally guarantee that I will keep current all my business and personal accounts with the City and Borough of Sitka (i.e. utilities, harbor billings, taxes, etc.) as long as this contract is in effect. If I default on the promise set out in the previous sentence, the City and Borough of Sitka may withhold payment on this contract and/or garnish a portion of this payment to bring current my outstanding balance(s) with the City and Borough of Sitka.

ARTICLE 9
JURISDICTION: CHOICE OF LAW

This contract shall be governed by the laws of the State of Alaska, and any lawsuit brought thereon shall be filed and prosecuted only in Sitka, Alaska in the courts of the State of Alaska.

ARTICLE 10
ATTACHMENTS

In the event there is any difference between an attachment to the original of this agreement on file with the City and Borough of Sitka Clerk and any attachment to a duplicate original of the agreement, the attachments to the original filed with the City and Borough Clerk shall control.

ARTICLE 11
LIQUIDATED DAMAGES

Owner and Contractor recognize that time is of the essence in performance of this contract and the Owner will suffer financial loss if the work is not substantially complete within the time specified above, plus any extensions thereof allowed in accordance with contract documents. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the work is not substantially complete on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay Owner One Thousand Dollars (\$250.00) each calendar day that expires after the contract time required for substantial completion. Further, should the Contractor fail to meet the final completion requirements within 30 calendar days following substantial completion, he will be additionally assessed liquidated damages based on the same formula per calendar day until final completion is satisfied.

**ARTICLE 12
NONDISCRIMINATION**

Contractor will not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.

Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.

IN WITNESS, the parties execute this agreement through their duly authorized representatives, and represent that their duly authorized representatives are authorized to sign this Agreement Between Owner And Contractor For Construction of Mill and Overlay Verstovia Avenue on behalf of the party they represent.

CITY AND BOROUGH OF SITKA

CONTRACTOR

Municipal Administrator

Name and Title of Office (printed or typed)

Date: _____

Company Name (printed or typed)

ATTEST:

Municipal Clerk

Signature

Date: _____

**AGREEMENT AND ATTACHMENTS
TO ORIGINAL APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:**

Municipal Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____
_____ 20____ by _____, **Municipal Administrator** of
the City and Borough of Sitka, an Alaska municipal corporation, for the corporation on
behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires:_____

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____
_____ 20____ by _____, the (title of
office) _____ of (name of corporation)
_____ for and on half of the corporation.

Notary Public for State of Alaska
My Commission Expires:_____



Legislation Details

File #: ORD 14-13A Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/7/2014 In control: City and Borough Assembly
On agenda: 5/27/2014 Final action:
Title: Amending SGC Chapter 4.12 entitled "Property Tax" to add SGC 4.12.045 entitled "Exemptions - Disaster Damage" to Allow Reassessment of Property Damaged by Disaster
Sponsors:
Indexes:
Code sections:
Attachments: [MOTON ORD 14-13A](#)
[Memo Ord 2014-13A](#)
[Ord 2014-13A](#)

Date	Ver.	Action By	Action	Result
5/27/2014	1	City and Borough Assembly		
5/13/2014	1	City and Borough Assembly	AMENDED	Pass
5/13/2014	1	City and Borough Assembly	APPROVED	Pass

POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-13A on first reading as amended.

Memorandum

TO: Mark Gorman, Municipal Administrator
Mayor Mim McConnell and Members of the Assembly

FROM: Randy Hughes, Assessing Director

SUBJECT: Amending the Property Tax Provisions at SGC Chapter 4.12 Entitled "Property Tax" to Add SGC 4.12.045 Entitled "Exemptions-Disaster Damage" to Allow Reassessment of Property Damaged by Disaster.

DATE: May 13th 2014

The proposed change to SGC 4.12 is intended to bring some property tax relief to those property owners who have sustained more than \$10,000 in damages as a result of a disaster.

Every year we have one or two properties that are significantly damaged by fire or mudslides. Property values are based on what was there as of January 1st, without exception. The adoption of this ordinance is allowed by Alaska Statute 29.45.230.

AS 29.45.230. Tax Adjustments On Property Affected By a Disaster.

(a) *The municipality may by ordinance provide for assessment or reassessment and reduction of taxes for property destroyed, damaged, or otherwise reduced in value as a result of a disaster.*

(b) *An assessment or reassessment under this section may be made by the assessor only upon the receipt of a sworn statement of the taxpayer that losses exceed \$1,000. A reduction of taxes may be made only on losses in excess of \$1,000 for the remainder of the year following the disaster. On reassessment, the municipality shall recompute this tax and refund taxes that have already been paid.*

(c) *The municipality shall give notice of assessment or reassessment under this section and shall hold an equalization hearing as provided in this chapter, except that a notice of appeal must be filed with the board of equalization within 10 days after notice of assessment or reassessment is given to the person appealing. Otherwise, the right of appeal ceases unless the board finds that the taxpayer is unable to comply.*

(d) *In an ordinance authorized by this section, the municipality shall establish criteria for the reduction of taxes on property damaged, destroyed, or otherwise reduced in value as a result of disaster, and may, consistent with this section, prescribe procedures, restrictions, and conditions for assessing or reassessing property and for remitting, refunding, or forgiving taxes.*

**TAXPAYER'S CLAIM FOR REDUCTION OF ASSESSMENTS AND THE ABATEMENT OF TAXES
RESULTING FROM DAMAGED REAL OR PERSONAL PROPERTY RESULTING FROM A
DISASTER AS DEFINED IN SGC 4.12.045**

Mail Completed Forms to: Assessor, 100 Lincoln Street, Sitka, AK 99835

"Disaster" means the occurrence or imminent threat of widespread or severe damage, injury, loss of property, or shortage of food, water, or fuel resulting from:

1. An incident such as storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, avalanche, snowstorm, prolonged extreme cold, drought, fire, flood, epidemic, or riot;
2. The release of oil or a hazardous substance if the release requires prompt action to avert environmental danger or mitigate environmental damage; or
3. Equipment failure if the failure is not a predictably frequent or recurring event or preventable by adequate equipment maintenance or operation.

NOTICE TO TAXPAYER: This claim for reduction of assessments and for the abatement of taxes must be filed with the Borough Assessor within sixty (60) days after the date of damage due to a disaster as defined in SGC 4.12.045. If you disagree with the Assessor's determination of value, you may appeal the value to the Board of Equalization within thirty (30) days of the date of notice by submitting a written appeal to the Borough Clerk.

PART 1. TO BE COMPLETED BY TAXPAYER

Pursuant to SGC 4.12.045, I hereby petition for adjustment to the assessed value of the property described below, and for the applicable abatement of taxes.

Taxpayer _____
Phone Number

Mailing Address _____
Property Address

City, State, Zip Code _____
City, State, Zip Code

Borough Parcel ID No. _____

Legal Description _____

Check all that apply:
 Real Property Personal Property Land Mobile Home Commercial

Description of property damage: _____

Date damage occurred: ___/___/___ Describe disaster that caused damage: _____

Estimated value of property damage: _____

If property taxes were paid for the tax year of the disaster, state amount paid: \$ _____

I hereby declare under penalty of perjury that the above information is true and correct to the best of my knowledge and belief.

Date Signed _____
Taxpayer's Signature

PART 2. ASSESSOR'S USE ONLY

Claim: Qualifies Date filed with Assessor ___/___/___
 Does not qualify, because: _____

PART 3. TO BE COMPLETED BY ASSESSOR IF PROPERTY QUALIFIES

Date disaster damage occurred: ___/___/___

- 1. Assessed value of property prior to damage (_____ days) \$ _____
- 2. Full and true value of property after damage (_____ days) \$ _____
- 3. Taxable value of property prior to damage (less exemptions) \$ _____
- 4. Taxable value of property after damage (less exemptions) \$ _____

I hereby certify my determination of the assessed value after damage for the assessment year _____ is as shown on line two (2).

 Date Assessor Date sent to Taxpayer

NOTICE TO TAXPAYER

If you disagree with the Assessor's determination of value, you may appeal the value to the Board of Equalization within thirty (30) days of above Date Sent to Taxpayer by submitting a written appeal to the Borough Clerk in accordance with SGC 4.12.045

PART 4. TO BE COMPLETED BY FINANCE DEPARTMENT.
 Calculation for amount of taxes in year of disaster

	Number of days	Mill Rate	Yearly Tax	Daily Tax	Adjusted Yearly Tax
Original Taxable Value					
_____ (line 3)	_____ (line 1)	_____	_____	_____	_____
Adjusted Taxable Value					
_____ (line 4)	_____ (line 2)	_____	_____	_____	_____

Yearly Tax Due \$ _____ Yearly Adjusted Taxable Value \$ _____

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-13A

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 4.12 ENTITLED "PROPERTY TAX" TO ADD SITKA GENERAL CODE 4.12.045 ENTITLED "EXEMPTIONS – DISASTER DAMAGE" TO ALLOW REASSESSMENT OF PROPERTY DAMAGED BY DISASTER

1. CLASSIFICATION. This ordinance is of a permanent nature and is 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. Alaska Statute 29.45.230 entitled "Tax Adjustments on Property Affected by a Disaster" allows municipalities, by ordinance, to assess or reassess and reduce taxes for property destroyed, damaged or otherwise reduced in value as a result of a disaster. The City and Borough of Sitka has no such ordinance or provision in its general code. The purpose of this ordinance is to add SGC 4.12.045 entitled "Exemptions – Disaster damage" so that, upon application by the property owner, the assessor can assess or reassess and/or reduce the amount of tax owed on properties that have sustained more than \$10,000 in damages by storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, avalanche, snowstorm, prolonged extreme cold, drought, fire, flood, epidemic, explosion or riot.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 4.12.045 entitled "Exemptions – Disaster damage" is added as follows (new language underlined; deleted language stricken):

Chapter 4.12
PROPERTY TAX

Sections:

- 4.12.010 Definitions.
4.12.020 Property subject to tax.
4.12.025 Exemptions.
4.12.030 Assessor's duties.
4.12.040 Assessment of property at full and true value.
4.12.045 Exemptions – Disaster damage.

47 **4.12.045 Exemptions—Disaster damage.**

48 **A. Reassessment of property damaged by disaster.** An owner of any taxable property
49 within the borough, or any person liable for the taxes thereon, whose property was damaged
50 by a disaster without his or her fault, may apply for reassessment of that property under this
51 section. In addition, the assessor may initiate such reassessment where the administrator
52 determines that within the current assessment year taxable property located in the borough
53 was damaged by a disaster.

54
55 **B. Definitions:**

56 Unless the context clearly requires a different meaning, the following words and phrases as
57 used in this section are defined as shown below:

58
59 "Damage" means harm resulting from physical injury to property, including partial or total
60 destruction, and a diminution in the value of improvements or land resulting from restricted
61 access to property caused by the disaster.

62
63 "Disaster" means the occurrence or imminent threat of widespread or severe damage, injury,
64 loss of life or property, or shortage of food, water, or fuel resulting from:

- 65
66 1. An incident such as storm, high water, wind-driven water, tidal wave, tsunami,
67 earthquake, volcanic eruption, landslide, mudslide, avalanche, snowstorm, prolonged
68 extreme cold, drought, fire, flood, epidemic, explosion, or riot;
69 2. The release of oil or a hazardous substance if the release requires prompt action to
70 avert environmental danger or mitigate environmental damage; or
71 3. Equipment failure if the failure is not a predictably frequent or recurring event or
72 preventable by adequate equipment maintenance or operation.

73
74 **C. Eligibility.** To be eligible for reassessment, the damage to the property shall have been
75 caused by any of the following:

- 76 1. A disaster in an area or region declared by the administrator, the governor, or the
77 president to be in a condition of disaster emergency;
78 2. A disaster as that term is defined in this section; or
79 3. A disaster that, with respect to a possessory interest in land owned by the state or
80 federal government has caused the permit or other right to enter upon the land to be
81 suspended or restricted.

82
83 **D. Application for reassessment.**

- 84 1. The application for reassessment must be filed with the assessor within 60 days of the
85 disaster by delivering to the assessor a written application, on a form provided by the
86 assessor, requesting reassessment and describing the condition and value of the
87 property immediately before and after the damage or destruction.
88 2. If no application is made and the assessor determines that within the calendar year a
89 property has suffered damage caused by disaster that may qualify the property owner
90 for relief under an ordinance adopted under this section, the assessor may provide the
91 last known owner of the property with an application for reassessment. The property

92 owner shall file the completed application within 30 days of the date of the mailing of
93 notification by the assessor but in no case more than 60 days after the occurrence of
94 said damage.

95 3. Upon receiving the proper application, the assessor or assessor's designee will inspect
96 the property and verify the prior year's full and true value of land, improvements,
97 personal property, or the proposed or certified current year's value immediately before
98 and after the damage or destruction.

99 4. If an applicant has refused or failed to provide the assessor or the assessor's agent full
100 access to property or records reasonably requested by the assessor, the applicant shall
101 be precluded from any reduction or relief, and any valuation or valuation issue
102 affected by the lack of access shall be decided in favor of the assessor.

103 5. If the sum of the full and true values of the land, improvements, and personal
104 property before the damage exceeds the sum of the values after the damage by
105 \$10,000.00 or more, the assessor shall also separately determine the percentage
106 reduction in value of the land, improvements, or personal property due to the damage
107 or destruction. The assessor shall reduce the values appearing on the assessment roll
108 by the percentage of damage or destruction computed pursuant to this section, and the
109 taxes due on the property shall be adjusted as provided this section. However, the
110 amount of the reduction shall not exceed the actual loss.

111 6. Any damages to land, improvements, personal property, or additions that do not
112 appear on the assessment roll are not eligible for consideration under this section.
113

114 **E. Notice of reassessment.** The assessor shall notify the applicant in writing of the amount
115 of the proposed reassessment. The notice shall state that the applicant may appeal the
116 proposed reassessment to the board of equalization within 30 days of the date of mailing the
117 notice.

118
119 **F. Appeal.** Appeals of the reassessed value shall be heard in accordance with the valuation
120 and flat tax appeal procedures provided in this chapter. A decision of the board of
121 equalization regarding reassessment issued pursuant to this section shall create no
122 presumption regarding the value of the affected property subsequent to the date of the
123 damage.

124
125 **G. Tax roll adjustment.** Any reassessed value resulting from one or more reductions in full
126 and true value of amounts, as determined above, shall be forwarded to the finance director.
127 The finance director shall calculate and enter the reassessed tax values on the finance roll as a
128 tax adjustment request (TAR).

129
130 **H. Tax adjustment.** The tax rate fixed for the property so reassessed shall be applied to the
131 amount of the reassessment as determined in accordance with this section. The owner of
132 record shall be liable for a prorated portion of the taxes that would have been due on the
133 property for the current calendar year had the disaster not occurred. This proration is
134 determined on the basis of the number of days remaining in the calendar year beginning with
135 the date of the disaster. For purposes of applying the calculation in prorating taxes, the term
136 "calendar year" means the portion of the current tax year used to determine the adjusted

137 amount of taxes based on a 365-day year. If the damage or destruction occurred after January
138 1 and before the beginning of the next calendar year, the reassessment shall be utilized to
139 determine the tax liability for the current year. Any tax paid in excess of the total tax due
140 shall be refunded to the taxpayer as an erroneously collected tax within 60 days of the final
141 determination of the adjusted tax liability.

142
143 **I. Effect of revised assessment.** The assessed value of the property in its damaged
144 condition, as determined pursuant to this section shall be the taxable value of the property
145 until December 31 of the year in which the disaster occurred, unless the value is otherwise
146 adjusted as allowed by law.

147
148 5. **EFFECTIVE DATE.** This ordinance shall become effective January 1, 2015.

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150 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
151 Sitka, Alaska this 10th day of June, 2014.

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Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 14-15 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/21/2014 In control: City and Borough Assembly
On agenda: 5/27/2014 Final action:
Title: Adopting budgets for the fiscal year July 1, 2014 through June 30, 2015
Sponsors:
Indexes:
Code sections:
Attachments: [MOTION ORD 14-15](#)
[Ord 2014-15](#)

Date	Ver.	Action By	Action	Result
5/27/2014	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2014-15 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-15

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADOPTING BUDGETS FOR THE FISCAL YEAR JULY 1, 2014
THROUGH JUNE 30, 2015

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

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

3. **PURPOSE.** The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2015.

4. **ENACTMENT. NOW THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets for the fiscal period beginning July 1, 2014 and ending June 30, 2015 are hereby adopted as follows:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURE BUDGET</u>		
<u>GENERAL FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
General Fund	\$ 26,770,818	\$ 25,378,345	\$ 1,385,020	\$ 26,763,365
<u>ENTERPRISE FUNDS</u>				
Electric Fund	\$ 50,934,551	\$ 15,345,758	\$ 35,239,002	\$ 50,584,760
Water Fund	\$ 2,190,690	\$ 1,609,716	\$ 435,000	\$ 2,044,716
Wastewater Fund	\$ 4,354,010	\$ 2,791,149	\$ 1,640,000	\$ 4,431,149
Solid Waste Fund	\$ 3,041,910	\$ 3,169,650	\$ 35,000	\$ 3,204,650
Harbor Fund	\$ 6,002,656	\$ 2,300,862	\$ 5,921,053	\$ 8,221,915
Airport Terminal Fund	\$ 635,952	\$ 467,163	\$ -0-	\$ 467,163
Marine Service Center Fund	\$ 256,464	\$ 273,751	\$ -0-	\$ 273,751
Sawmill Cove Industrial Complex	\$ 420,534	\$ 531,797	\$ 9,000	\$ 540,797

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<u>INTERNAL SERVICE FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
Management Information Systems Fund	\$ 826,876	\$ 848,242	\$ 48,500	\$ 896,742
Central Garage Fund	\$ 1,941,750	\$ 943,655	\$ 294,200	\$ 1,237,855
Building Maintenance Fund	\$ 762,621	\$ 924,492	\$ -0-	\$ 924,492
<u>SPECIAL REVENUE FUNDS</u>				
SE Alaska Economic Development Fund	\$ 100,000	\$ 100,000	\$ -0-	\$ 100,000
Revolving Fund	\$ 58,458	\$ 17,873	\$ -0-	\$ 17,873
Guarantee Fund	\$ 4,500	\$ 4,500	\$ -0-	\$ 4,500
Rowe Trust Fund	\$ 8,000	\$ 3,000	\$ -0-	\$ 3,000
Library Endowment Fund	\$ 24,000	\$ 21,000	\$ -0-	\$ 21,000
Southeast Alaska Communities Against Drugs Fund	\$ 28,000	\$ 28,000	\$ -0-	\$ 28,000
City/Borough Forfeiture Fund	\$ 2,836	\$ -0-	\$ -0-	-0-
Narco Task Force Grant	\$ 235,000	\$ 235,000	\$ -0-	\$ 235,000
State Forfeiture Fund	\$ 4,230	\$ -0-	\$ -0-	\$ -0-
Homeland Security Grant	\$ 15,000	\$ 15,000	\$ -0-	\$ 15,000
Library Building Fund	\$ 17,000	\$ 17,000	\$ -0-	\$ 17,000
SCIP Contingency Fund	\$ 16,920	\$ 16,920	\$ -0-	\$ 16,920
Tobacco Excise Tax Fund	\$ 473,549	\$ 472,500	\$ -0-	\$ 472,500
Fisheries Enhancement Fund	\$ 33,712	\$ 35,000	\$ -0-	\$ 35,000
Commercial Passenger Vessel Excise Tax Fund	\$ 327,151	\$ 68,080	\$ -0-	\$ 68,080
Cemetery Fund	\$ 4,000	\$ 3,000	\$ -0-	\$ 3,000
Seasonal Sales Tax/School Bond Debt Service Fund	\$ 3,717,351	\$ 3,716,964	\$ -0-	\$ 3,716,964
<u>PERMANENT FUND</u>				
Permanent Fund	\$ 280,800	\$ 1,121,342	\$ -0-	\$ 1,121,342

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<u>CAPITAL PROJECT FUNDS</u>	REVENUE	OPERATIONS	CAPITAL /TRANSFER	TOTAL
General Capital Project Fund	\$ 1,385,020	\$ -0-	\$ 1,385,020	\$ 313,000
Electric Capital Project Fund	\$ 35,167,800	\$ -0-	\$ 35,167,800	\$35,167,800
Water Capital Project Fund	\$ 435,000	\$ -0-	\$ 435,000	\$ 435,000
Wastewater Capital Project Fund	\$ 1,615,000	\$ -0-	\$ 1,615,000	\$ 1,615,000
Solid Waste Capital Project Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Harbor Capital Project Fund	\$ 5,921,053	\$ -0-	\$ 5,921,053	\$ 5,921,053
Airport Terminal Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Marine Service Center	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>COMPONENT UNIT</u>				
Sitka Community Hospital	\$27,235,839	\$ 24,975,622	\$ 2,260,217	\$27,235,839

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EXPLANATION

Details of individual budgets are contained in Enclosure 1. Support to the Sitka School District has been included in the General Fund Expenditures. Budgeted amounts for all funds include revenue, operating expenditures and new capital outlays.

5. EFFECTIVE DATE. This ordinance shall become effective on July 1, 2014.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of June, 2014.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 14-17 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/21/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Authorizing the transfer/sale of City and Borough of Sitka's pocket lot as depicted in the Turney Burkhart Planned Unit Development and located in the Turney Burkhart Subdivision to Sitka's Community Land Trust (CLT)

Sponsors:

Indexes:

Code sections:

Attachments: [MOTION ORD 14-17](#)
[Memo Ord 2014-17](#)
[Ord 2014-17](#)
[Plat Turney Burkhart PUD](#)
[Images PUD](#)
[SCLT Prelim Bus Plan](#)
[SCLT Operating Budget](#)
[SCLT Grounds Lease](#)
[SCLT Stewardship Policies and Procedures](#)
[SCLT Home Repair and Replacement](#)
[SCLT Home Buyer Selection Policies](#)
[SCDC Business License](#)
[Internal Revenue Service](#)
[SCDC bylaws](#)
[SCDC Articles of Amendment](#)
[Public Notice CLT](#)

Date	Ver.	Action By	Action	Result
5/27/2014	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2014-17 on second and final reading.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Municipal Administrator

Subject: Ordinance 2014-17 Sale of Pocket Park, Turney Burkhart PUD to Sitka Community Development Corporation Community Land Trust

Date: May 21, 2014

Sitka Community Development Corporation (SCDC) was started in 2006 by Sitkans responding to the lack of affordable housing in the community. SCDC's purpose is to "promote community development and affordable housing for individuals and families in the City and Borough of Sitka." SCDC received its 501(C)(3) status from the IRS in 2008. Incorporated in the State of Alaska, SCDC is also a Community Land Trust (CLT) working to provide Sitka with permanently affordable housing. In May of this year, the SCDC Board adopted the business plan, five year operating budget, ground lease, stewardship policies, repair and maintenance policy, and home buyer selection policies and procedures.

Ordinance 2014-17 conveys the small lot (3825 square feet), currently designated as a Pocket Park, in the Turney Burkhart Subdivision to the CLT. The pocket park was created at the time of the Planned Unit Development according to subdivision code regulations, however it has been unmaintained and unused. The lot is assessed at \$78,100.

The CLT will remain the land owner of the lot, only selling the future home to qualifying individuals with an annual income range below 120% of the area median income. Along with affordability controls for future sales of the home, this keeps home ownership at an attainable rate for working families in the Sitka area. With home owners paying a small monthly land lease fee to the CLT, the Trust will be able to develop other properties making more affordable homes available.

Working with the Cold Climate Housing Research Center, the CLT will develop a modest, code conforming house plan that will be aesthetically pleasing to the neighborhood.

RECOMMENDED ACTION: Approve the ordinance.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-17

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE TRANSFER/SALE OF CITY AND BOROUGH OF SITKA’S POCKET LOT AS DEPICTED IN THE TURNEY BURKHART PLANNED UNIT DEVELOPMENT AND LOCATED IN THE TURNEY BURKHART SUBDIVISION TO SITKA’S COMMUNITY LAND TRUST (CLT)

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

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 circumstances shall not be affected.

3. PURPOSE. The purpose of this ordinance is to facilitate the construction of an affordable home as proposed by CLT. CLT will gain ownership of the land, along with durable affordability controls over the resale of any home built on that land, ensuring that the municipal subsidized home remains available for lower-income homebuyers for generations to come. Sitka has both made a social priority on promoting homeownership for lower-income families and a fiscal priority on protecting the public’s investment in affordable housing. This proposed pilot project accomplishes both.

This ordinance authorizes the land transfer/sale; and 1) makes this parcel of CBS land available for an affordable home project; and, 2) ensures this parcel remains available for lower income buyers in the future. The Municipality and the Community Land Trust are cooperating in this pilot project.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The transfer/sale of a Pocket Park of the Turney Burkhart Planned Unit Development - Turney Burkhart Subdivision to Community Land Trust is hereby authorized.
B. The Assembly finds that due to the size and original intent of the lot not being fully utilized and the ability for the CBS to maintain it that the parcel can be put to greater use than that of a pocket park. This transfer/sale will allow for a cooperative project that results in promoting homeownership for a lower-income family by placing an affordable home on the market as proposed by the grantee CLT. Therefore sale by competitive bid is found to be inappropriate.
C. The sale price is \$1.00. This price is due to the fact that the Municipality significantly benefits through other means in this transaction.
D. Upon payment of the purchase price the Administrator is authorized to execute the documents necessary to convey the property.

51 E. The Buyer is responsible for all recording fees and associated costs.

52

53 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of
54 its passage.

55

56 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
57 Sitka, Alaska this 10th day of June, 2014.

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Matthew Hunter, Deputy Mayor

61 **ATTEST:**

62

63 _____
Colleen Ingman, MMC

64 Municipal Clerk

CERTIFICATE OF OWNERSHIP AND VOUCHER

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADMIT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND RESOLVE ALL INTERESTS, CLAIMS, RIGHTS AND OTHER INTERESTS TO PUBLIC OR PRIVATE USE AS NOTED.

Signature: William Burkhart, Inc.
 Title: President
 Signature: Don Williams
 Title: Secretary

MILITARY ACKNOWLEDGMENT

THIS IS TO CERTIFY THAT ON THIS 18th day of September, 1961, before me, the undersigned a Notary Public in and for the State of Alaska, duly commissioned and sworn, appeared William Burkhart, Inc. and Don Williams, both of whom are known to me to be the persons whose names and addresses are set forth in the foregoing certificate, and who declared the contents of said certificate to be true and correct. I caused the same to be read to them and they acknowledged the same to be true and correct. I caused the same to be recorded in my office.

Witness my hand and Notary Seal the day and year in this certificate first herein written.

Notary Public in and for the State of Alaska
 My Commission Expires 12-18-1962

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATING BEING AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD OF PLANNING AND RECORDS OF THE CITY & BOROUGH OF SITKA, ALASKA, AND THAT THE SAID PLAN SHALL BE RECORDED IN THE OFFICE OF THE DISTRICT REGISTRAR, SITKA, ALASKA.

Signature: Don Williams
 Title: Secretary

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATING BEING AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD OF PLANNING AND RECORDS OF THE CITY & BOROUGH OF SITKA, ALASKA, AND THAT THE SAID PLAN SHALL BE RECORDED IN THE OFFICE OF THE DISTRICT REGISTRAR, SITKA, ALASKA.

Signature: Don Williams
 Title: Secretary

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENTS

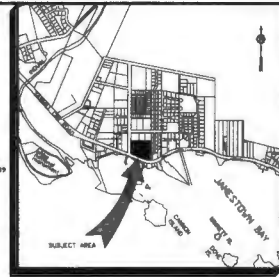
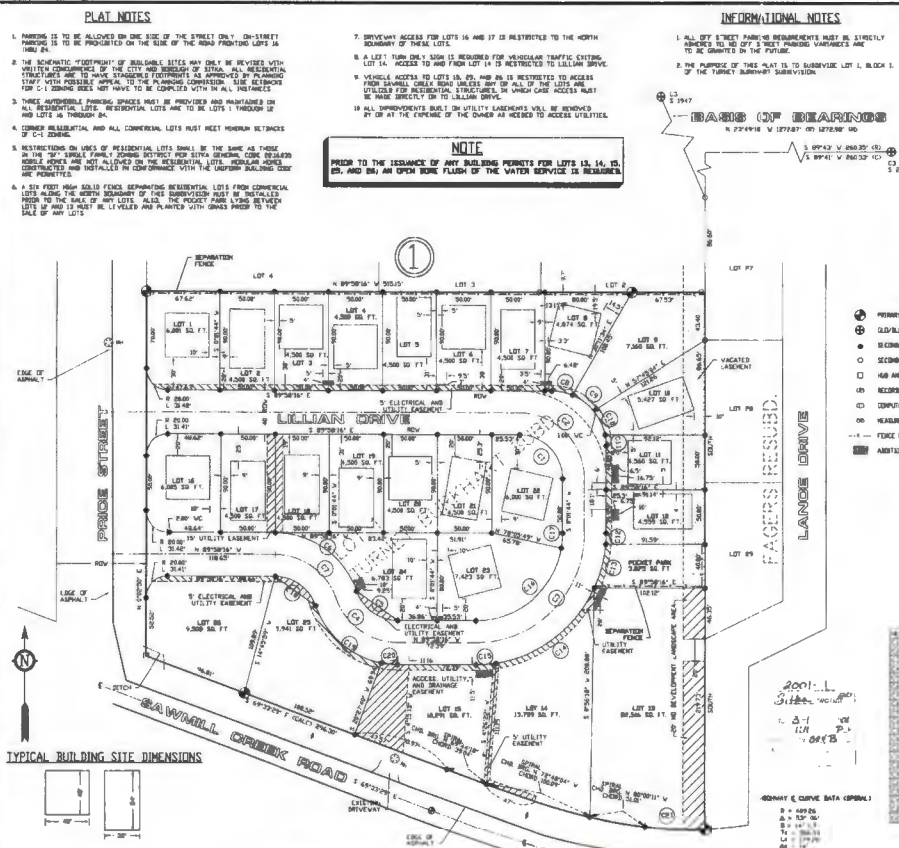
I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND FINANCIAL DIRECTOR OF THE CITY & BOROUGH OF SITKA, ALASKA, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, ALASKA, THE FOLLOWING RECORDS HAVE BEEN PAID IN FULL:

DATE: 10/18/61
 BY: Don Williams
 CITY AND BOROUGH CLERK

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENTS

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND FINANCIAL DIRECTOR OF THE CITY & BOROUGH OF SITKA, ALASKA, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, ALASKA, THE FOLLOWING RECORDS HAVE BEEN PAID IN FULL:

DATE: 10/18/61
 BY: Don Williams
 CITY AND BOROUGH CLERK



LEGEND

- PRIME CONTROL (REMARK: C-1)
- SECONDARY CONTROL (REMARK: C-2)
- RECORDS (REMARK: C-3)
- ASB AND FACE (C-4)
- RECORDED BIFA
- COMPUTED BIFA
- MEASURED BIFA
- FENCE LINE
- ADDITIONAL AREA OF UTILITY EASEMENT

TABLE OF ACCESSORIES

MONUMENT ACCESSORIES SET THIS SURVEY

LOT	DESCRIPTION	BEARING	DISTANCE
LOT 1	CUTTER-FORM FENCE	N 89°25' E	4.50'
	POWER POLE	N 89°25' E	5.70'
	P. BUCKAN BLSG CORN	N 30°45' E	30.00'
LOT 2	8" x 8" SPRUCE	N 83°20' E	26.66'
	8" x 8" HEMLOCK	N 89°25' E	41.00'
	8" x 8" FENCE POST	N 80°20' W	84.32'
LOT 3	8" x 8" ALDER	E 79°15' W	19.99'
	8" x 8" HEMLOCK	N 79°15' W	38.84'
	POWER POLE	N 89°25' E	2.80'
LOT 4	8" x 8" SPRUCE	N 89°25' E	26.50'
	8" x 8" SPRUCE	N 84°25' E	61.00'
	POWER POLE # 1039	E 79°15' W	74.32'

NOTES: ALL BEARING TREES HAVE A BEARING TREE TAG ATTACHED.

O'NEILL
 SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99505
 PHONE (907) 744-7900
 FAX (907) 744-7990
 EMAIL: ooneill@turneryburkhart.com

DATE	DESCRIPTION OF CHANGE

RECORDS OF INVESTIGATION

SEARCHED _____ INDEXED _____
 SERIALIZED _____ FILED _____
 OCT 18 1961
 FEDERAL BUREAU OF INVESTIGATION
 ALASKA OFFICE

SUBDIVISION CERTIFICATE

I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON IS CORRECT AND ACCURATE AND THAT THE SAID PLAN IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

Signature: William Burkhart, Inc.
 Title: President

TURNERY BURKHART
PLANNED UNIT DEVELOPMENT
LOT 1, BLOCK 1
TURNERY BURKHART SUBDIVISION

CLIENT: GARY VANCE, 1407 EXETER DRIVE, SITKA, AK 99505









**Preliminary Business Plan
Initial Framework
Sitka Community Land Trust**

February 2014

Prepared by
Michael Brown
Burlington Associates in Community Development, LLC

Origins of the Sitka Community Land Trust

The Sitka County Community Land Trust is a community land trust (CLT) program to be established in 2014, at the initiation of the Sitka Community Development Corporation (SCDC), to create and preserve a permanent supply of affordably priced housing for working families in the City and Borough of Sitka Alaska.

As is the case in many communities across the country, high land values and housing costs make the cost of homeownership very high in Sitka. The average list price for a single-family home in Sitka for the month of September 2013, according to Sitka MLS data, was \$445,442 with the median list price of \$380,500. Some of the inflation in housing costs in Sitka is due to limited availability of developable land, given its location as a coastal community wedged between the ocean and majestic, steep mountains and the fact that the Tongass National Forest surrounds Sitka. Additionally, given its remarkable natural beauty, Sitka's housing market is impacted significantly by second-home owners.

At the same time, median household income in Sitka is \$75,300¹. Very high housing costs, combined with other high living costs (including food, healthcare, and other living costs) and the recent tightening of the mortgage credit market, have pushed homeownership beyond the reach of many households who wish to live and work and raise their families in Sitka. Many of these households could significantly benefit from opportunities provided through a community land trust strategy in Sitka.

Data from the U.S. Census Bureau: 2007-2011 describes the nature and scope of Sitka's affordable housing needs and points to the need for a long-term solution include:

- 42% of Sitka households rented their housing compared to the state of Alaska at 37% and the U.S. at 35%.
- Sitka had a higher rate of housing units that are paid off (owner without a mortgage) at 22% compared to 20% for both the state of Alaska and U.S.
- Sitka had a lower rate of 36% for housing units that have mortgages not yet paid off (owner with a mortgage) compared to 43% for the state of Alaska and 45% for the U.S.
- 25.8% of homeowners with a mortgage are cost burdened, paying over 30% of their household income for housing costs².

Additionally, Sitka has lost a number of employers that provided year-round high paying jobs, including the pulp mill, Sheldon Jackson College, the Forest Service. This, combined with the drastic rise in home prices and other costs of living, forces more working residents of Sitka to rent as they cannot afford to buy a home.

¹ Area median income, based on a family size of four, for Sitka Alaska, as published by the U.S. Department of Housing and Urban Development.

² Households paying more than 30% of their income for housing costs are considered to be cost burdened by HUD standards.

Mayor Mim McConnell was a member of the Sitka Long Range Planning and Economic Development Commission in 2008 and its Affordable Housing Committee, which included several SCDC board members. This committee decided that the Community Land Trust model made the most sense for Sitka. The committee and city officials learned more about this model through a teleconference held with the Northwest CLT Coalition. McConnell was hired by SCDC in 2010, attended national community land trust conferences in 2011 and 2012, became even more convinced that a community land trust could be an excellent long-term solution for Sitka and its affordable housing challenges and began to coalesce local support within SCDC and within the Sitka community for a local CLT. Mayor McConnell contacted Burlington Associates in Community Development, the premier provider of technical assistance to community land trusts and their public and private partners in the U.S., seeking advice and assistance when she realized how much there was to learn about CLTs and their operation. In December 2012, Michael Brown, Partner in Burlington Associates, visited Sitka while on a family visit to Juneau. During his visit, Mr. Brown provided basic information about community land trusts in various public forums and worked with representatives of SCDC to assess the potential feasibility of a Sitka community land trust.

Concerned by the long-term human, civic and economic consequences of this growing shortage of affordably priced housing for local working families, SCDC subsequently determined not only that there is a need for a local community land trust but that there may well be the financial and political support for creating and sustaining the ongoing operation of a CLT in Sitka. A proposal for services was solicited from Burlington Associates in the spring of 2013 and SCDC began to seek the funding needed to access technical assistance to design and implement a community land trust in Sitka. A grant from the Rasmuson Foundation for this work was approved in July and a contract for services between Burlington Associates and SCDC was negotiated and executed shortly thereafter.

Community Land Trusts

A community land trust (CLT) is an organization that exists to serve as the long-term steward of land and to protect the long-term affordability and quality of housing that is produced with scarce subsidy resources. There are nearly 300 community land trusts in operation in the United States, including the Juneau Housing Trust in Juneau Alaska.

CLTs sell homes to eligible, qualified lower-income buyers at affordable prices while retaining ownership of the land. CLTs enter into very long-term (99-year) ground leases with individual homeowners which give these homeowners most of the rights and responsibilities of traditional homeowners. The CLT ground lease, however, specifies limits on the homeowner's use and occupancy of their homes and limits the price at which these homes can be resold, should their owners ever choose to sell. Because they receive the benefit of substantial write-downs in the purchase price of their homes, CLT homeowners are expected to pass this benefit along to subsequent buyers by agreeing to sell their homes at a reduced price. The CLT ground lease spells out the homeowner's rights and responsibilities, and attempts to balance the interests of current homeowners with those of potential future homebuyers. Additionally, the CLT ground lease provides for the CLT to play an active and ongoing role in management of the community asset that is created when permanently affordable homes are built.

CLTs typically charge a modest monthly ground rent to support the provision of support to homeowners on an ongoing basis, and especially at the time of resale.

Burlington Associates agreed to work with the Sitka CDC and the broader Sitka community on a range of critical objectives essential to the planning and implementation of a successful community land trust initiative. These objectives include:

- Determine the appropriate organizational structure for the CLT entity; determine the membership requirements and the composition of the CLT's board of directors; and determine and outline the organizational documents needed (e.g., Articles of Incorporation, bylaws, and application to IRS for 501(c)(3) charitable designation) for the successful CLT operation³.
- Develop a preliminary business plan for the Sitka CLT, outlining the CLT's organizational structure and governance; the roles to be played by the CLT in developing its portfolio and the critical partnerships to be formed in order for the CLT to be operated successfully; the anticipated pace and scale at which the CLT's portfolio will grow; the staffing plan and organizational capacity needed to meet these anticipated goals; and a multi-year financial plan for the CLT's operations.
- Develop a ground lease and resale formula to be used in the first homes to be brought into CLT's portfolio.
- Develop eligibility criteria and a selection process to determine who will purchase and live in CLT's homes.
- Develop materials and outline strategies to orient potential homebuyers about the benefits and responsibilities of buying, owning and selling a CLT home as well as to educate and build support for the CLT's efforts among the general public and specific constituencies within the community.

³It was thought likely that a CLT in Sitka would be established as a program under the corporate structure and governance of SCDC. If this were the case, new organizational documents would not be needed but modifications to SCDC's organizational documents may be required.

Organizational Framework for the Sitka Community Land Trust

Beginning with the additional *pro bono* visit in December 2012 and continuing through the first site visit under the contract in August 2013, Burlington Associates and SCDC have discussed options and choices and developed a number of initial recommendations for the proposed structure and operations of a Sitka Community Land Trust. The recommendations developed through these meetings – recommendations forming the framework for the establishment and initial operation of the CLT – can be grouped into two major areas, organization structure and mission/work plan.

Organizational Framework

Geographic Service Area

Issue: What will be the geographic service area of the Sitka CLT?

Given its location and geography involved, it only makes sense that a Sitka CLT would target its activities, at least initially, in the City and Borough of Sitka.

Organizational Structure

Issue: How best to structure the new community land trust to assure long-term viability of the organization and its operations? Options include:

- a. *Should a new, independent, nonprofit organization be created to operate as the CLT?*
- b. *Should the CLT be ‘nested’, at least temporarily, within SCDC or another local nonprofit organization?*
- c. *Or should the CLT be structured as a separate but wholly-controlled subsidiary entity of SCDC or some other sponsoring organization?*

For a variety of reasons, SCDC determined to operate the CLT, at least initially, as a program under its corporate structure and governance. Factors influencing this decision for SCDC to operate a CLT program include: SCDC’s staff and board of directors have, for over a year, been advocating and providing information about a CLT and its benefits in Sitka; creating and operating a CLT program will be faster and less expensive than incorporating a new nonprofit organization; and no other local nonprofit (or public sector) organization has the interest or capacity needed to operate a CLT program successfully.

Work that will need to be completed to ‘adapt’ Sitka CDC to operate a successful CLT program, during the planning and implementation process, include:

- Review of SCDC’s Articles of Incorporation to determine if operating a CLT program is allowed under its corporate powers or if the Articles will need to be amended.
- Review SCDC’s bylaws and draft amendments needed for SCDC to operate a successful CLT program. Such amendments may include:
- Updating the corporate purposes and the powers and duties of the board of directors.

- Modifying the composition and selection of the board of directors to allow CLT homeowner representation (up to one-third of the seats) on the governing board.
- Modifying quorum requirements to ensure attendance and participation by directors from all categories in order to conduct business.
- Review SCDC’s application and ruling a “charitable” tax-exempt designation as a “charitable” organization under Section 501(c)(3) of the Internal Revenue Code, to determine SCDC’s ability, within this ruling, to operate a CLT program.

Board of Directors

Issue: How will the board of directors of the CLT be comprised and selected? How will the CLT be governed? Will the CLT’s board of directors be comprised of three equal parts, and with one-third of the seats reserved for persons living on CLT-owned land? Will there be any “reserved” seats? How will these directors be elected – by an open membership or by the board of directors itself?

One of the distinguishing characteristics of community land trusts is the three-part composition of their governing board of directors – in which 1/3 of the seats are reserved for homeowners; 1/3 of the seats are reserved for community representatives (i.e., people who live in the CLT’s service area; and 1/3 of the director seats are reserved for public representatives (i.e., those who represent more broadly the interests of the general public).

As the CLT in Sitka is most likely to be operated, at least initially as a program under its corporate structure and governance, the Sitka CDC is considering amending its bylaws to allow for one-third of its board of directors to be filled by CLT homeowners. (Until SCDC actually has CLT homeowners, these seats can continue to be filled by those who can reasonably represent the interests of the CLT’s target clientele). In so doing, SCDC will meet the structural requirements stipulated by HUD for Community Housing Development Organizations (CHDOs).

Through this structure, SCDC’s membership will continue to be comprised of its board of directors and the governing board will continue to be responsible for filling vacancies as needed.

Development Strategy

Issue: What development strategies will be used to bring housing into the CLT’s portfolio – e.g., acquiring scattered site vacant land and developing new for-sale housing; acquiring contiguous sites and developing new for-sale (perhaps mixed-income) housing; acquiring vacant homes and rehabbing for them for resale; etc.?

The Sitka Economic Development Association is currently exploring the potential for implementing a Housing Overlay District in the City and Borough of Sitka. If implemented, a likely outcome of this overlay district would be the creation of a number of affordably priced homes that the Sitka CLT program could be tasked with keeping affordable forever. In such an arrangement, SCDC could be the recipient of affordable homes developed by a for-profit developer or could act itself as the primary developer of these affordably priced homes.

It is also anticipated that homes in the CLT program could be a mix of new construction, for-sale, single-family homes – developed either as in-fill homes on available vacant lots or on

contiguous lots, as part of larger developments – and the acquisition, rehabilitation and resale of existing single-family homes. These CLT homes could be detached or attached (e.g., townhomes, row houses, or patio homes) single-family, for-sale homes. Additionally, SCDC acknowledges the urgent need for affordable, well-managed rental housing in Sitka and will actively explore the potential for developing, owning and preserving affordable rentals as part of its CLT portfolio.

Role in Housing Development Activities

Issue: What role(s) will the CLT play in the development of housing to be brought into its portfolio?

Sitka CDC anticipates that quality, affordably priced homes will come into its portfolio in a number of ways, including:

- Affordably priced homes may be created through a to-be-implemented Housing Overlay District and placed in the CLT program to be kept affordable over the long term.
- SCDC will also expand its internal capacity to be a developer of the homes to be brought into its portfolio⁴. This development role is expected to be carried out in a number of ways, including:
 - In instances in which it is able to secure site control of developable sites, SCDC will act as the primary developer: designing the project concept, securing financing and needed local builders to partners to construct quality, for-sale homes, per SCDC’s specifications, on these sites.
- SCDC will also partner with for-profit developers and nonprofit development partners (such as the Baranof Island Housing Authority, or BIHA and RuralCAP) in developing affordably priced homes to be preserved through its CLT program. In these partnerships, risks and responsibilities will be shared and will be specifically delineated in negotiated development agreements. It is likely that SCDC’s responsibilities will include designing project concept, securing affordability subsidies, marketing and homebuyer orientation.
- SCDC will also plan and establish an endowment program wherein residents may bequeath their home, rental housing or property to the CLT.

In addition to any roles it will play in the actual development of housing, SCDC will, of course, carry primary responsibility for acting as *steward* of the affordability and quality of the homes in its CLT portfolio and the success of the homeowners in these homes.

Mission and Work Plan

Target Population

Issue: Who will the CLT serve? In addition to specific income restrictions imposed by particular funding programs (e.g., HOME) who will be eligible to live in the CLT’s housing?

The board of directors and staff of Sitka CDC are aware of the critical need for owner-occupied housing affordable to households with incomes below 80 percent of Sitka median

⁴In HUD’s newly revised regulations, any organization seeking to qualify as a Community Housing Development Organization (CHDO) must have in-house staffing with specific housing development expertise.

income. Additionally, given the exceedingly high housing costs in Sitka, SCDC is also aware that households with incomes in the 80%-120% of area median income are also finding homeownership beyond their reach, based solely on their income.

Consequently, SCDC has determined that it will restrict its permanently affordable housing to local households within incomes below 120 percent of Sitka median income, adjusted for family size. Additionally, due to the urgency of local needs, SCDC will target senior households as well as households that are, by federal definition, “low-income” – i.e., households with incomes below 80% AMI – consistent with its IRS designation as a tax-exempt, “charitable” organization. SCDC will ensure that CLT homes purchased by households with incomes above 80% AMI will not utilize federal HOME funds or other public subsidy sources that are restricted to low-income households. Given the comparatively high median income level in Sitka, SCDC will likely try to serve working households with incomes below 80% of AMI, whenever possible.

More specific details on eligibility and selection criteria will be established as SCDC develops and begins planning for marketing of the first CLT homes to be made available for sale.

Subsidy Needs

Issue: How much can the CLT’s target market afford to pay for housing? How large are the affordability gaps? Where will these subsidies come from and in what quantity?

Considerable subsidy investments will be needed in order to make Sitka CDC’s homes affordable to the households it hopes to serve. Assuming housing costs should not exceed 30% of a household’s gross income⁵:

- Sitka households with incomes between 60%-80% of area median income will likely need home purchase prices in the range of \$205,000 to \$272,000 in order to be able to qualify for a mortgage and purchase a home through SCDC’s CLT program.
- Sitka households with incomes between 80-100% of area median income will likely need home purchase prices in the range \$ 272,000 to \$340,000 in order to be able to qualify for a mortgage and purchase a home through SCDC’s CLT program.

SCDC will seek to secure commitments of affordability from public and private sources to create the affordability needed to serve households in these income ranges. Sources for these affordability subsidies would likely include HOME funding and other resources made available through the Alaska Housing Finance Corporation. There are also private subsidy sources that could be tapped, such as the Federal Home Loan Bank of Seattle, local employers, philanthropic organizations and private donors. It may also be possible that the City of Sitka may institute an affordable development incentive program through implementation of a Housing Overlay District that could target affordably priced homes to the CLT. Additionally, the City and Borough could consider additional programs in the future, such as density bonuses, expedited approval processes, and waived fees to spur the development of affordable housing. Should this be the case, Sitka CDC’s CLT program would advocate to be the recipient and steward of the affordably priced homes created through these municipal initiatives.

⁵ Additional underwriting assumptions for these examples include: 4.5% fixed-interest, 30-year mortgage; 5% down payment; property taxes at 6 mills; and property insurance at .25% of market value.

Distinguishing CLT from Other Community Housing Programs

Issue: How to stratify the CLT's limited-equity housing for other affordably priced housing?

In order for any community land trust to be successful in creating and preserving a stock of permanently affordable housing, it is imperative to make sure that the CLT is not forced to compete with other similar affordable housing initiatives that do not carry long-term restrictions on land ownership and use, occupancy and resale of the improvements. Targeting at least the initial activities of the CLT towards households with incomes below 80% of area media income reduces the potential for conflict and competition between the CLT and other local nonprofit housing development organizations, particularly those providing affordable fee simple homeownership without long-term restrictions on resale.

Portfolio Development

Issue: How many affordably priced homes can be created and brought into the CLT's portfolio – beginning when and over what timeline?

Given the relatively high land and housing costs in Sitka and the considerable subsidies required to make its CLT homes affordable to its target market, SCDC has determined to set a realistic and deliberate timeframe for building its portfolio of permanently affordable homes. SCDC anticipates the following timeline for the completion and sale of its CLT homes over the course of the next ten years:

- 2014: 1 home
- 2015: 1 home
- 2016: 6 homes
- 2017: 1 home
- 2018: 1 home
- 2019: 1 home
- 2020: 1 home
- 2021: 1 home
- 2022: 1 home
- 2023: 1 home

While it will actively explore additional opportunities to expand its portfolio during this 10-year timeframe, SCDC feels confident that it can have at least 15 homes in its portfolio by the end of 2023 and will build and maintain the organizational capacity needed to achieve this projected growth.

Organizational Development and Capacity Strategy

Community land trusts are more than simply housing development organizations. CLTs are also high-touch, labor-intensive, service-enriched mechanisms to assist owners and residents of CLT housing to become successful in achieving their dreams. At the same time, CLTs are responsible for the on-going, long-term stewardship of the affordability and quality of the homes in its portfolio, assuring its availability and access to lower-income households for generations to come.

Community Land Trust Staffing Assumptions

Many factors affect the actual staffing plan – and, by extension, the operating budget requirements – for any start-up community land trust organization. These factors include (but are not limited to):

- The ability of the CLT and its development partners to secure the necessary affordability gap subsidies required to create the *initial* affordability of the homes it will keep affordable over the long haul.
- The number of homes that the CLT will bring into its portfolio over the course of the first years of its operation.
- The affordable price at which the CLT will be able to offer its homes for sale to limited-income households, the value of these homes at time of initial purchase and the rate at which the value of these homes will increase each year.
- The role(s) played by the CLT in the process of developing homes that will come into its portfolio.
- The extent to which the CLT can build successful partnerships with other local organizations and entities that may be able to carry out some of the ongoing responsibilities to which CLTs commit themselves.
- The ability of the CLT to secure up-front grant funding to sustain its operations during the years when operating expenses are increasing but internally-generated fees and revenues have not yet fully kicked in.

Sitka CLT Program Staffing Assumptions

For new, standalone community land trusts, the typical staffing plan is:

1. The first step is to hire a competent **Executive Director**– either full-time or part-time, depending on the anticipated pace and scale of the CLTs activities – to coordinate the initial activities of the organization and to serve as the public ‘face’ of the CLT to its many constituencies.

2. The next professional staff person typically hired is a **Homebuyer and Homeowner Services Coordinator** who carries primary responsibility for marketing affordable units, educating potential homebuyers and screening their initial eligibility, monitoring and enforcing homeowner compliance with the terms of the ground lease and affordability restrictions, managing the resale of CLT homes and providing (or arranging for) backstopping support and assistance for the CLT's homeowners.
3. And for CLTs that are bringing a significant number of units 'on-line', the next staff person typically hired is an **Executive Assistant** (either part-time or full-time) in order to free up sufficient time for the Executive Director and Homebuyer/Homeowner Services Coordinator to carry out the leadership responsibilities for which they are respectively responsible.

CLT Stewardship Staffing

Community land trusts are committed, on behalf of the communities they serve, to long-term stewardship of the homes in their portfolio and to the households that own and occupy these homes. Specifically, CLTs make a substantial number of bold commitments and promises to a wide range of constituents and stakeholders.

To homeowners, CLTs commit to monitor and enforce compliance with the ground leases they signed; to 'stand behind' them and assist, as needed, their efforts to be successful homeowners; and to manage the resale of their homes, should they ever choose to sell.

And to public and private funders, subsidy providers and lenders, and the communities they serve, CLTs commit to preserve housing affordability forever; to protect and leverage affordability subsidies invested to create this affordability; and to ensure that the quality and value of the CLT homes is maintained and the prospects for the success of homeowners is enhanced.

Without question, managing these fundamental stewardship commitments is the single most important work the CLT does. And these responsibilities are non-negotiable, considerable and ongoing for a very long time. [See **Exhibit A**, "On-Going Tasks and Responsibilities for CLTs" [**Exhibit A** below], for a simple outline of these ongoing commitments.

Clearly, not planning adequately for stewardship staffing is one of the biggest mistakes a newly developing CLT – or CLT program – can make.

Given that (a) SCDC will be operating the CLT, at least initially, as a program under its corporate structure and governance and (b) SCDC already has an Executive Director, there is no need in the business planning for Sitka CDC's CLT program to factor in for the recruitment and hiring of an Executive Director. Instead, it is assumed that SCDC's Executive Director will serve as the director of SCDC's CLT program, as well. Additionally, it is anticipated that SCDC's Executive Director (and manager of its CLT program) will also be responsible for managing the CLT program's stewardship program.

Sitka CDC's CLT Program Operating Costs

Beginning in 2014, Sitka CDC will begin incurring additional costs for staffing, administrative overhead, and other expenses directly related to the operation of its CLT program.

Exhibit B [below] provides a 5-year projection of the budget for Sitka CDC's CLT program, based on the operating 'scenario' outlined above. This spreadsheet provides a preliminary outline of operating expenses including staffing, administration, and other project specific expenses – as well as revenue requirements – based on the estimated growth of the CLT program's homes and homeowners. A bit of explanation is in order:

Sitka CDC's CLT Program Operating Expenses

Like other CLTs, staffing and administration/program management responsibilities for Sitka CDC's CLT program operations – and, by extension, the additional operating costs it will incur – will be determined, in large part, by the number of units that are brought into its portfolio over this 5-year timeframe.

These additional expenses can be broadly grouped into two primary categories:

Staffing – Dedicated staffing will be required to manage the CLT program and its various ongoing responsibilities, as there is simply too much work and too many ongoing obligations to be handled solely by volunteers. Specifically, SCDC will need dedicated, paid staffing in several areas – most notably:

- **Housing development** – Developing the CLT's permanently affordable homes will require specific, technical, expertise – either as an employee of SCDC or as a paid contractor to SCDC. Whether managing specific start-to-finish development projects directly for SCDC or coordinating partnerships with public or private development entities, in-house expertise will be needed to handle these responsibilities. SCDC could hire or contract with someone to coordinate these development projects or these responsibilities could be added to SCDC's Executive Director responsibilities.

It is difficult to estimate how much time would be needed to manage these development duties, either on an annual or a weekly basis, even with a modest one-home-per-year development timetable. Clearly, it does not take a full year to develop, build, and complete a single home. Nevertheless, critical tasks like negotiating and securing site control, arranging financing and securing affordability subsidies, securing municipal approvals, crafting and nurturing partnerships and development agreements and the like, all take time and effort. For this reason, it is estimated that SCDC will need minimum dedicated staffing for its housing development activities at the following levels, to accomplish its annual portfolio development goals over the first five years of the CLT program's operations:

2014 – 4 hours per week
2015 – 6 hours per week
2016 – 8 hours per week
2017 – 4 hours per week
2018 – 4 hours per week

- Stewardship – SCDC will also need to manage the non-negotiable pre-purchase and post-purchase responsibilities required of any CLT (duties and tasks outlined in Exhibit A).

There is no single, definitive, one-size-fits-all ratio that is used by all community land trusts to determine the level of staffing needed to manage stewardship operations and stewardship for a specific number of CLT homes and homeowners. However, Burlington Associates uses a rather conservative rule of thumb in helping new start-up community land trusts plan their staffing needs and to project their initial operating budgets – namely, that one full-time staff person (1 FTE) is needed to manage the pre-purchase and post-purchase stewardship responsibilities for every 75 CLT homes and homeowners⁶. Accordingly, if (as estimated above) SCDC expects to have 15 homes and homeowners in its CLT portfolio at the end of 2023, it will need someone staffing its CLT stewardship responsibilities for at least 8 hours (.2 FTE) per week. Similarly, with an estimated eight (8) CLT homes and homeowners by the end of 2016, SCDC will need someone solely focused on managing stewardship responsibilities for at least 4 hours weekly.

Organizational overhead and professional fees

Inevitably, will incur additional costs related to the creation and operation of a major new program initiative. While not dramatic, at least in most cases, these budget increases, directly related to the CLT program, are likely to include:

- Additional bookkeeping and audit expenses – The CLT program will require additional and unique accounting requirements.
- Expanded public outreach and community education – Strategies and materials will be needed to build awareness and support for the community land trust strategy and SCDC’s specific goals and objectives for its CLT program
- Legal fees – As the CLT program is established, an attorney will need to review and approve SCDC’s CLT ground lease and related closing documents. As the program moves forward, SCDC will need legal counsel related to its development activities; formation of partnership agreements, development agreements, and the like; and for advice on related issues.

It is estimated that SCDC is likely to incur \$5,000 in legal fees in 2014 (for critique and approval of its CLT-specific legal documents) and that the additional overhead and administration costs related to the CLT program will cost SCDC \$2,500 per year.

Sitka CDC’s CLT Program Operating Revenue

As is the case with any community land trust organization, revenue to offset the cost of operating Sitka CDC’s CLT program can be expected to come from two primary sources:

1. Revenue that the CLT program is able to generate internally, through its operations.
2. Funding that comes from outside the organization.

⁶ It bears noting that certain economies of scale can be reached by CLTs having larger portfolios. Nevertheless, this 75 homes/homeowners = 1 FTE ratio is a sound starting point for a new CLT program like the one being developed by SCDC.

It bears significant note that all revenue that cannot be generated through SCDC's CLT program's internal operations must, by definition, come from some source(s) outside the organization.

Program-Generated Revenue

SCDC's community land trust program will generate some portion of the revenue it needs to cover the cost of its operations. This revenue is directly tied to the number of homes and homeowners in SCDC's portfolio. Potential sources for this internally generated revenue include:

1. Sources raised from housing development activities

a. Fees for Facilitating the Development of Affordable Homes for its Portfolio

It is likely that SCDC will play a lead role in coordinating the marketing and sale of the affordable for-sale homes it brings into its CLT program. This will be especially true, for example, with affordably priced homes coming into the CLT program in the event that the City establishes a Housing Overlay District and stipulates that the CLT program will be responsible for maintaining the affordability of these homes. In these situations, SCDC staff will provide a comprehensive set of services to these projects including marketing and outreach, managing waiting lists, screening potential buyers for eligibility, coordinating homebuyer orientation and counseling, and working with local lenders to qualify low and moderate income buyers for mortgages.

Typically, real estate agents charge a fee of 6 % of sales price (or more) to perform similar services. Nonprofit agencies that perform these services for affordable projects typically charge no more than 3% of the sales price⁷. In the event that SCDC ends up taking responsibility for the marketing and sale of affordably priced homes developed by another for-profit or nonprofit entity to be brought into the CLT's portfolio, it projects charging a marketing fee equal to three percent (3%) of the affordable sale price.

2. Sources raised from operation as a community land trust

a. Ground Lease Fees

Each homeowner will pay a monthly ground lease fee. While these fees may be the CLT's most reliable source of revenue, the need to keep the fee relatively low to not reduce the level of mortgage financing for which the homebuyer can qualify means that the CLT program will not be able to rely on ground lease fees to cover a significant portion of the cost of operating the program in the initial years. For this reason, it is anticipated that homeowners in Sitka CDC's CLT program will, at least in the early years of the CLT's operations, pay a nominal monthly ground lease fee of \$40/month – similar to many other CLTs across the country.

⁷For example, **Proud Ground** in Portland Oregon manages the sales of single-family homes on behalf of a number of different nonprofit homebuilder partners, charging each project a marketing fee of **\$3,000 to \$4,000** per unit or more.

b. Lease Re-issuance Fees

Because the resale formula tends to hold the price of most CLT homes far below their market value, many CLTs are able to add a small charge to the resale price without compromising the home's affordability, when these limited-equity homes change hands. This budget projects that its CLT program will collect \$5,000 per lease re-issuance, assuming that one SCDC CLT home will be resold every ten (10) years. It is important to remember that any fee collected by the CLT for managing the resale and maintaining this stock of permanently affordable housing is added on the purchase price to the new buyer, thereby impacting its affordability.

Revenue Generated from External Sources

Any and all revenue required to cover organizational operating expenses that cannot be generated from internal sources must be generated from sources outside the organization. This revenue typically comes from sources that are either public (typically, city- or -generated) or private (philanthropic) sources.

- a. Local Government Service Contracts and/or Grants – Many community land trusts across the country receive operating grants or service contracts from the municipalities in their service area. Sometimes, the funding for these arrangements come from federal sources (e.g., HOME or CDBG funds), state sources (e.g., funds made available through the state housing finance agency) or funds generated locally (e.g., through fees collected, bonds issued, etc.) The rationale for this municipal funding for CLT operations is because the CLT is saving the public sector a great deal of money by preserving and leveraging public investments made to create housing affordability.

Sitka CDC, as a careful steward of limited public subsidies, will explore the potential for securing ongoing operating support from the City and Borough of Sitka. Additionally, once it is certified as a Community Housing Development Organization (CHDO) SCDC will explore operating support through the Alaska Housing Finance Corporation, such as CHDO operating support.

- b. Private Grants – Without doubt, the largest source of external operating support for CLTs across the country are private foundations, most typically those that provide funding within the state or regional area in which the CLT is operating. As a tax-exempt entity and as a community organization committed to preserving critically needed housing affordability and protecting and leveraging the public and private resources invested to create this initial affordability, CLTs are often regarded highly by the philanthropic community in their funding priorities and decisions.⁸

SCDC will pursue support from local, regional and statewide foundations for grant commitments to cover initial and ongoing operating costs.

⁸ It bears noting here that, with unfortunately few exceptions, foundations tend to be much more interested in funding a CLT's (or other nonprofit's) early years of operations than in providing ongoing operating support, year after year.

- c. Corporate Donors – In many communities, local employers have difficulty recruiting and retaining a steady workforce, due to critical shortages of quality, nearby housing for households at prices their employees can afford. Consequently, a number of community land trusts have been successful in securing either one-time or ongoing funding commitments from local employers, such as school districts, hospitals, local manufacturers, etc. In some cases, this operating support for the CLT is paired with down payment assistance for employees, to help them qualify for buying and owning a CLT home.

SCDC will reach out to local businesses and employers to build awareness and support for its mission and activities and to solicit financial commitments to sustain its ongoing operations.

- d. Individual Donors – Many nonprofits, like other community organizations, are able to raise contributions from individuals to help support their operating costs. In some cases, they have also been successful in securing donations of land – or the ‘bargain sale’ of parcels at reduced prices – from socially motivated individuals or institutions.

SCDC will target individual donors – and, whenever feasible, conduct annual fundraising appeals designed to build awareness and support for its mission and activities and garner financial contributions to help sustain its ongoing operations.

- e. Grassroots Fundraising – Like other community land trusts (and nonprofit organizations, in general) grassroots fundraising offers a potential means to raise modest amounts of operating revenue. Typically, these grassroots fundraising events are far more successful in raising awareness, good will and community support than they are in raising cash to cover operating expenses.

SCDC will, whenever feasible, conduct local fundraising events intended to broaden political and financial support with the Sitka community for its CLT activities

- f. In-kind contributions – Like other nonprofits, many CLTs have become effective at building partnerships with for-profit and nonprofit businesses, as well as private individuals, willing to provide services and other assistance to the CLT on a free or reduced-fee basis. Examples include: professionals (e.g., attorneys, accountants, realtors, PR and marketing specialists, etc.) providing *pro bono* or reduced-rate services to the CLT and its projects and initiatives; companies willing to provide office space (sometimes even with reception and telephone and internet bandwidth) to the CLT; donated printer services; etc.

SCDC will continue to build its track record in soliciting and securing in-kind contributions from businesses and individuals in Sitka.

Sitka CDC CLT Program Operating Budget

11-Nov-13

Year 1 Year 2 Year 3 Year 4 Year 5
2014 2015 2016 2017 2018

A. Project Build-out Assumptions

Totals	1	1	6	1	1
cumulative unit totals:	1	2	8	9	10

B. Program Expenses

Personnel	cola:	Annualized	2014	2015	2016	2017	2018
Salaries			Salary (2014)				
Executive Director		75,000	0	0	0	0	0
		FTE:	0%	0%	0%	0%	0%
⁽¹⁾ Development Coordinator		50,000	5,000	7,725	10,609	5,464	5,628
		FTE:	10%	15%	20%	10%	10%
⁽²⁾ Stewardship Coordinator		50,000	0	3,605	4,774	5,464	6,190
		FTE:	0%	7%	9%	10%	11%
Total Salaries			5,000	11,330	15,383	10,927	11,818
Number of FTEs			0.10	0.22	0.29	0.20	0.21
Benefits	15%	of total salaries	750	1,700	2,307	1,639	1,773
Total Personnel Costs			5,750	13,030	17,691	12,566	13,591

Administration & Overhead 20% of total payroll 1,150 2,606 3,538 2,513 2,718

TOTAL ANNUAL OPERATING EXPENSES 6,900 15,635 21,229 15,080 16,309

C. Program-Generated Revenue

Development Assumptions

Value of home in first year of development \$ 200,000
 Estimated annual rate of market appreciation 6.0%

Home Value	200,000	212,000	224,720	238,203	252,495
Developer Fees					
0.00% of value of each unit developed	0	0	0	0	0
Fees for Facilitating the Sale of CLT Homes					
3.0% of value of each unit developed	6,000	6,360	40,450	7,146	7,575
Ground Lease Fees (GLF)					
\$30 Initial monthly Ground Lease Fee (GLF)	180	540	2,880	3,240	3,600
Lease Re-issuance Fees					
\$5,000 added to resale price to new buyer	0	0	0	0	0
TOTAL PROGRAM REVENUE	6,180	6,900	43,330	10,386	11,175

D. Additional Operating Support

City and Borough Funding	-	-	-	-	-
Private Foundations, Banks, etc.	-	-	-	-	-
Community Fundraising (events; donations)	-	-	-	-	-
Commercial/rental/institutional lease fee income	-	-	-	-	-
Other	-	-	-	-	-
Other	-	-	-	-	-
TOTAL FUNDRAISING	0	0	0	0	0

Projected Net Income* (720) (8,735) 22,101 (4,694) (5,134)

*Program Generated Revenue + Fundraising for Operating Support - Operating Expenses

Cumulative Net Income (720) (9,455) 12,646 7,952 2,818

**SITKA COMMUNITY DEVELOPMENT CORPORATION
COMMUNITY LAND TRUST
GROUND LEASE
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Other Exhibits to be Attached, as Appropriate

- Exhibit RESTRICTIONS

THIS LEASE (“this Lease” or “the Lease”) entered into this _____ day of _____, 20____, between Sitka Community Development Corporation (hereinafter “CLT” or “the CLT”) and _____ (“Homeowner”).

RECITALS

- A.** The CLT is organized exclusively for charitable purposes, including the purpose of providing homeownership opportunities for low- and moderate-income people who would otherwise be unable to afford homeownership.
- B.** A goal of the CLT is to preserve affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes.
- C.** The Leased Land described in this Lease has been acquired and is being leased by the CLT in furtherance of this goal.
- D.** The Homeowner shares the purposes of the CLT and has agreed to enter into this Lease not only to obtain the benefits of homeownership, but also to further the charitable purposes of the CLT.
- E.** Homeowner and CLT recognize the special nature of the terms of this Lease, and each of them accepts these terms, including those terms that affect the marketing and resale price of the property now being purchased by the Homeowner.
- F.** Homeowner and CLT agree that the terms of this Lease further their shared goals over an extended period of time and through a succession of owners.

NOW THEREFORE, Homeowner and CLT agree on all of the terms and conditions of this Lease as set forth below.

DEFINITIONS: Homeowner and CLT agree on the following definitions of key terms used in this Lease.

Leased Land: the parcel of land, described in Exhibit: LEASED LAND, which is leased to the Homeowner.

Home: the residential structure and other permanent improvements located on the Leased Land and owned by the Homeowner, including both the original Home described in Exhibit D: DEED, and all permanent improvements added thereafter by Homeowner at Homeowner’s expense.

Base Price: the total price that is paid for the Home by the Homeowner (including the amount provided by a first mortgage loan but not including subsidy in the form of deferred loans to the Homeowner).

Purchase Option Price: the maximum price the Homeowner is allowed to receive for the sale of the Home and the Homeowner’s right to possess, occupy and use the Leased Land, as defined in Article 10 of this Lease.

Lease Fee: The monthly fee that the Homeowner pays to the CLT for the continuing use of the Leased Land and any additional amounts that the CLT charges to the Homeowner for reasons permitted by this Lease.

Permitted Mortgage: A mortgage or deed of trust on the Home and the Homeowner's right to possess, occupy and use the Leased Land granted to a lender by the Homeowner with the CLT's Permission. The Homeowner may not mortgage the CLT's interest in the Leased Land, and may not grant any mortgage or deed of trust without CLT's Permission.

Event of Default: Any violation of the terms of the Lease unless it has been corrected ("cured") by Homeowner or the holder of a Permitted Mortgage in the specified period of time after a written Notice of Default has been given by CLT.

ARTICLE 1: Homeowner's Letter of Agreement and Attorney's Letter of Acknowledgment are Attached as Exhibits.

Attached as Exhibit A: HOMEOWNER'S LETTER OF AGREEMENT and Exhibit B: ATTORNEY'S LETTER OF ACKNOWLEDGMENT and made part of this Lease by reference are a Letter of Agreement from the Homeowner, describing the Homeowner's understanding and acceptance of this Lease (including the parts of the Lease that affect the resale of the Home) and a Letter of Acknowledgment from the Homeowner's attorney, describing the attorney's review of the Lease with the Homeowner.

ARTICLE 2: Leasing of Rights to the Land

2.1 CLT LEASES THE LAND TO HOMEOWNER: The CLT hereby leases to the Homeowner, and Homeowner hereby accepts, the right to possess, occupy and use the Leased Land (described in the attached Exhibit C: LEASED LAND) in accordance with the terms of this Lease. CLT has furnished to Homeowner a copy of the most current title report, if any, obtained by CLT for the Leased Land, and Homeowner accepts title to the Leased Land in its condition "as is" as of the signing of this Lease.

2.2 MINERAL RIGHTS NOT LEASED TO HOMEOWNER: CLT does not lease to Homeowner the right to remove from the Leased Land any minerals lying beneath the Leased Land's surface. Ownership of such minerals remains with the CLT, but the CLT shall not remove any such minerals from the Leased Land without the Homeowner's written permission.

ARTICLE 3: Term of Lease, Change of Land Owner

3.1 TERM OF LEASE IS 99 YEARS: This Lease shall remain in effect for 99 years, beginning on the ___ day of _____, 20___, and ending on the _____ day of _____, 21___, unless ended sooner or renewed as provided below.

3.2 HOMEOWNER CAN RENEW LEASE FOR ANOTHER 99 YEARS: Homeowner may renew this Lease for one additional period of 99 years. The CLT may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Homeowner under the Lease. Not more than 365 nor less than 180 days before the last day of the first 99-year period, CLT shall give Homeowner a written notice that states the date of the expiration of the first 99-year period and the conditions for renewal as set forth in the following paragraph ("the Expiration Notice"). The Expiration Notice shall also describe any changes that CLT intends to make in the Lease for the renewal period as permitted above.

The Homeowner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, the Homeowner shall give CLT written notice stating the Homeowner's desire to renew ("the Renewal Notice"); (b) this Lease shall be in effect on the last day of the original 99-year term, and (c) the Homeowner shall not be in default under this Lease or under any Permitted Mortgage on the last day of the original 99-year term.

When Homeowner has exercised the option to renew, Homeowner and CLT shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a notice of lease as stated in Section 14.12 below. The CLT shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

3.3 WHAT HAPPENS IF CLT DECIDES TO SELL THE LEASED LAND: If ownership of the Leased Land is ever transferred by CLT (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new land-owner as well as the Homeowner. If CLT agrees to transfer the Leased Land to any person or institution other than a non-profit corporation, charitable trust, government agency or other similar institution sharing the goals described in the Recitals above, the Homeowner shall have a right of first refusal to purchase the Leased Land. The details of this right shall be as stated in the attached Exhibit F: FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Land

4.1 HOMEOWNER MAY USE THE HOME ONLY FOR RESIDENTIAL AND RELATED PURPOSES:

Homeowner shall use, and allow others to use, the Home and Leased Land only for residential purposes and any activities related to residential use that were permitted by local zoning law when the Lease was signed, as indicated in the attached Exhibit G: ZONING. Prior written approval must be obtained from CLT before conducting business activity inside or from the home and/or before some use or activity that would require a Conditional Use Permit (CUP.)

4.2 HOMEOWNER MUST USE THE HOME AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW: Homeowner shall use the Home and Leased Land in a way that will not cause harm to others or create any public nuisance. Homeowner shall dispose of all waste in a safe and sanitary manner. Homeowner shall maintain all parts of the Home and Leased Land in safe, sound and habitable condition, in full compliance with all laws and regulations, and in the condition that is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 HOMEOWNER IS RESPONSIBLE FOR USE BY OTHERS: Homeowner shall be responsible for the use of the Home and Leased Land by all residents and visitors and anyone else using the Leased Land with Homeowner's permission and shall make all such people aware of the restrictions on use set forth in this Lease.

4.4 HOMEOWNER MUST OCCUPY THE HOME AS PRIMARY RESIDENCE: Homeowner shall occupy the Home in compliance with the annual presence/absence requirements of the Permanent Fund Dividend program (no more than 90 days consecutive or 180 days total absence), unless otherwise agreed by CLT. Proof of PFD qualification shall be submitted to CLT annually. Occupancy by Homeowner's child, spouse, domestic partner or other persons approved by CLT shall be considered occupancy by Homeowner. Neither compliance with the occupancy requirement nor CLT's permission for an extended period of non-occupancy constitutes permission to sublease the Leased Land and Home, which is addressed in Section 4.5 below. In the event that the Homeowner does not

apply for a PFD the Homeowner will prove residency using PFD criteria for residency, including a signed statement with two witnesses verifying the required residency.

4.5 LEASED LAND MAY NOT BE SUBLEASED WITHOUT CLT'S PERMISSION: Except as otherwise provided in Article 8 and Article 10, Homeowner shall not sublease, sell or otherwise convey any of Homeowner's rights under this Lease, for any period of time, without the written permission of CLT. Homeowner agrees that CLT shall have the right to withhold such consent in order to further the purposes of this Lease.

If permission for subleasing is granted, the sublease shall be subject to the following conditions.

- a) Any sublease shall be subject to all of the terms of this Lease.
- b) The rental or occupancy fee charged the sub-lessee shall not be more than the amount of the Lease Fee charged the Homeowner by the CLT, plus an amount approved by CLT to cover Homeowner's costs in owning the Home, including but not limited to the cost of taxes, insurance and mortgage interest.

4.6 CLT HAS A RIGHT TO INSPECT THE LEASED LAND AND IMPROVEMENTS: The CLT may inspect any part of the Leased Land including the interiors of fully enclosed buildings, at any reasonable time, after notifying the Homeowner at least 48 hours before the planned inspection. No more than one (1) regular inspection may be carried out in a single year, except in the case of an emergency. In an emergency, the CLT may inspect any part of the Leased Land including the interiors of fully enclosed buildings, after making reasonable efforts to inform the Homeowner before the inspection.

If the CLT has received an Intent-To-Sell Notice (as described in Section 10.4 below), then the CLT has the right to inspect the interiors of all fully enclosed buildings to determine their condition prior to the sale. The CLT must notify the Homeowner at least 48 hours before carrying out such inspection.

4.7 HOMEOWNER HAS A RIGHT TO QUIET ENJOYMENT: Homeowner has the right to quiet enjoyment of the Leased Land. The CLT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Homeowner in any way not permitted by this Lease.

ARTICLE 5: Lease Fee

5.1 AMOUNT OF LEASE FEE: The Homeowner shall pay a monthly Lease Fee in the amount of fifty dollars (\$50.00) to be paid in return for the continuing right to possess, occupy and use the Leased Land, plus (b) a Home Repair and Replacement Reserve Fee of twenty five dollars (\$25.00) to be held by the CLT and used for the purpose of preserving the physical quality of the Home for the long term in accordance with Section 7.6 below.

5.2 WHEN THE LEASE FEE IS TO BE PAID (DUE DATE): The Lease Fee shall be payable to CLT on the first day of each month for as long as this Lease remains in effect, unless the Lease Fee is to be escrowed and paid by a Permitted Mortgagee, in which case payment shall be made as directed by that Mortgagee.

5.3 HOW THE AMOUNT OF THE LEASE FEE HAS BEEN DETERMINED: The amount of the Land Use Fee stated in Section 5.1 above has been determined as follows. First, the approximate monthly fair rental value of the Leased Land has been established, as of the beginning of the Lease term, recognizing that the fair rental value is reduced by certain restrictions imposed by the Lease on the use of the Land. Then the affordability of this monthly amount, plus the amount of the Home Repair

and Replacement Reserve Fee, for the Homeowner has been analyzed and, if necessary, the Land Use has been reduced to an amount considered to be affordable for Homeowner.

5.4 CLT MAY REDUCE OR SUSPEND THE LEASE FEE TO IMPROVE AFFORDABILITY: CLT may reduce or suspend the total amount of the Lease Fee for a period of time for the purpose of improving the affordability of the Homeowner's monthly housing costs. Any such reduction or suspension must be in writing and signed by CLT.

5.5 FEES MAY BE INCREASED FROM TIME TO TIME: The CLT may increase the amount of the Land Use Fee and/or the Repair Reserve Fee from time to time, but not more often than once every five (5) years. Each time such amounts are increased, the total percentage of increase since the date this Lease was signed shall not be greater than the percentage of increase, over the same period of time, in the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Land is located, or, if none, for urban areas the size of Sitka.

5.6 LAND USE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED: If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Land Use Fee shall be increased to an amount calculated by CLT to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions, but initially an amount not exceeding **(\$TBD at closing) (\$_____)**. Such increase shall become effective upon CLT's written notice to Homeowner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the CLT may, from time to time, further increase the amount of such Land Use Fee, provided that the amount of the Land Use Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once every year.

5.7 IF PAYMENT IS LATE, LATE FEE CAN BE CHARGED: If the CLT has not received any monthly installment of the Lease Fee on or before the date on which the such installment first becomes payable under this Lease (the "Due Date"), the CLT may require Homeowner to pay a \$25 late fee monthly on the unpaid balance. Such fee shall be deemed additional Lease Fee and shall be paid by Homeowner to CLT upon demand; provided, however, that CLT shall waive any such fee that would otherwise be payable to CLT if such payment of the Lease Fee is received by CLT on or before the thirtieth (30th) day after the Due Date.

5.8 CLT CAN COLLECT UNPAID FEES WHEN HOME IS SOLD: In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any late fee as provided above, shall be paid to CLT out of any proceeds from the sale that would otherwise be due to Homeowner. The CLT shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Mortgages as defined in section 8.1 below; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE 6: Taxes and Assessments

6.1 HOMEOWNER IS RESPONSIBLE FOR PAYING ALL TAXES AND ASSESSMENTS: Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home and the Leased Land (including any taxes relating to the CLT's interest in the Leased Land).

6.2 CLT WILL PASS ON ANY TAX BILLS IT RECEIVES TO HOMEOWNER: In the event that the local taxing authority bills CLT for any portion of the taxes on the Home or Leased Land, CLT shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER HAS A RIGHT TO CONTEST TAXES: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Home and Leased Land. Upon receiving a reasonable request from Homeowner for assistance in this matter, CLT shall join in contesting such taxes. Homeowner shall pay all costs of such proceedings.

6.4 IF HOMEOWNER FAILS TO PAY TAXES, CLT MAY INCREASE LEASE FEE: In the event that Homeowner fails to pay the taxes or other charges described in Section 6.1 above, CLT may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, CLT shall pay the amount collected to the taxing authority in a timely manner.

6.5 PARTY THAT PAYS TAXES MUST SHOW PROOF: When either party pays taxes relating to the Home or Leased Land, that party shall furnish satisfactory evidence of the payment to the other party. A photocopy of a receipt shall be the usual method of furnishing such evidence.

ARTICLE 7: The Home

7.1 HOMEOWNER OWNS THE HOUSE AND ALL OTHER IMPROVEMENTS ON THE LEASED LAND: All structures, including the house, fixtures, and other improvements purchased, constructed, or installed by the Homeowner on any part of the Leased Land at any time during the term of this Lease (collectively, the "Home") shall be property of the Homeowner. Title to the Home shall be and remain vested in the Homeowner. However, Homeowner's rights of ownership are limited by certain provisions of this Lease, including provisions regarding the sale or leasing of the Home by the Homeowner and the CLT's option to purchase the Home. In addition, Homeowner shall not remove any part of the Home from the Leased Land without CLT's prior written consent.

7.2 HOMEOWNER PURCHASES HOME WHEN SIGNING LEASE: Upon the signing of this Lease, Homeowner is simultaneously purchasing the Home located at that time on the Leased Land, as described in the Deed, a copy of which is attached to this Lease as Exhibit D: DEED.

7.3 CONSTRUCTION CARRIED OUT BY HOMEOWNER MUST COMPLY WITH CERTAIN REQUIREMENTS: Any construction in connection with the Home is permitted only if the following requirements are met: (a) all costs shall be paid for by the Homeowner; (b) all construction shall be performed in a professional manner and shall comply with all applicable laws and regulations; (c) all changes in the Home shall be consistent with the permitted uses described in Article 4; (d) any construction shall not be built or installed on the Leased Land without the prior written consent of CLT.

Homeowner shall submit a written request to the CLT. Such request shall include:

- a) a written statement of the reasons for undertaking the construction;
- b) a set of drawings (floor plan and elevations) showing the dimensions of the proposed construction;
- c) a list of the necessary materials, with quantities needed;
- d) a statement of who will do the work;

If the CLT finds it needs additional information it shall request such information from Homeowner within two weeks of receipt of Homeowner's request. The CLT then, within two weeks of receiving

all necessary information (including any additional information it may have requested) shall give Homeowner either its written consent or a written statement of its reasons for not consenting. Before construction can begin, Homeowner shall provide CLT with copies of all necessary building permits, if not previously provided.

7.4 HOMEOWNER MAY NOT ALLOW STATUTORY LIENS TO REMAIN AGAINST LEASED LAND OR HOME: No lien of any type shall attach to the CLT's title to the Leased Land. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home that remains more than 60 days after it has been filed. Homeowner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Homeowner fails to discharge such lien within the 60-day period, then Homeowner shall immediately notify CLT of such failure. CLT shall have the right to discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land from such lien. Any amounts paid by CLT to discharge such liens shall be treated as an additional Lease Fee payable by Homeowner upon demand.

7.5 HOMEOWNER IS RESPONSIBLE FOR SERVICES, MAINTENANCE AND REPAIRS: Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Land, including but not limited to heat, electricity, air conditioning and water. CLT shall not be required to furnish any services or facilities or to make any repairs to the Home. Homeowner shall maintain the Home and Leased Land as required by Section 4.2 above and shall see that all necessary repairs and replacements are accomplished when needed.

7.6 A HOME REPAIR AND REPLACEMENT RESERVE FUND IS ESTABLISHED TO SUPPORT FUTURE REPAIRS: A Monthly Home Repair and Replacement Reserve Fund is established at the commencement of this Lease and will be funded by the monthly Home Repair and Replacement Reserve Fund stipulated in Section 5.1 and collected by CLT. At its discretion, CLT may, from time to time, add funds to this Home Repair and Replacement Reserve Fund.

The Homeowner and CLT acknowledge that the Homeowner is responsible for all maintenance and repair of the Home, as set forth in this Lease. As an additional assurance that all Homeowners are able to comply with their maintenance and repair obligations, the CLT and the Homeowner agree that a Home Repair and Replacement Reserve Fee will be collected from the Homeowner as part of the Monthly Fee, and held as a reserve by the CLT for the capital maintenance of specific portions of the Home.

- a. **Release of Funds:** Policies and procedures for the use of Home Repair and Replacement Reserves are specified in Exhibit J: HOME REPAIR AND REPLACEMENT RESERVES. The CLT may reasonably withhold Home Repair and Replacement Reserve funds if the requested use is for purely aesthetic exterior alterations (such as a change in paint color when existing paint is still in good condition) or to repair items damaged by neglect.
- b. **Reserve Funds are Nonrefundable:** The Home Repair and Replacement Reserves are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property. The Homeowner acknowledges that the Home Repair and Replacement Reserves are intended for, and shall remain with the Home and not the Homeowner. In the event that the Home is sold or transferred by the Homeowner, the unused Home

Repair and Replacement Reserves will be retained by the CLT for the future capital repairs or replacements of the Home.

- c. **Costs in Excess of Reserves:** Any capital costs that exceed the amount of available Home Repair and Replacement Reserves will be borne by the Homeowner.
- d. **Yearly Report upon Request:** No later than September 30th of each year, the CLT will make available, upon the Homeowner's request, a detailed report of Home Repair and Replacement Reserve transactions for the prior fiscal year.

7.7 WHEN LEASE ENDS, OWNERSHIP REVERTS TO CLT, WHICH SHALL REIMBURSE HOMEOWNER:

Upon the expiration or termination of this Lease, ownership of the Home shall revert to CLT. Upon thus assuming title to the Home, CLT shall promptly pay Homeowner and Permitted Mortgagee(s), as follows:

FIRST, CLT shall pay any Permitted Mortgagee(s) the full amount owed to such mortgagee(s) by Homeowner;

SECOND, CLT shall pay the Homeowner the balance of the Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease. The Homeowner shall be responsible for any costs necessary to clear any additional liens or other charges related to the Home that may be assessed against the Home. If the Homeowner fails to clear such liens or charges, the balance due the Homeowner shall also be reduced by the amount necessary to release such liens or charges, including reasonable attorney's fees incurred by the CLT.

ARTICLE 8: Financing

8.1 HOMEOWNER CANNOT MORTGAGE THE HOME WITHOUT CLT'S PERMISSION: The Homeowner may mortgage the Home only with the written permission of CLT. Any mortgage or deed of trust permitted in writing by the CLT is defined as a Permitted Mortgage, and the holder of such a mortgage or deed of trust is defined as a Permitted Mortgagee.

8.2 BY SIGNING LEASE, CLT GIVES PERMISSION FOR ORIGINAL MORTGAGE. By signing this Lease, CLT gives written permission for any mortgage or deed of trust signed by the Homeowner effective on the day this Lease is signed for the purpose of financing Homeowner's purchase of the Home.

8.3 CLT MUST GET SPECIFIC PERMISSION FOR REFINANCING OR OTHER SUBSEQUENT MORTGAGES.

If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Permitted Mortgage or to finance home repairs or for any other purpose), Homeowner must inform CLT, in writing, of the proposed terms and conditions of such mortgage loan at least 30 days prior to the expected closing of the loan. The information to be provided to the CLT must include:

- a) the name of the proposed lender;
- b) Homeowner's reason for requesting the loan;
- c) the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
- d) expected closing costs;
- e) the rate of interest;
- f) the repayment schedule;
- g) a copy of the appraisal commissioned in connection with the loan request.

CLT may also require Homeowner to submit additional information. CLT will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater than 80% of the then current Purchase Option Price, calculated in accordance with Article 10 below, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the CLT.

8.4 CLT IS REQUIRED TO PERMIT A "STANDARD PERMITTED MORTGAGE." The CLT shall be required to permit any mortgage for which the mortgagee has signed a "Standard Permitted Mortgage Agreement" as set forth in "Exhibit E: Permitted Mortgages, Part C," and for which the loan secured thereby does not increase Homeowner's total mortgage debt to an amount greater than TBD % of the then current Purchase Option Price, calculated in accordance with Article 10 below.

8.5 A PERMITTED MORTGAGEE HAS CERTAIN OBLIGATIONS UNDER THE LEASE. Any Permitted Mortgagee shall be bound by each of the requirements stated in "Exhibit E: Permitted Mortgages, Part A, Obligations of Permitted Mortgagee," which is made a part of this Lease by reference, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

8.6 A PERMITTED MORTGAGEE HAS CERTAIN RIGHTS UNDER THE LEASE. Any Permitted Mortgagee shall have all of the rights and protections stated in "Exhibit E: Permitted Mortgages, Part B, Rights of Permitted Mortgagee," which is made a part of this Lease by reference.

8.7 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE PURCHASE OPTION PRICE WILL GO TO CLT. Homeowner and CLT recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to CLT all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Section 10.10 below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to CLT. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to CLT.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER ASSUMES ALL LIABILITY. Homeowner assumes all responsibility and liability related to Homeowner's possession, occupancy and use of the Leased Land.

9.2 HOMEOWNER MUST DEFEND CLT AGAINST ALL CLAIMS OF LIABILITY. Homeowner shall defend, indemnify and hold CLT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Land. Homeowner waives all claims against CLT for injury or damage on or about the Leased Land. However, CLT shall remain liable for injury or damage due to the grossly negligent or intentional acts or omissions of CLT or CLT's agents or employees.

9.3 HOMEOWNER MUST REIMBURSE CLT. In the event the CLT shall be required to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse the CLT for such payment and for reasonable expenses caused thereby.

9.4 HOMEOWNER MUST INSURE THE HOME AGAINST LOSS AND MUST MAINTAIN LIABILITY INSURANCE ON HOME AND LEASED LAND. Homeowner shall, at Homeowner's expense, keep the

Home continuously insured against physical loss on a “special form” using Insurance Services Office (ISO) Form HO 00 03, or its equivalent, for the full replacement value of the Home, and in any event in an amount that will not incur a coinsurance penalty. The amount of such insured replacement value must be approved by the CLT prior to the commencement of the Lease. Thereafter, if the CLT determines that the replacement value to be insured should be increased, the CLT shall inform the Homeowner of such required increase at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. If Homeowner wishes to decrease the amount of replacement value to be insured, Homeowner shall inform the CLT of the proposed change at least 30 days prior to the time such change would take effect. The change shall not take effect without CLT’s approval.

Should the Home lie in a flood hazard zone as defined by the National Flood Insurance Plan, the Homeowner shall keep in full force and effect flood insurance in the maximum amount available.

The Homeowner shall also, at its sole expense, maintain in full force and effect personal liability insurance covering the Home and the Leased Land using ISO Form HO 00 03 or its equivalent in the amount of five hundred thousand dollars (\$500,000) per occurrence and in the aggregate. The CLT shall be named as an additional insured using ISO Form HO 04 41 or its equivalent, and certificates of insurance shall be delivered to the CLT prior to the commencement of the Lease and at each anniversary date thereof.

The dollar amounts of such coverage may be increased from time to time at the CLT’s request but not more often than once in any one-year period. CLT shall inform the Homeowner of such required increase in coverage at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. The amount of such increase in coverage shall be based on current trends in homeowner’s liability insurance coverage in the area in which the Home is located.

9.5 WHAT HAPPENS IF HOME IS DAMAGED OR DESTROYED. Except as provided below, in the event of fire or other damage to the Home, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or property.

If Homeowner, based on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than the full cost of necessary repairs and that Homeowner cannot otherwise afford to cover the balance of the cost of repairs, then Homeowner shall notify CLT of this problem, and CLT may then help to resolve the problem. Methods used to resolve the problem may include efforts to increase the available insurance proceeds, efforts to reduce the cost of necessary repairs, efforts to arrange affordable financing covering the costs of repair not covered by insurance proceeds, and any other methods agreed upon by both Homeowner and CLT.

If Homeowner and CLT cannot agree on a way of restoring the Home in the absence of adequate insurance proceeds, then Homeowner may give CLT written notice of intent to terminate the Lease.

The date of actual termination shall be no less than 60 days after the date of Homeowner's notice of intent to terminate. Upon termination, any insurance proceeds payable to Homeowner for damage to the Home shall be paid as follows.

FIRST, to the expenses of their collection;

SECOND, to any Permitted Mortgagee(s), to the extent required by the Permitted Mortgage(s);

THIRD, to the expenses of enclosing or razing the remains of the Home and clearing debris;

FOURTH, to the CLT for any amounts owed under this Lease;

FIFTH, to the Homeowner, up to an amount equal to the Purchase Option Price, as of the day prior to the loss, less any amounts paid with respect to the second, third, and fourth clauses above;

SIXTH, the balance, if any, to the CLT.

9.6 WHAT HAPPENS IF SOME OR ALL OF THE LAND IS TAKEN FOR PUBLIC USE. If all of the Leased Land is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair, the Lease shall terminate as of the date when Homeowner is required to give up possession of the Leased Land. Upon such termination, the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Land that does not result in damage to the Home or significant reduction in the usefulness or desirability of the Leased Land for residential purposes, then any monetary compensation for such taking shall be allocated entirely to CLT.

In the event of a taking of a portion of the Leased Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, then the damage shall be treated as damage is treated in Section 9.5 above, and monetary compensation shall be allocated as insurance proceeds are to be allocated under Section 9.5.

9.7 IF PART OF THE LAND IS TAKEN, THE LEASE FEE MAY BE REDUCED. In the event of any taking that reduces the size of the Leased Land but does not result in the termination of the Lease, CLT shall reassess the fair rental value of the remaining Land and shall adjust the Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the Land for use as restricted by the Lease.

9.8 IF LEASE IS TERMINATED BY DAMAGE, DESTRUCTION OR TAKING, CLT WILL TRY TO HELP HOMEOWNER BUY ANOTHER CLT HOME. If this Lease is terminated as a result of damage, destruction or taking, CLT shall take reasonable steps to allow Homeowner to purchase another home on another parcel of leased land owned by CLT if such home can reasonably be made available. If Homeowner purchases such a home, Homeowner agrees to apply any proceeds or award received by Homeowner to the purchase of the home. Homeowner understands that there are numerous reasons why it may not be possible to make such a home available, and shall have no claim against CLT if such a home is not made available.

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY: Homeowner and CLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for lower income households and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO CLT OR QUALIFIED PERSONS: Homeowner may transfer the Home only to the CLT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

“Income-Qualified Person” shall mean a person or group of persons whose household income does not exceed one hundred twenty percent (120%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 THE HOME MAY BE TRANSFERRED TO CERTAIN HEIRS OF HOMEOWNER: If Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of Homeowner’s estate shall notify CLT within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Home and Homeowner’s rights to the Leased Land to one or more of the possible heirs of Homeowner listed below as “a,” “b,” or “c,” provided that a Letter of Agreement and a Letter of Attorney’s Acknowledgement (as described in Article 1 above) are submitted to CLT to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Homeowner; or
- b) the child or children of the Homeowner; or
- c) member(s) of the Homeowner’s household who have resided in the Home for at least one year immediately prior to Homeowner’s death.

Any other heirs, legatees or devisees of Homeowner, in addition to submitting Letters of Agreement and Acknowledgment as provided above, must demonstrate to CLT’s satisfaction that they are Income-Qualified Persons as defined above. If they cannot demonstrate that they are Income-Qualified Persons, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article 10.

10.4 HOMEOWNER’S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell Homeowner’s Property, Homeowner shall notify CLT in writing of such wish (the Intent-to-Sell Notice).

10.5 AFTER RECEIVING NOTICE, CLT SHALL COMMISSION AN APPRAISAL: No later than ten (10) days after CLT’s receipt of Homeowner’s Intent-to-Sell Notice, CLT shall commission a market valuation of the Leased Land and the Home (The Appraisal) to be performed by a duly licensed appraiser who is acceptable to CLT and Homeowner. CLT shall pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Leased Land and Home were held in fee simple absolute by a single party, disregarding all of the restrictions of this Lease on the use, occupancy and transfer of the property. Copies of the Appraisal are to be provided to both CLT and Homeowner.

10.6 CLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of an Intent-to-Sell Notice from Homeowner, CLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If CLT elects to purchase the Home, CLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, CLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Person.

The purchase (by CLT or CLT's assignee) must be completed within sixty (60) days of CLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of CLT and Homeowner.

10.7 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS: If the Purchase Option has expired or if CLT has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Homeowner may sell the Home to any Income-Qualified Person for not more than the then applicable Purchase Option Price. If Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option (or six months after the expiration of such sixty-day period) and the Home still has not been sold, Homeowner may then sell the Home, for a price no greater than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 AFTER ONE YEAR CLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE: If CLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint CLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus CLT's costs of sale and any other sums owed CLT by Homeowner.

10.9 PURCHASE OPTION PRICE EQUALS LESSER OF APPRAISED VALUE OR FORMULA PRICE: In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the combined value of the Leased Land and the Home, as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to Homeowner's Base Price, as stated below, plus 25% of the increase in market value of the Home, if any, calculated in the way described below.

Homeowner's Base Price: The parties agree that the Homeowner's Base Price for Homeowner's Property as of the signing of this Lease is \$_____.

Initial Appraised Value: The parties agree that the appraised value of the Home at the time of Homeowner's purchase (the Initial Appraised Value) is \$_____, as documented by the appraiser's report attached to this Lease as Exhibit H: INITIAL APPRAISAL.

Increase in Market Value: The increase in market value of the Home equals the appraised value of the Home at time of sale, calculated according to Section 10.5 above, minus the Initial Appraised Value.

Homeowner’s share of Increase in Market Value: Homeowner’s share of the increase in the market value of the Home equals twenty-five percent (25%) of the increase in market value as calculated above.

Summary of Formula Price: The Formula Price equals Homeowner’s Base Price plus Homeowner’s Share of Increase in Market Value.

The following chart illustrates how this calculation is to be completed:

Initial Purchase	
Homeowner’s Base Price – at time of purchase	\$
Initial appraised value of home	\$
Increase in Market Value of Home	
Appraised value of home at time of resale	\$
Minus initial appraised value of home	(\$)
Equals increase in market value of home	= \$
Homeowner’s Share of Increase in Market Value	
Increase in market value of home	\$
Times homeowner’s share	x 25%
Equals homeowner’s share of increase in market value of home	= \$
Formula Price	
Homeowner’s Base Price	\$
Plus Homeowner’s share of increase in market value of home	+ \$
Formula Price	= \$

10.11 QUALIFIED PURCHASER SHALL RECEIVE NEW LEASE: The CLT shall issue a new lease to any person who purchases the Home in accordance with the terms of this Article 10. The terms of such lease shall be the same as those of new leases issued to homebuyers at that time for land not previously leased by the CLT.

10.12 PURCHASER MAY BE CHARGED A TRANSFER FEE. In the event that Homeowner sells the home to a party other than the CLT (whether directly to such party or as a result of CLT’s assignment of its Purchase Option to such party), the price to be paid by such purchaser shall include in addition to the Purchase Option Price, at the discretion of the CLT, a transfer fee to compensate the CLT for carrying out its responsibilities with regard to the transaction. The amount of the transfer fee shall be the lesser of two percent (2%) of the Purchase Option Price or three thousand dollars (\$3,000.00)

10.13 HOMEOWNER REQUIRED TO MAKE NECESSARY REPAIRS AT TRANSFER: The Homeowner is required to make necessary repairs when she voluntarily transfers the Home as follows:

- a) The person purchasing the Home (“Buyer”) shall, prior to purchasing the Home, hire at her sole expense a home inspector with a current Home Inspector license to assess the condition of the Home and prepare a written report of the condition (“Inspection Report”). The Homeowner shall cooperate fully with the inspection.

- b) The Buyer shall provide a copy of the Inspection Report to Buyer's lender (if any), the Homeowner, and the CLT within 10 days after receiving the Inspection Report.
- c) Homeowner shall repair specific reported defects or conditions necessary to bring the Home into full compliance with Sections 4.2 and 7.5 above prior to transferring the Home.
- d) Homeowner shall bear the full cost of the necessary repairs and replacements. However, upon Homeowner's written request, the CLT may allow the Homeowner to pay all or a portion of the repair costs after transfer, from Homeowner's proceeds of sale, if Homeowner cannot afford to pay such costs prior to the transfer. In such event, either (i) 150% of the unpaid estimated cost of repairs or (ii) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner's proceeds of sale in a CLT-approved escrow account. Homeowner shall allow CLT, Buyer, and Buyer's building inspector and lender's representative to inspect the repairs prior to closing to determine that the repairs have been satisfactorily completed.
- e) Upon sale or other transfer, Homeowner shall either (i) transfer the Home with all originally purchased appliances or replacements in the Home in good working order or (ii) reduce the Purchase Option Price by the market value of any such appliances that are not left with the Home in good working order.

ARTICLE 11: RESERVED

ARTICLE 12: DEFAULT

12.1 WHAT HAPPENS IF HOMEOWNER FAILS TO MAKE PAYMENTS TO THE CLT THAT ARE REQUIRED BY THE LEASE: It shall be an event of default if Homeowner fails to pay the Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner makes a good faith partial payment of at least two-thirds (2/3) of the amount owed during the 30-day cure period, then the cure period shall be extended by an additional 30 days.

12.2 WHAT HAPPENS IF HOMEOWNER VIOLATES OTHER (NONMONETARY) TERMS OF THE LEASE: It shall be an event of default if Homeowner fails to abide by any other requirement or restriction stated in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner or Permitted Mortgagee has begun to cure such default within the 60-day cure period and is continuing such cure with due diligence but cannot complete the cure within the 60-day cure period, the cure period shall be extended for as much additional time as may be reasonably required to complete the cure.

12.3 WHAT HAPPENS IF HOMEOWNER DEFAULTS AS A RESULT OF JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home or Homeowner's interest in the Leased Land by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for

arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 A DEFAULT (UNCURED VIOLATION) GIVES CLT THE RIGHT TO TERMINATE THE LEASE OR EXERCISE ITS PURCHASE OPTION:

a) **TERMINATION:** In the case of any of the events of default described above, CLT may terminate this lease and initiate summary proceedings under applicable law against Homeowner, and CLT shall have all the rights and remedies consistent with such laws and resulting court orders to enter the Leased Land and Home and repossess the entire Leased Land and Home, and expel Homeowner and those claiming rights through Homeowner. In addition, CLT shall have such additional rights and remedies to recover from Homeowner arrears of rent and damages from any preceding breach of any covenant of this Lease. If this Lease is terminated by CLT pursuant to an Event of Default, then, as provided in Section 7.7 above, upon thus assuming title to the Home, CLT shall pay to Homeowner and any Permitted Mortgagee an amount equal to the Purchase Option Price calculated in accordance with Section 10.9 above, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease and all reasonable costs (including reasonable attorneys' fees) incurred by CLT in pursuit of its remedies under this Lease.

If CLT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above and the attached Exhibit E: Permitted Mortgages) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner's interest in the Home and the Leased Land by foreclosure of its mortgage or otherwise.

b) **EXERCISE OF OPTION:** In the case of any of the events of default described above, Homeowner hereby grants to the CLT (or its assignee) the option to purchase the Home for the Purchase Option Price as such price is defined in Article 10 above. Within thirty (30) days after the expiration of any applicable cure period as established in Sections 12.1 or 12.2 above or within 30 days after any of the events constituting an Event of Default under Section 12.3 above, CLT shall notify the Homeowner and the Permitted Mortgagee(s) of its decision to exercise its option to purchase under this Section 12.4(b). Not later than ninety (90) days after the CLT gives notice to the Homeowner of the CLT's intent to exercise its option under this Section 12.4(a), the CLT or its assignee shall purchase the Home for the Purchase Option Price.

12.5 WHAT HAPPENS IF CLT DEFAULTS: CLT shall in no event be in default in the performance of any of its obligations under the Lease unless and until CLT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to CLT properly specifying CLT's failure to perform any such obligation.

ARTICLE 13: Mediation and Arbitration

13.1 MEDIATION AND ARBITRATION ARE PERMITTED: Nothing in this Lease shall be construed as preventing the parties from utilizing any process of mediation or arbitration in which the parties agree to engage for the purpose of resolving a dispute.

13.2 HOMEOWNER AND CLT SHALL SHARE COST OF ANY MEDIATION OR ARBITRATION: Homeowner and CLT shall each pay one half (50%) of any costs incurred in carrying out mediation or arbitration in which the parties have agreed to engage.

ARTICLE 14: GENERAL PROVISIONS

14.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to CLT: Sitka Community Development Corporation, P.O. Box 6461, Sitka Alaska 99835

If to Homeowner: _____ (name of Homeowner)

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 NO BROKERAGE: Homeowner warrants that it has not dealt with any real estate broker other than _____ in connection with the purchase of the Home. If any claim is made against CLT regarding dealings with brokers other than _____, Homeowner shall defend CLT against such claim with counsel of CLT’s selection and shall reimburse CLT for any loss, cost or damage which may result from such claim.

14.3 SEVERABILITY AND DURATION OF LEASE: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or CLT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that CLT’s option to purchase and all other rights of both parties under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons: the children of any employee of the City and Borough of Sitka living as of the date of this Lease.

14.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, CLT shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit F: FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.5 WAIVER: The waiver by CLT at any time of any requirement or restriction in this Lease, or the failure of CLT to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. CLT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by CLT before being effective.

The subsequent acceptance of Lease Fee payments by CLT shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Lease, other than the

failure of the Homeowner to pay the particular Lease Fee so accepted, regardless of CLT’s knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

14.6 CLT’S RIGHT TO PROSECUTE OR DEFEND: CLT shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner’s name, any actions or proceedings appropriate to the protection of its own or Homeowner’s interest in the Leased Land. Whenever requested by CLT, Homeowner shall give CLT all reasonable aid in any such action or proceeding.

14.7 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.8 HEADINGS AND TABLE OF CONTENTS: The headings, subheadings and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.9 PARTIES BOUND: This Lease sets forth the entire agreement between CLT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by CLT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.10 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of the State of Alaska. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against CLT or Homeowner.

14.11 RECORDING: The parties agree, as an alternative to the recording of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to CLT’s attorneys. In no event shall such document state the rent or other charges payable by Homeowner under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease

IN WITNESS WHEREOF, the parties have executed this lease at _____ on the day and year first above written.

Sitka Community Development Corporation

Witness

By: _____
Its duly authorized agent

_____ (Homeowner):

Witness

[notarize signatures]

Exhibit A: LETTER OF AGREEMENT

To: Sitka Community Development Corporation (“the CLT”)

Date: _____

This letter is given to the CLT to become an exhibit to a Lease between the CLT and me. I will be leasing a parcel of land from the CLT and will be buying the home that sits on that parcel of land. I will therefore become what is described in the Lease as a “the Homeowner.”

I have reviewed the terms and conditions of the Lease and other legal documents that are part of this transaction and have had the opportunity to have my legal counsel, if any, review the same.

I understand the way these terms and conditions will affect my rights as a CLT homeowner, now and in the future.

In particular I understand and agree with the following points.

- One of the goals of the CLT is to keep CLT homes affordable for lower income households from one CLT homeowner to the next. I support this goal as a CLT homeowner and as a member of the CLT.
- The terms and conditions of my Lease will keep my home affordable for future “income-qualified persons” (as defined in the Lease). If and when I want to sell my home, the lease requires that I sell it either to the CLT or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.
- It is also a goal of the CLT to promote resident ownership of CLT homes. For this reason, my Lease requires that, if my family and I move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
- I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.
- As a CLT homeowner and a member of the CLT, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to others and me.

Sincerely

Exhibit B: LETTER OF ATTORNEYS ACKNOWLEDGMENT

I, _____, have been independently employed by _____ (hereinafter "the Client") who intends to purchase a house and other Home (the "Home") on land to be leased from Community Land Trust. The house and land are located at _____.

In connection with the contemplated purchase of the Home and the leasing of the land, I reviewed with the Client the following documents:

- a) this Letter of Attorney's Acknowledgment and a Letter of Agreement from the Client;
- b) a proposed Deed conveying the Home to the Client;
- c) a proposed Ground Lease conveying the "Leased Land" to the Client;
- d) other written materials provided by the CLT.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. In my review of these documents my purpose has been to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on her own judgment and upon her investigation of the facts. The advice and information provided by me was an integral element of such investigation.

Name

Date

Title

Firm/Address

Exhibit C: LAND

Correct legal description of area of Leased Land and appurtenant title rights and obligations

Exhibit D: DEED

Use actual deed

Exhibit E: PERMITTED MORTGAGES

The rights and provisions set forth in this Exhibit shall be understood to be provisions of Section 8.2 of the Lease. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. OBLIGATIONS OF PERMITTED MORTGAGEE. Any Permitted Mortgagee shall be bound by each of the following requirements unless the particular requirement is removed, contradicted or modified by a rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

1. If Permitted Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Permitted Mortgage, the Permitted Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the “cure period”), the CLT shall have the right to cure the default on the Homeowner’s behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Permitted Mortgagee.

2. If, after the cure period has expired, the Permitted Mortgagee intends to accelerate the note secured by the Permitted Mortgage or begin foreclosure proceedings under the Permitted Mortgage, the Permitted Mortgagee shall first notify CLT of its intention to do so, and CLT shall then have the right, upon notifying the Permitted Mortgagee within thirty (30) days of receipt of such notice, to acquire the Permitted Mortgage by paying off the debt secured by the Permitted Mortgage.

3. If the Permitted Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Permitted Mortgagee shall give CLT written notice of such acquisition and CLT shall then have an option to purchase the Home from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage. To exercise this option to purchase, CLT must give written notice to the Permitted Mortgagee of CLT’s intent to purchase the Home within thirty (30) days following CLT’s receipt of the Permitted Mortgagee’s notice. CLT must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If CLT does not complete the purchase within this 60-day period, the Permitted Mortgagee shall be free to sell the Home to another person.

4. Nothing in the Permitted Mortgage or related documents shall be construed as giving Permitted Mortgagee a claim on CLT’s interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Permitted Mortgage.

5. Nothing in the Permitted Mortgage or related documents shall be construed as rendering CLT or any subsequent Mortgagee of CLT’s interest in this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Permitted Mortgage or any part thereof.

6. The Permitted Mortgagee shall not look to CLT or CLT’s interest in the Leased Land, but will look solely to Homeowner, Homeowner’s interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that CLT’s consent to such the Permitted Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)

7. In the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Permitted Mortgagee in accordance with the provisions of ARTICLE 9 hereof.

8. CLT shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE. The rights of a Permitted Mortgagee as referenced under Section 8.6 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Any Permitted Mortgagee shall, without further consent by CLT, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2. A Permitted Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Home and Leased Land. In the event Permitted Mortgagee does take possession of the Home and Leased Land and thereupon transfers such property, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both CLT and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, CLT shall enter into a new lease for the Leased Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to CLT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to CLT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by CLT, Homeowner and the Permitted Mortgagee.

5. The CLT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that CLT sends a notice of default under the Lease to Homeowner, CLT shall also send a notice of Homeowner’s default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to CLT by a written notice to CLT sent in the manner set forth in said Section 14.2 of the Lease.

7. In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8. Before becoming effective, any amendments to this Lease must be approved in writing by Permitted Mortgagee, which approval shall not be unreasonably withheld. If Permitted Mortgagee has neither approved nor rejected a proposed amendment within 60 days of its submission to Permitted Mortgagee, then the proposed amendment shall be deemed to be approved.

C. STANDARD PERMITTED MORTGAGE AGREEMENT. A Standard Permitted Mortgage Agreement, as identified in Section 8.4 of this Lease, shall be written as follows, and shall be signed by Mortgagee and Homeowner.

This Agreement is made by and among:

_____ (Mortgagee) and
 _____ (“Homeowner”),

Whereas:

- a) _____ CLT (the “CLT”) and Homeowner have entered, or are entering, into a ground lease (“the Lease”), conveying to Homeowner a leasehold interest in the Land located at _____ (“the Leased Land”); and Homeowner has purchased, or is purchasing, the Home located on the Leased Land (“the Home”).
- b) The Mortgagee has been asked to provide certain financing to the Homeowner, and is being granted concurrently herewith a mortgage and security interest (the “Mortgage”) in the Leased Land and Home, all as more particularly set forth in the Mortgage, attached hereto as Schedule A.
- c) The Ground Lease states that the Homeowner may mortgage the Leased Land only with the written consent of CLT. The Ground Lease further provides that CLT is required to give such consent only if the Mortgagee signs this Standard Permitted Mortgage Agreement and thereby agrees to certain conditions that are stipulated herein (“the Stipulated Conditions”).

Now, therefore, the Homeowner/Mortgagor and the Mortgagee hereby agree that the terms and conditions of the Mortgage shall include the Stipulated Conditions stated below.

Stipulated Conditions:

1) If Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Mortgage, the Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the “cure period”), the CLT shall have the right to cure the default on the Homeowner’s behalf, provided that all current

payments due the Permitted Mortgagee since the notice of default was given are made to the Mortgagee.

2) If, after such cure period, the Mortgagee intends to accelerate the note secured by the Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of the Lease, the Mortgagee shall first notify CLT of its intention to do so and CLT shall have the right, but not the obligation, upon notifying the Mortgagee within thirty (30) days of receipt of said notice, to purchase the Mortgagee loans and to take assignment of the Mortgage.

3) If the Mortgagee acquires title to the Home and Homeowner’s interest in the Leased Land through foreclosure or acceptance of a deed in lieu of foreclosure, the Mortgagee shall give the CLT written notice of such acquisition and the CLT shall have an option to purchase the Home and Homeowner’s interest in the Leased Land from the Mortgagee for the full amount owing to the Mortgagee; provided, however, that the CLT notifies the Mortgagee in writing of the CLT’s intent to make such purchase within thirty (30) days following the CLT’s receipt of the Mortgagee’s notice of such acquisition of the Home and Homeowner’s interest in the Leased Land; further provided that CLT shall complete such purchase within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the CLT does not complete the purchase within such period, the Mortgagee shall be free to sell the Home and Homeowner’s interest in the Leased Land to another person;

4) Nothing in the Mortgage or related documents shall be construed as giving the Mortgagee a claim on CLT’s interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Mortgage.

5) Nothing in the Mortgage shall be construed as rendering CLT or any subsequent holder of the CLT’s interest in and to the Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

6) The Mortgagee shall not look to CLT or CLT’s interest in the Leased Land, but will look solely to Homeowner and Homeowner’s interest in the Leased Land and the Home for the payment of the debt secured by the Mortgage. (It is the intention of the parties hereto that CLT’s consent to the Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)

7) In the event that any part of the Leased Land is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Mortgagee in accordance with the provisions of Article 9 of the Lease.

8) Nothing in the Mortgage shall obligate CLT to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

By:

_____ for Mortgagee Date: _____
_____ for Homeowner/Mortgagor Date: _____

Exhibit F: FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale (“Offering Party”) shall within the term of the Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the “Holder”) shall have the following rights:

- a) Offering Party shall give written notice of such offer (“the Notice of Offer”) to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer (“the Election Period”) within which to exercise the right of first refusal by giving notice of intent to purchase the property (“the Notice of Intent to Purchase”) for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to the Holder having a renewed right of first refusal in said property.

Exhibit G: ZONING

Attach copy of ZONING classification for property, as of the commencement of the Lease

Exhibit H: INITIAL APPRAISAL

Attach copy of initial appraisal

Exhibit I: STANDARD PERMITTED MORTGAGE AGREEMENT

Attach agreement signed by lender and by homeowner, as specified section 8.c of the
'Permitted Mortgage Agreement' exhibit above.

EXHIBIT J: HOME REPAIR AND REPLACEMENT RESERVES

Reserves collected through the Homeowner's monthly Home Repair and Replacement Reserve Fee are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property.

Use of Reserve Funds: The Home Repair and Replacement Reserves will be administered by the CLT, and the CLT will decide which capital repair or replacement costs are eligible for the use of the Reserves and shall specify those costs when the fund is established. Homeowner may request release of funds prior to completing the necessary repairs or replacements and the CLT shall inform the Homeowner of the eligibility of the proposed expenses and the amount of funds available in the fund for use in such repairs. Upon satisfactory completion of the work and evidence of the expenses incurred, the CLT shall release funds up to the amount quoted, at its sole discretion, if the requested use is found to be necessary and in accordance with the Reserve's intended use.

Homeowner remains solely responsible for the repair and replacement of the above listed capital components. System components will be replaced with products of comparable quality and features. During a system replacement, the Homeowner may opt to replace components with higher rather than comparable quality products. In this case, the Homeowner will pay the cost difference between the comparable quality and the higher quality product.

It is incumbent upon the Homeowner to notify the CLT immediately of any deficiencies in the above capital systems. Damages resulting from failure to make prompt notice of deficiencies are the responsibility of the Homeowner.

Exclusion of Items Covered by H/COA Dues: In communities with homeowner or condominium owner associations, a portion of the above capital repair and/or replacement costs may be covered by the owner association dues. In this case, capital items that are specifically the responsibility of the owner association are explicitly excluded from coverage under the Home Repair and Replacement Reserves. The Homeowner's monthly Home Repair and Replacement Reserve Fee will be adjusted to reflect coverage of these items under the owner association dues.

Other Exhibits to be Attached, as Appropriate

Exhibit RESTRICTIONS *[To be attached when Sitka CDC is stipulating use restrictions above and beyond those included under Zoning]*

Sitka Community Development Corporation Community Land Trust Stewardship Policies and Procedures

Sitka Community Development Corporation's Community Land Trust program is, on behalf of the community it serves, committed to long-term stewardship of the homes in its portfolio and to the households that own these homes. We have made – and will continue to make – substantial commitments to a range of constituents and stakeholders:

- To homeowners, we commit to monitor and enforce their compliance with the terms of the ground lease they signed; to “stand behind” them and assist their efforts to be successful; and to manage the resale of their home, should they ever choose to sell.
- To public and private funders, subsidy providers and lenders, we commit to preserve housing affordability forever; to protect and leverage affordability subsidies provided to create that affordability; and to assure that the quality of homes in our portfolio is maintained and the prospects for the success of our homeowners is enhanced.
- To our community and its neighborhoods, we commit ensure that our homeowners behave appropriately, follow the rules, and maintain their homes; and that the value of our CLT homes retain their market value, even as we limited their resale prices.
- And to ourselves, as a community organization and a nonprofit business, we commit to remain true to our mission and purposes and to develop and maintain the capacity needed to manage these responsibilities effectively for a long, long time.

Stewardship is essential to the operations of our community land trust (CLT) program. Any nonprofit organization and/or municipal entity can create an affordable housing unit. What distinguishes Sitka CDC's CLT program is our commitment to stay in the deal, *after* the homeowner moves in:

- ✦ To monitor and enforce homeowner compliance to the terms of the deal
- ✦ To provide or arrange for additional support to help homeowners remain successful as homeowners – and, to the extent possible, to achieve their personal goals
- ✦ To preserve and leverage the benefit of the subsidy resources that we have secured to create the initial affordability of each of your homes
- ✦ To preserve the quality and condition of each of the affordably priced homes in our portfolio as community assets, assuring each home is well kept and maintained, regardless of what happens to the homeowner
- ✦ To manage the resale of each home in the event the homeowner ever moves on, whether voluntarily or involuntarily
- ✦ To arrange for the resale of each of the homes in our portfolio at an affordable price to another local, limited-income family – and start the process all over again.

The Stewardship of Homeownership

As it the case with other community land trusts in operation across the country, Sitka CDC's CLT program, has three major goals for the stewardship of our homeowners and the homes they occupy: preserving housing affordability; promoting housing quality; and protecting housing security. Accordingly, our homeownership stewardship program is committed to managing and coordinating the following basic duties:

Preserving housing affordability – The minimal duties of stewardship in this area include:

- Maintain a waiting list of income-eligible, potential buyers for the purchase of resale-restricted homes that come up for sale
- Inspect homes at time of resale
- Oversee any necessary rehabilitation and upgrades before sale to next buyer
- Calculate the formula-driven resale price
- Inform prospective buyers of the restrictions and conditions, as well as the benefits of buying, owning and selling a Sitka CDC CLT home
- Oversee the transfer of homes, ensuring their purchase, at affordable prices, by income-qualified buyers

Promoting housing quality – The minimal duties of stewardship in this area include:

- Mandate the upfront installation of more durable materials and energy-efficient systems
- Prepare homeowners for the maintenance responsibilities of homeownership
- Inspect periodically the condition and repair of homes
- Maintain reserves for unexpected repairs and necessary replacements

Protecting housing security – The minimal duties of stewardship in this area include:

- Screen and approve all homebuyer/homeowner mortgage financing and refinancing, preventing predatory lending and/or overleveraged borrowing
- Prevent the attachment of liens
- Maintain adequate insurance coverage
- Secure equitable taxation of resale-restricted homes, preventing the displacement of homeowners unable to pay taxes on real estate profits they cannot claim as their own
- Monitor homeowner payment of taxes and insurance
- Regulate subletting
- Intervene, as needed, to cure mortgage defaults and prevent foreclosures

Stewardship Policies and Procedures

As a community land trust, Sitka CDC's CLT program is obliged to complete number of stewardship tasks and activities. Attached below, as Exhibit A, is a document labeled "Programmatic Requirements for Administering a Portfolio of Resale-Restricted, Owner-Occupied Homes", which provides a general overview of the stewardship obligations to which Sitka CDC and its CLT program are committed.

In order to manage these stewardship responsibilities successfully, Sitka CDC's Community Land Trust program has developed and adopted specific policies, procedures and protocols, in areas ranging from communication to recordkeeping, from monitoring to enforcement. These stewardship policies and procedures include:

Communication and relationship building with homeowners

It is likely easier to remind homeowners of use restrictions than to enforce them, as enforcement, if it gets to that point, is almost certain to require a significant commitment of time and human resources.

1. SCDC will maintain frequent communication and interaction with our homeowners to help minimize noncompliance issues. Types of communication and interactions we will use, include:
 - a. Face-to-face meetings and informal conversations
 - b. Informal correspondence– e.g., newsletter with homeowner resources or home maintenance tips
 - c. Formal correspondence, when appropriate – e.g., an annual letter reminding homeowner of their requirements and other details regarding their CLT homeownership (e.g., what they would be able to sell their home for right now)?¹

2. Additionally, SCDC will seek to provide or arrange for homeowner access to support, assistance, and services to help homeowners remain successful as homeowners. These resources could include:
 - a. Financial education – e.g., how to manage a household on a limited budget; etc.
 - b. Assistance with setting up neighborhood watch programs
 - c. Tax preparation information
 - d. Information on how to be successful homeowners (e.g., how to manage homes for maximum energy efficiency, etc.)
 - e. Provide annual courtesy Fire and Life Safety Inspections

Use Restrictions

Sitka CDC's CLT program will monitor and enforce homeowners' responsible use of the homes they own and the land they lease, per the restrictions stipulated in the ground lease.

1. Staff will monitor homeowner use requirements through periodic visits and inspections, including annual drive-by inspections.
2. Staff will respond to neighborhood complaints by return telephone; if warranted, face-to-face meetings will be arranged with neighbors expressing serious complaints.
3. When there is suspicion of noncompliance with stipulated use requirements, staff will provide 48-hour notice to homeowner and will do walk-around of leased land.
4. In events when there is suspicion of illegal activities taking place at the home, staff will immediately contact Police Department, as appropriate.
5. If illegal activities are found to be taking place, staff will notify board of directors, requesting action to declare default on ground lease and force a resale, terminating the homeowner's right of ownership.

Repeated and/or egregious noncompliance constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Owner-Occupancy

The SCDC CLT ground lease (Article 4.4) requires owner occupancy, stipulating in its ground lease that homeowners must occupy their home as their primary residence. Specifically, each homeowner must comply with the annual presence/absence requirements of the Permanent

¹ A sample letter to homeowner can be provided.

Fund Dividend (PFD) program (i.e., no absence of more than 90 days consecutively or 180 days in total in every calendar year), unless otherwise agreed by CLT. Proof of PFD qualification must be submitted each year to SCDC. Staff will collect, record and file a copy of PFD deposit from each homeowner to certify compliance with this occupancy requirement – and will do so once each calendar year.

Any suspicion or evidence that a homeowner is not meeting the occupancy requirement will automatically trigger an on-site physical inspection of the premises and call for a face-to-face meeting with the homeowner in question, to be held within three (3) business days. Should SCDC discover that one of its homeowners is in noncompliance of the occupancy requirement, SCDC shall notify the homeowner of the noncompliance by certified mail, providing a 30-day timeframe for correcting the deficiency. If the homeowner does not comply within this timeframe, SCDC's board of directors will authorize staff to proceed to declare a default on the ground lease.

Sitka CDC's CLT program will, on a case-by-case, as-needed basis, consider homeowner requests for temporary deviations from the residency requirement stipulated in the ground lease. SCDC may determine to temporarily waive the occupancy requirement in order to accommodate hardship and other real life circumstances for a particular homeowner. In the event that SCDC permits a homeowner to take a *leave of absence* from the home, this decision will include a determination if the homeowner will be permitted to sublease the home during his/her absence. In the event that subleasing is allowed, provisions of Article 4.5 of the South Florida Community Land Trust Ground Lease will govern the sublease.

Noncompliance with this requirement constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Renting and Subletting

Like most CLTs, SCDC requires that its CLT homeowners may not sublet their homes, except in very specific hardship situations and only with the advanced written approval of the board of directors.

SCDC will intervene if a homeowner has illegally sublet his/her home. In these situations, SCDC's options include:

- a. Charging a fine to the noncompliant homeowner/leaseholder until owner-occupancy is reestablished
- b. Evicting the tenant and declare a default on the ground, beginning proceedings to remove the homeowner from the home and arrange the sale to another qualified household.

Noncompliance with this requirement constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for noncompliance.

Payment of Home Loan(s)

Working with Homeowners

SCDC will ensure that no mortgage securing a loan borrowed by one of its homeowners is tied to the SCDC's fee interest in the land by executing its rights under the ground lease to review and approve (and disapprove, as needed) all home loans borrowed by its homeowners – including initial home purchase, first-position mortgage loans; refinancing; home equity loans and lines of credit.²

As an additional protection, SCDC may consider filing a performance deed, if appropriate, to assure that the non-negotiable, lease-stipulated right of SCDC to approve all home mortgage financing will always surface in a title search.

Additionally, staff will communicate regularly with SCDC'S CLT homeowners regarding their mortgage payments, to remind homeowners of the ground lease-stipulated requirement (Article 8.3) that they *must* notify SCDC by written correspondence – and receive approval from SCDC – before they ever change their original home purchase financing (whether for refinancing or for home equity, 2nd mortgage loans).

Noncompliance with this requirement constitutes grounds for SCDC to declare a default on the ground lease and begin proceedings for removal of the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Working with Lenders and Loan Servicers

Sitka CDC's CLT program's interests in the home are in jeopardy if a homeowner fails to make his or her mortgage payments.

It is important for SCDC to know if an individual's loan payments are late, but not necessarily yet in default – particularly in the event that the homeowner does not notify SCDC that she/he is delinquent in payments. For this reason, SCDC has developed and implemented a "Standard Permitted Mortgage Agreement" [referenced in Article 8.4 of the Sitka CDC's CLT program ground lease and found in Exhibit: "Permitted Mortgage", Section C.] that is to be signed by the Mortgagee and the homeowner. This "Standard Permitted Mortgage Agreement", among other terms and conditions, gives SCDC permission to communicate directly with the lender and requires the lender (and/or its servicer) to notify SCDC in the event the homeowner is in mortgage default.

Dealing with Arrearages

In the event that one of its homeowners is found in arrears on his/her mortgage financing, SCDC may take one or more of the following actions, depending on the situation and circumstances:

1. Work with the homeowner to bring the loan payments current.
2. Work with the loan servicer and/or lender to see if a workout plan is possible.

² An outline of "Permitted Mortgages", that SCDC staff can use to approve (or deny) permitted mortgages per the terms of the ground lease, is currently being prepared by Burlington Associates and the National CLT Network.

3. Exercise the lease-stipulated right to stall the foreclosure process for 120 days, in order to give SCDC and the homeowner time to try to work out the default and bring payments current.
4. Work with the homeowner to resell the home, at the Purchase Option Price, to an eligible buyer and use the proceeds of sale to repay the outstanding balance.
5. In very rare circumstances, make payment(s) on behalf of the homeowner as needed to keep mortgage payments current, in order to avoid foreclosure on the mortgage. Any such payments made by SCDC on behalf of the homeowner shall be collected by adding a *pro rata* payment to the monthly Lease Fee or by placing a lien on the home for the amount paid and reduce the Purchase Option Price by this amount at the time of resale.

In order to minimize the possibilities and risks of foreclosure, actions that SCDC is prepared to take include:

1. Determine other resources available that may be of assistance to SCDC homeowners to help them avoid foreclosure – and make these available to its CLT homeowners through education and referral.
2. Arrange access to specialized legal counsel to help explore options and to work through the process of dealing with a homeowner in default and/or a foreclosed home.

Additional Liens

Article 7.4 of the Sitka CDC's CLT program ground lease stipulates that an SCDC CLT homeowner cannot permit a lien of any type to attach to SCDC's title to the Leased Land – and any lien that is filed against the homeowner's home or the land leased from SCDC must be discharged by actions of the homeowner within sixty (60) days after it has been filed.

SCDC will ensure that no additional liens are placed on the property by reviewing title reports for any additional liens. These title reviews will be conducted by staff on each of the homes in SCDC' CLT portfolio every six (6) months.

Repeated noncompliance constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Payment of Taxes

Because SCDC has a long-term interest in each of the homes in its portfolio, this interest, as well as its investments, are at risk in the event a homeowner ever fails to pay the real estate taxes on his or her home. Consequently, it is imperative that SCDC ensure that taxes are paid on time.

To assure timely payment, SCDC will, whenever possible, ask lenders providing home purchase financing to require escrow payment of property taxes, as part of a homeowner's monthly mortgage payment.

Additionally, staff will monitor tax payments by its homeowners through on-line verification. Real estate taxes are typically due by the end of August of every calendar year. Staff will

contact each homeowner by September 30 of each calendar year to receive verification that real estate taxes have been paid in full. Documentation that taxes are fully paid includes: copy of cancelled check; receipt from the City; verification from mortgagee (if real estate taxes are escrowed); or some other form deemed acceptable by SCDC.

SCDC staff will act if these taxes are not paid. In the event that staff discovers that one of its CLT homeowners owes back taxes, the following enforcement steps will be taken:

1. Staff will contact the homeowner to check on how she/he is doing and to determine why taxes have not been paid.
2. If, ten (10) days after this meeting, the taxes have not been paid, staff will arrange a face-to-face meeting with the homeowner, during which an action plan – identifying reasonable steps to be taken to bring the payments current and stipulating an end date for full compliance – will be negotiated. This plan will be written and signed by both parties.
3. If the taxes are not paid by the homeowner by the date stipulated in the agreement, SCDC may elect to pay the taxes owed and place a lien on the home for the amount paid and reduce the Purchase Option Price by this amount at the time of resale.

Noncompliance constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Payment of Insurance

Like other CLTs, Sitka CDC's CLT program must make sure that the homeowner is covered for liability claims, that SCDC is named as an additional insured, and that the coverage for each homeowner – for both liability and fire and hazard – is sufficient. SCDC cannot afford to risk losing a home, due to an insurance claim nor does it want any of its homeowners – or SCDC – to be exposed to undue liability. Accordingly:

SCDC will monitor continuity or sufficiency of homeowner insurance coverage by:

1. SCDC will require that it be listed as an additional insured on each of its homeowners' policies and, as a result, will receive direct notification from the insurance company of each homeowner's coverage.
2. Additionally, SCDC will require that homeowners provide SCDC with a copy of their policy, each year on its renewal date. Once received, SCDC will review the policy, record compliance with this requirement, and file the policy in its records.

In the event that SCDC discovers that insurance coverage for any of its homeowner's is inadequate or has lapsed, staff will take the following actions:

1. Contact the homeowner to remind him/her of the requirement to correct the problem and to establish a short-term deadline for doing so.
2. If needed – and as able – pay the insurance owed and collect the amount by adding a *pro rata* payment to the monthly Lease Fee or by placing a lien on the home for the amount paid and reduce the Purchase Option Price by this amount at the time of resale.

Repeated noncompliance constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Payment of Monthly Lease Fee

Sitka CDC's CLT program requires homeowners to pay a monthly Lease Fee to the organization.

These monthly fees provide revenue to help cover SCDC's ongoing operating costs. Additionally, SCDC can rely on the payment (or non-payment) of these fees as the basis for an ongoing relationship with the homeowner – in a support capacity to remind homeowners that SCDC continues to be involved in the homeownership experience and in a monitoring capacity as nonpayment of the fee can indicate a financial problem. To cement the gravity of its role not only as housing sponsor but also as homeowner advocate, SCDC has developed the following procedures to ensure its monthly fee is paid by each homeowner in full and on time.

Article 5 of the Sitka CDC's CLT program ground lease stipulates that the Lease Fee in the amount of \$50.00 monthly is due and payable to SCDC on the first (1st) day of every month. Payment is delinquent and outstanding if payment is not received by the fifth (5th) of the month, at which time a letter will be sent to each homeowner, reminding him/her of the need to bring payments current immediately. At its discretion, SCDC may require the homeowner to pay interest up to, but not exceeding fifty percent (50%), accruing monthly, on the unpaid amount from the date payment is due through and including the date payment in full or, if agreed by SCDC, of installment payment. This interest is deemed additional Lease Fee by SCDC and shall be paid by homeowner on demand by SCDC. However, SCDC will waive payment of interest if the homeowner makes payment of the outstanding Lease Fee and this payment is received by SCDC on or before the 30th day of the month in which the payment was due and payable.

Any SCDC homeowner will be considered in default of his/her ground lease in event of protracted nonpayment of monthly Lease Fees.

1. After the 30th of the first month for which payment has not been made, staff will contact the homeowner – either by phone or in person – regarding this delinquency, inquiring how the homeowner is doing and, unless there is a serious problem, reminding them that payment for the month outstanding plus the next month's fee is due and payable on the first of the immediately following month.
2. On the 15th day of the second consecutive month of unpaid Lease Fees, staff will send a collection letter to the homeowner, invoicing for immediate payment of the full amount owed, plus interest, and notifying the homeowner she/he is in danger of being held in default.
3. On the 15th day of the third consecutive month of unpaid Lease Fees, staff will send another collection to the homeowner, demanding immediate payment and giving notice that, if full payment of the amount outstanding – plus interest – is not made by the end of the month, SCDC will declare a default on the ground lease and proceedings will begin to remove the homeowner.

Repeated noncompliance constitutes grounds for declaring a default on the ground lease and beginning proceedings to remove the homeowner. SCDC must give advance notice of – and the right to cure – to the mortgage lender, before declaring a homeowner in default for non-compliance.

Improvements to Home

Sitka CDC's CLT program ground lease allows homeowners to make capital improvements to their homes only with prior written approval from SCDC – and subject to certain conditions. In order to monitor and manage this process, SCDC has developed and will enforce the following procedures:

“Improvements” are defined as any construction or rehabilitation activity that requires a building permit.

1. SCDC will review each request received from a homeowner, asking for permission make capital improvements to his/her home, on a case-by-case basis – and SCDC may elect to allow or disallow requested improvements. Additionally, SCDC may place limits on the amount of improvements a homeowner can put in his or her home. Decisions by SCDC to disallow or to limit the amount of improvements allowed to be made may be made at SCDC's sole discretion – and generally out of an interest in ensuring the quality and affordability of the home for future, eligible homebuyers.
2. In reviewing a homeowner's request to make capital improvements to his/her home, SCDC will – through a means test – evaluate the homeowner's capability to finance and complete proposed improvements.
3. No special compensation or credit will be provided at resale for the cost or value of post-purchase improvements made by a SCDC homeowner.

Condition of the Home

As a community land trust, SCDC must ensure that the homes in its portfolio remain affordable over the long term. Its monitoring needs to ensure that protection of affordability must go hand-in-glove with preservation of each home's structural integrity. Steps SCDC will be prepared to take to ensure its CLT home remain in good condition include:

1. SCDC will monitor the condition of each home in the portfolio via a drive-by or a site inspection at least once annually. Additionally, certain events may trigger an on-site inspection as allowed in Article 4.6 of the SCDC CLT ground lease. These include:
 - a. Receipt of Homeowner's Notice of Intent to Sell;
 - b. Notification of unusual or illegal activity at the home;
 - c. Notice that the homeowner is refinancing;
 - d. Notice of default from lender;
 - e. Paper audit identifies potential lack of compliance with occupancy requirement.
2. SCDC will support its goals for preservation, maintenance and upkeep of the homes in the CLT's portfolio in a number of ways, including providing supporting information about maintenance and upkeep to its homeowners.³ Additionally, SCDC will require homeowners to set aside reserve funds for maintenance and upkeep –

³ A sample maintenance policy can be made available.

- and, to the extent possible and, as appropriate, will seek to secure additional financial resources to support homeowner-provided home maintenance.
3. SCDC may wish to compel a homeowner to address deferred maintenance and repair needs prior to resale. In order to do so, SCDC will need to be able to document the condition of the home at initial purchase and prove that it has not been properly maintained. This will be done by using SCDC's "Initial Conditions Checklist".
 4. In the event that the home has not been maintained and there is deferred maintenance, SCDC's options include:
 - a. Provide financial support for maintenance expenses in the form of a loan.
 - b. Let the market correct for the poor condition of the home (i.e., the home returns less value to the homeowner/seller at resale)
 - c. Rely upon lender requirements – i.e., an incoming homebuyer cannot finance the home purchase unless certain components are fixed. In these situations, SCDC may pay for the cost of the required repairs/deferred maintenance, prior to resale and deduct this amount from sale proceeds of seller.

The ground lease (Article 10.13) stipulates that SCDC may inspect the home upon receiving notice of intent to sell and hire a home inspector to assess the condition of the home. In turn, the homeowner is required to make (and pay for) necessary repairs before the home can be made available for sale.

Sitka CDC Community Land Trust Home Repair and Replacement Reserve Fund Policy

A Monthly Home Repair and Replacement Reserve Fund is established at the commencement of this Lease and will be funded by the monthly Home Repair and Replacement Reserve Fund stipulated in Section 5.1 and collected by CLT. At its discretion, CLT may, from time to time, add funds to this Home Repair and Replacement Reserve Fund.

The Homeowner and CLT acknowledge that the Homeowner is responsible for all maintenance and repair of the Home, as set forth in this Lease. As an additional assurance that all Homeowners are able to comply with their maintenance and repair obligations, the CLT and the Homeowner agree that a Home Repair and Replacement Reserve Fee will be collected from the Homeowner as part of the Monthly Fee, and held as a reserve by the CLT for the capital maintenance of specific portions of the Home.

- a. **Release of Funds:** Policies and procedures for the use of Home Repair and Replacement Reserves are specified in Exhibit J: HOME REPAIR AND REPLACEMENT RESERVES. The CLT may reasonably withhold Home Repair and Replacement Reserve funds if the requested use is for purely aesthetic exterior alterations (such as a change in paint color when existing paint is still in good condition) or to repair items damaged by neglect.
- b. **Reserve Funds are Nonrefundable:** The Home Repair and Replacement Reserves are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property. The Homeowner acknowledges that the Home Repair and Replacement Reserves are intended for, and shall remain with the Home and not the Homeowner. In the event that the Home is sold or transferred

- by the Homeowner, the unused Home Repair and Replacement Reserves will be retained by the CLT for the future capital repairs or replacements of the Home.
- c. **Costs in Excess of Reserves:** Any capital costs that exceed the amount of available Home Repair and Replacement Reserves will be borne by the Homeowner.
 - d. **Yearly Report upon Request:** No later than September 30th of each year, the CLT will make available, upon the Homeowner's request, a detailed report of Home Repair and Replacement Reserve transactions for the prior fiscal year.

EXHIBIT J: HOME REPAIR AND REPLACEMENT RESERVES

Reserves collected through the Homeowner's monthly Home Repair and Replacement Reserve Fee are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property.

Use of Reserve Funds: The Home Repair and Replacement Reserves will be administered by the CLT, and the CLT will decide which capital repair or replacement costs are eligible for the use of the Reserves and shall specify those costs when the fund is established. Homeowner may request release of funds prior to completing the necessary repairs or replacements and the CLT shall inform the Homeowner of the eligibility of the proposed expenses and the amount of funds available in the fund for use in such repairs. Upon satisfactory completion of the work and evidence of the expenses incurred, the CLT shall release funds up to the amount quoted, at its sole discretion, if the requested use is found to be necessary and in accordance with the Reserve's intended use.

Homeowner remains solely responsible for the repair and replacement of the above listed capital components. System components will be replaced with products of comparable quality and features. During a system replacement, the Homeowner may opt to replace components with higher rather than comparable quality products. In this case, the Homeowner will pay the cost difference between the comparable quality and the higher quality product.

It is incumbent upon the Homeowner to notify the CLT immediately of any deficiencies in the above capital systems. Damages resulting from failure to make prompt notice of deficiencies are the responsibility of the Homeowner.

Exclusion of Items Covered by H/COA Dues: In communities with homeowner or condominium owner associations, a portion of the above capital repair and/or replacement costs may be covered by the owner association dues. In this case, capital items that are specifically the responsibility of the owner association are explicitly excluded from coverage under the Home Repair and Replacement Reserves. The Homeowner's monthly Home Repair and Replacement Reserve Fee will be adjusted to reflect coverage of these items under the owner association dues.

Reserves. The Homeowner's monthly Home Repair and Replacement Reserve Fee will be adjusted to reflect coverage of these items under the owner association dues.

SITKA CDC COMMUNITY LAND TRUST HOME REPAIR AND REPLACEMENT RESERVE FUND POLICY

A Monthly Home Repair and Replacement Reserve Fund is established at the commencement of this Lease and will be funded by the monthly Home Repair and Replacement Reserve Fund stipulated in Section 5.1 and collected by CLT. At its discretion, CLT may, from time to time, add funds to this Home Repair and Replacement Reserve Fund.

The Homeowner and CLT acknowledge that the Homeowner is responsible for all maintenance and repair of the Home, as set forth in this Lease. As an additional assurance that all Homeowners are able to comply with their maintenance and repair obligations, the CLT and the Homeowner agree that a Home Repair and Replacement Reserve Fee will be collected from the Homeowner as part of the Monthly Fee, and held as a reserve by the CLT for the capital maintenance of specific portions of the Home.

- a. **Release of Funds:** Policies and procedures for the use of Home Repair and Replacement Reserves are specified in Exhibit J: HOME REPAIR AND REPLACEMENT RESERVES. The CLT may reasonably withhold Home Repair and Replacement Reserve funds if the requested use is for purely aesthetic exterior alterations (such as a change in paint color when existing paint is still in good condition) or to repair items damaged by neglect.
- b. **Reserve Funds are Nonrefundable:** The Home Repair and Replacement Reserves are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property. The Homeowner acknowledges that the Home Repair and Replacement Reserves are intended for, and shall remain with the Home and not the Homeowner. In the event that the Home is sold or transferred by the Homeowner, the unused Home Repair and Replacement Reserves will be retained by the CLT for the future capital repairs or replacements of the Home.
- c. **Costs in Excess of Reserves:** Any capital costs that exceed the amount of available Home Repair and Replacement Reserves will be borne by the Homeowner.
- d. **Yearly Report upon Request:** No later than September 30th of each year, the CLT will make available, upon the Homeowner's request, a detailed report of Home Repair and Replacement Reserve transactions for the prior fiscal year.

EXHIBIT J: HOME REPAIR AND REPLACEMENT RESERVES

Reserves collected through the Homeowner's monthly Home Repair and Replacement Reserve Fee are explicitly the property of the CLT, but may only be used for the capital maintenance of the Property.

Use of Reserve Funds: The Home Repair and Replacement Reserves will be administered by the CLT, and the CLT will decide which capital repair or replacement costs are eligible for the use of the Reserves and shall specify those costs when the fund is established. Homeowner may request release of funds prior to completing the necessary repairs or replacements and the CLT shall inform the Homeowner of the eligibility of the proposed expenses and the amount of funds available in the fund for use in such repairs. Upon satisfactory completion of the work and evidence of the expenses incurred, the CLT shall release funds up to the amount quoted, at its sole discretion, if the requested use is found to be necessary and in accordance with the Reserve's intended use.

Homeowner remains solely responsible for the repair and replacement of the above listed capital components. System components will be replaced with products of comparable quality and features. During a system replacement, the Homeowner may opt to replace components with higher rather than comparable quality products. In this case, the Homeowner will pay the cost difference between the comparable quality and the higher quality product.

It is incumbent upon the Homeowner to notify the CLT immediately of any deficiencies in the above capital systems. Damages resulting from failure to make prompt notice of deficiencies are the responsibility of the Homeowner.

Exclusion of Items Covered by H/COA Dues: In communities with homeowner or condominium owner associations, a portion of the above capital repair and/or replacement costs may be covered by the owner association dues. In this case, capital items that are specifically the responsibility of the owner association are explicitly excluded from coverage under the Home Repair and Replacement Reserves. The Homeowner's monthly Home Repair and Replacement Reserve Fee will be adjusted to reflect coverage of these items under the owner association dues.

SITKA COMMUNITY LAND TRUST

HOME BUYER SELECTION POLICIES & PROCEDURES

I. OVERVIEW

This policy paper is intended to guide the development and implementation of both general and project-specific homebuyer selection procedures administered by the Sitka Community Land Trust. This policy shall be reviewed from time to time by the Selection Committee for effectiveness in guiding the Sitka Community Land Trust in the pursuit of its mission. This policy may be amended by a majority of the Board.

II. GOALS

The goals of the Sitka Community Land Trust that these policies are intended to support are:

- a) To provide as wide a range of opportunities as possible for income-eligible people to realize homeownership that is decent, safe and affordable;
- b) To insure the preservation of the quality and affordability of housing for future income-eligible residents of the community;
- c) To preserve and encourage economic diversity in Sitka;
- d) To find the best match between households and housing units that is the right price and the right size.

III. SELECTION CRITERIA

A. THRESHOLD SELECTION CRITERIA

The following criteria reflect the Sitka Community Land Trust's goal to reasonably match household size to unit size and household income to housing costs. [Note: some funding sources which the Sitka Community Land Trust may rely on to develop its housing opportunities establish maximum eligible incomes of between 80% to 120% of the area median income.]

1. Majority Age - must be 18 in Alaska to qualify for a mortgage.
2. Citizen of USA or registered alien
3. Income Eligibility -

Maximum Income: To be considered for selection, a household must have an annual income which does not exceed 120% of the median income of households of equal size residing in the statistical area (as defined by the U.S. Department of Housing and Urban Development or its successor agency) within which the housing unit is located.

4. Creditworthiness: In all cases, a household must be able to demonstrate a sense of ownership of its financial obligations, and a history of responsible effort to meet them. The household, must be "pre-qualified" through the Sitka Community Land Trust's application process to determine whether mortgage financing is likely to be obtained by the household based on the applicants available cash resources and the known requirements of various mortgage programs for which the household may be eligible.

a) Minimum Income: To be considered for Sitka Community Land Trust homeownership opportunities, a household's monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the housing opportunity in question. In general, households that require a cosigner in order to obtain a mortgage will not be considered.

(1) Affordability - (i.e. matching household income to housing cost). In general, affordable means that the monthly cost of occupying a particular housing unit does not exceed 28% - 36% of monthly household income, depending on the applicable lender's guidelines.

(2) Assets - To be considered for Sitka Community Land Trust homeownership opportunities, a review of a household's financial resources and circumstances should clearly indicate a limited ability to compete successfully in the conventional housing market in Sitka.

B. SECONDARY SELECTION CRITERIA

The following circumstances, not necessarily in order of priority or importance, will be considered in those instances when there are two or more households expressing interest in a particular unit and who meet the Threshold Eligibility Criteria outlined above.

1. Residency: First priority will be given first to current or former residents of the City and Borough of Sitka. Longer-term residency will generally be given higher priority than shorter-term residency although the term of residency need not be in consecutive years.
2. Community involvement: Residents having demonstrated involvement with and commitment to the community as evidenced by organizational memberships and/or participation in, support for, or sponsorship of non-profit, church or civic groups/events, etc.
3. Heirs. If "heir property" is sold to the Sitka Community Land Trust, any heir of the former owner(s) that meets the Threshold Eligibility Criteria outlined above, and who has properly filed a CLT homeownership application will be given special consideration.
4. Need: In general, the Sitka Community Land Trust will give consideration to the lower-income household. The Sitka Community Land Trust will give special consideration to households facing immediate or near-term displacement, especially if children are involved.
5. Application on File. Length of time which a household's application for homeownership has been on file.
6. Community Land Trust Homeownership: The Sitka Community Land Trust wishes to link with other resale restricted housing organizations in other communities to provide the same kind of mobility within the "resale-restricted" housing market as exists in the unrestricted housing marketplace. In other words, Sitka Community Land Trust desires to enable CLT homeowners to convert their "limited" equity stake in one community into another such home ownership option in another community. Thus, length of ownership of a Sitka Community Land Trust home, and/or the length of ownership of a home in another CLT will be considered. Involvement in the Sitka Community Land Trust's operation and general activities will also be considered.

7. First-time homebuyers. Defined as someone who has not owned a principal residence in the past three years; or a single parent who may have owned a home with a former spouse in the past three years but now no longer resides there.
8. Appropriate Size - (i.e. matching household size to unit size). In general, households consisting of the number of persons appropriate for the unit size will be given preference.

IV. APPLICATION PROCESS

The following application process is not necessarily sequential in nature. However, each component of the process is essential to ensure that each of the Sitka Community Land Trust's prospective homebuyers is fully informed regarding the fundamental details and atypical nature of the Sitka Community Land Trust's real estate transaction (i.e., involving a leasehold interest in the land and restrictions imbedded in the ground lease agreement on the resale of the improvements located on the leased premises.)

A. OUTREACH & MARKETING. Applicant responds to project specific marketing or general community outreach by contacting any one of the following for project specific, or general (as the case may be), information.

1. Sitka Community Land Trust
2. Alaska Housing Finance Corporation (AHFC) Homebuyer Education Program
3. Local lenders willing to provide mortgage financing for qualified Sitka CLT homebuyers
4. Realtors listing CLT homes, if applicable

B. INFORMATION/ORIENTATION SESSION. Applicant is advised of the next periodically scheduled Sitka Community Land Trust information/orientation session. Attendance at one or more of these sessions is required.

C. APPLICATION REVIEW. Applicant is provided with an application form to complete and return to Sitka Community Land Trust staff. Assistance with filling out application will be provided by staff on an as-needed basis. Staff will first review application to determine applicant's eligibility within established threshold and secondary criteria. Staff determines whether applicant is likely to qualify for currently available housing units (or for the general waiting list, as the case may be).

D. HOME BUYER TRAINING. Applicant is directed to periodically scheduled sessions conducted by local lenders or Alaska Housing Finance Corporation (AHFC.) Applicant is advised to meet with local lender for a mortgage "pre-qualification" session to determine whether applicant is likely to obtain mortgage financing approval.

E. INTERVIEW. Staff and/or Selection Committee schedule and conduct personal interview with applicant household.

F. PRELIMINARY APPROVAL / DENIAL. Following mortgage "pre-qualification", reference checks and verifications, Selection Committee may preliminarily approve or deny an application. Qualified individuals/households will be so notified and placed on a waiting list to participate in the selection process for particular housing opportunities, as they become

available. Applicants that do not meet application criteria will be so notified in writing. Staff or Selection Committee may provide tips or advise on how the applicant may improve financial or other obstacles to a successful application.

G. SELECTION PROCESS. The selection process for each housing opportunity may vary depending on the number of eligible and qualified persons on the waiting list relative to the number of housing opportunities available at a particular time. In general the selection process will be conducted according to the steps outlined in Section V below.

H. PURCHASE AND SALES CONTRACT / FORMAL MORTGAGE APPLICATION / ADVANCED ORIENTATION SESSION. The applicant and the Sitka Community Land Trust sign a purchase and sale agreement. Applicant applies for mortgage financing. On a case-by-case basis, assistance with completing application for mortgage financing may be available from the Sitka Community Land Trust Staff or a Selection Committee member. A detailed review of the Sitka Community Land Trust Ground Lease and other legal documents associated with a particular transaction is scheduled with applicant.

I. MORTGAGE APPLICATION PROCESSING AND CLOSING Applicant moves through the mortgage application and approval process.

J. INDEPENDENT LEGAL REVIEW. Applicant must, at applicant's expense, meet with an attorney who reviews all the Sitka Community Land Trust legal documents on behalf of applicant and who provides independent advice and counsel regarding the transaction.

V. SELECTION PROCESS

A. WHO MAKES THE DECISION

1. Regarding Threshold and Secondary Eligibility Criteria -

a) Selection Committee - The Sitka Community Development Corporation Board of Directors, shall appoint a Selection Committee consisting of at least one staff person and two Directors of the Corporation. The Selection Committee shall make a recommendation to the Board of Directors in a form acceptable to the Board regarding whether an application will be placed in the qualified applicant pool.

b) Board of Directors - The Board of Directors will have final say as to whether an applicant meets the threshold and/or secondary criteria discussed herein.

2. Regarding Credit Risk and Overall Creditworthiness -

a) The mortgage underwriting guidelines of the lending programs available to the Sitka Community Land Trust's qualified homebuyers shall be the deciding

factors regarding credit risk and the overall creditworthiness of a particular applicant

B. HOW IS DECISION MADE

1. Regarding Threshold and Secondary Eligibility Criteria -

a) Using the definitions found in Appendix 1, staff will review both project-specific applications and general interest applications to determine whether the Threshold Criteria outlined above have been met. Applicants to be selected will come from among those who meet ***all*** of the Threshold Eligibility Criteria.

b) Once this pool of applicants is used up, or if there are more eligible and qualified applicants than housing opportunities available, applications will be considered based on a review of the Secondary Selection Considerations.

2. Regarding Secondary Selection Considerations -

a) The Selection Committee may, at its discretion, and on a case-by-case basis, elect to either rank the Secondary Eligibility Criteria, or conduct a lottery among those eligible and qualified applicant households meeting one or more of the Secondary Selection Criteria.

b) Staff will provide to the Selection Committee a summary of its findings along with each applicant's application.

APPENDIX 1 - DEFINITIONS

The Sitka Community Land Trust has adopted the following definitions for the purposes of assessing affordability and monitoring its ability to achieve its goals.

"Affordable" means that the monthly Occupancy Cost of a particular housing unit generally does not exceed 30% of household income. (See discussion of Housing Costs, defined below, for exceptions regarding single-family ownership housing.)

"Housing Debt-to-Income Ratio" (HDTI) means the maximum percentage of income which a particular lender will allow a household to spend on Housing Costs.

"Household" means a person, or group of persons who occupy the same housing unit as their primary residence.

"Median Income" shall be as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (HUD) pursuant to 42 U.S.C. Sec. 1437 *et seq.*

"Moderate-Income" shall mean a household whose combined gross annual income, adjusted for Household Size (defined below), does not exceed 120% of the Median Income for the Statistical Area within which the housing is located as defined by HUD or a successor agency.

"Low-Income" shall mean a household whose combined gross annual income, Adjusted for Household Size, does not exceed 80% of the Median Income for households of that size residing in the Statistical Area within which the housing is located.

"Very Low-Income" shall mean a household whose combined gross annual income, Adjusted for Household Size, does not exceed 50% of the Median Income for households of that size residing in the Statistical Area within which the housing is located

"Statistical Area(s)" shall be as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (HUD) pursuant to 42 U.S.C. Sec. 1437 *et seq.*

"Housing Cost": shall mean:

1. When measuring the affordability to a known household of a known unit size for "Single-Family" Ownership: the sum of the monthly payments due on
 - the mortgage (principal & interest); plus
 - the property taxes due on the property; plus
 - the hazard insurance policy; plus
 - the condominium or townhouse association fee, if applicable; plus
 - the Ground Lease Fee and Homeowner Repair and Replacement Reserve Fee, if applicable.

[NOTE: The housing-debt-to-income and total-household-debt-to-income ratios dictated by the underwriting guidelines for a particular mortgage program shall be controlling for the purpose of determining the maximum percentage of income allocable to these monthly Housing Costs.]

Adjustment for Household Size - In those instances when measuring the affordability of an actual unit to a known household, the median income for a household of that size, as determined by HUD, will be controlling.

In those instances when *projecting* affordability of a particular unit size to a targeted household income level, Adjustment for Household Size shall mean that the average median income of a one person and a two-person household will be used in determining whether a one-bedroom unit is affordable. Accordingly, the median income of a three-person household will be used in determining whether a two-bedroom unit is affordable. The average median income of a four person and a five-person household will be used in determining whether a three-bedroom unit is affordable. The median income of a six-person household will be used in determining whether a four-bedroom unit is affordable. The average median income of a seven-person and an eight-person household will be used in determining whether a five-bedroom unit is affordable

APPENDIX 2 - HOME BUYER / LEASEHOLDER APPLICATION

(Needs to be developed)

APPENDIX 3 - Current AREA MEDIAN INCOMES BY HOUSEHOLD SIZE (U.S. Department of Housing and Urban Development)

A.FY 2014 INCOME LIMITS SUMMARY (U.S. DEPARTMENT OF HUD 01/22/2014)

Sitka City and Borough, Alaska										
FY 2014 Income Limit Area	Median Income Click Here	FY 2014 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Sitka City and Borough	\$78,700	Extremely Low (30%)	16550	18900	21250	23600	25500	27400	29300	31200
		Very Low (50%)	27550	31500	35450	39350	42500	45650	48800	51950
		60%	33060	37800	42540	47220	51000	54780	58560	62340
		Low (80%)	44100	50400	56700	62950	68000	73050	78100	83100

Alaska Business License # 928116

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

SITKA COMMUNITY DEVELOPMENT CORPORATION

PO BOX 6461 SITKA AK 99835

owned by

SITKA COMMUNITY DEVELOPMENT CORPORATION

is licensed by the department to conduct business for the period

October 10, 2013 through December 31, 2015
for the following line of business:

62 - Health Care and Social Assistance

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Susan K. Bell
Commissioner



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

AUG 04 2008

SITKA COMMUNITY DEVELOPMENT
CORPORATION
C/O TAMBI CALVERT
PO BOX 6461
SITKA, AK 99835-0000

Employer Identification Number:
35-2292107
DLN:
608213002
Contact Person:
L. WAYNE BOTHE ID# 31462
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
October 26, 2006
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
December 31, 2010
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

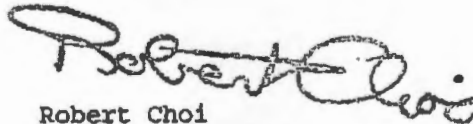
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

SITKA COMMUNITY DEVELOPMENT

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink that reads "Robert Choi". The signature is written in a cursive style with a large, looped initial "R".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC
Statute Extension

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. 7/12/07
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). 7/12/07
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an advance or a definitive ruling by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling: By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

Linda Brandt
(Signature of Officer, Director, Trustee, or other authorized official)

Linda Brandt
(Type or print name of signer)
President
(Type or print title or authority of signer)

7-12-2007
(Date)

For IRS Use Only

Robert [Signature]

AUG 04 2008

IRS Director, Exempt Organizations

(Date)

- b Request for Definitive Ruling: Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each disqualified person. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Sitka Community Development Corporation		Linda Brandt	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
P.O. Box 6334		35-2292107	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Sitka, AK 99835		12	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 907-747-8688	
a Name: Linda Brandt		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
9a Organization's website: (none at this time)			
b Organization's email: (optional)			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 10 / 26 / 2006			
12 Were you formed under the laws of a foreign country? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the country.			

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. Yes No
- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. Yes No
- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. Yes No
- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. Yes No
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. Yes No
- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. Yes No

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article 3, Paragraph 1
- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Page 1, Article 4, Paragraph 3
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Linda Brandt	President	P.O. Box 6334 Sitka, AK 99835	none
George Ridley	Vice President	P.O. Box 41 Sitka, AK 99835	none
Nora Hanson	Secretary	P.O. Box 6395 Sitka, AK 99835	none
Tambi Calvert	Treasurer	P.O. Box 6223 Sitka, AK 99835	none
4 other Directors	see Attachment, Part V		

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
No Employees		
		
		
		
		

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
No Contractors		
		
		
		
		

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. Yes No

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No

b Do you or will you approve compensation arrangements in advance of paying compensation? Yes No

c Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? Yes No
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? Yes No
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. Yes No
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?

Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. Yes No

- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. Yes No
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. Yes No

- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. Yes No
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at **arm's length**.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a successor to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in political campaigns in any way? If "Yes," explain. Yes No
- 2a Do you attempt to influence legislation? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an election to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or gaming activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**

- mail solicitations
- phone solicitations
- email solicitations
- accept donations on your website
- personal solicitations
- receive donations from another organization's website
- vehicle, boat, plane, or similar donations
- government grant solicitations
- foundation grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country** or **countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i) Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 15** Do you have a **close connection** with any organizations? If "Yes," explain. Yes No
- 16** Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. Yes No
- 17** Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. Yes No
- 18** Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. Yes No
- 19** Do you or will you operate a **school**? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. Yes No
- 20** Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. Yes No
- 21** Do you or will you provide **low-income housing** or housing for the **elderly or handicapped**? If "Yes," complete Schedule F. Yes No
- 22** Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. Yes No

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

Type of revenue or expense	Current tax year		3 prior tax years or 2 succeeding tax years		(e) Provide Total for (a) through (d)
	(a) From 01/2007 To 12/2007	(b) From 01/2008 To 12/2008	(c) From 01/2009 To 12/2009	(d) From To	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	5,000	40,000	30,000	75,000
	2 Membership fees received				
	3 Gross investment income				
	4 Net unrelated business income				
	5 Taxes levied for your benefit				
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)				
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)				
	8 Total of lines 1 through 7	5,000	40,000	30,000	75,000
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)				
	10 Total of lines 8 and 9	5,000	40,000	30,000	75,000
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)				
	12 Unusual grants				
	13 Total Revenue Add lines 10 through 12	5,000	40,000	30,000	75,000
Expenses	14 Fundraising expenses				
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)				
	16 Disbursements to or for the benefit of members (attach an itemized list)				
	17 Compensation of officers, directors, and trustees				
	18 Other salaries and wages		25,000	25,000	
	19 Interest expense				
	20 Occupancy (rent, utilities, etc.)		9,000	9,000	
	21 Depreciation and depletion				
	22 Professional fees	2,500	1,000	1,000	
	23 Any expense not otherwise classified, such as program services (attach itemized list)				
	24 Total Expenses Add lines 14 through 23	2,500	35,000	35,000	

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End:
(Whole dollars)

Assets			
1	Cash	1	
2	Accounts receivable, net	2	
3	Inventories	3	
4	Bonds and notes receivable (attach an itemized list)	4	
5	Corporate stocks (attach an itemized list)	5	
6	Loans receivable (attach an itemized list)	6	
7	Other investments (attach an itemized list)	7	
8	Depreciable and depletable assets (attach an itemized list)	8	
9	Land	9	
10	Other assets (attach an itemized list)	10	
11	Total Assets (add lines 1 through 10)	11	0
Liabilities			
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	
14	Mortgages and notes payable (attach an itemized list)	14	
15	Other liabilities (attach an itemized list)	15	
16	Total Liabilities (add lines 12 through 15)	16	
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	0
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. Yes No
If you are unsure, see the instructions.
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

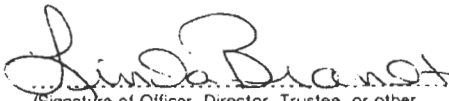
- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization


 (Signature of Officer, Director, Trustee, or other authorized official)

Linda Brandt
 (Type or print name of signer)

7-12-2007
 (Date)

President
 (Type or print title or authority of signer)

For IRS Use Only

.....
 IRS Director, Exempt Organizations

.....
 (Date)

- b Request for Definitive Ruling:** Check this box if you have completed the tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7** Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? **Yes** **No**
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here


 (Signature of Officer, Director, Trustee, or other authorized official)

Linda Brandt
 (Type or print name of signer)

7-12-2007
 (Date)

President
 (Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing**Section I General Information About Your Housing**

1 Describe the type of housing you provide.

2 Provide copies of any application forms you use for admission.

3 Explain how the public is made aware of your facility.

4a Provide a description of each facility.

b What is the total number of residents each facility can accommodate?

c What is your current number of residents in each facility?

d Describe each facility in terms of whether residents rent or purchase housing from you.

5 Attach a sample copy of your residency or homeownership contract or agreement.

6 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all joint venture agreements. Yes No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing? If "Yes," explain how that entity is selected, explain how the terms of any contract(s) are negotiated at arm's length, and explain how you determine you will pay no more than fair market value for services. Yes No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. Yes No

Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

9 Do you participate in any government housing programs? If "Yes," describe these programs. Yes No

10a Do you own the facility? If "No," describe any enforceable rights you possess to purchase the facility in the future; go to line 10c. If "Yes," answer line 10b. Yes No

b How did you acquire the facility? For example, did you develop it yourself, purchase a project, etc. Attach all contracts, transfer agreements, or other documents connected with the acquisition of the facility.

c Do you lease the facility or the land on which it is located? If "Yes," describe the parties to the lease(s) and provide copies of all leases. Yes No

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing (Continued)**Section II Homes for the Elderly or Handicapped**

- 1a** Do you provide housing for the elderly? If "Yes," describe who qualifies for your housing in terms of age, infirmity, or other criteria and explain how you select persons for your housing. Yes No
- b** Do you provide housing for the handicapped? If "Yes," describe who qualifies for your housing in terms of disability, income levels, or other criteria and explain how you select persons for your housing. Yes No
-
- 2a** Do you charge an entrance or founder's fee? If "Yes," describe what this charge covers, whether it is a one-time fee, how the fee is determined, whether it is payable in a lump sum or on an installment basis, whether it is refundable, and the circumstances, if any, under which it may be waived. Yes No
- b** Do you charge periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. Yes No
- c** Is your housing affordable to a significant segment of the elderly or handicapped persons in the community? Identify your **community**. Also, if "Yes," explain how you determine your housing is affordable. Yes No
-
- 3a** Do you have an established policy concerning residents who become unable to pay their regular charges? If "Yes," describe your established policy. Yes No
- b** Do you have any arrangements with government welfare agencies or others to absorb all or part of the cost of maintaining residents who become unable to pay their regular charges? If "Yes," describe these arrangements. Yes No
-
- 4** Do you have arrangements for the healthcare needs of your residents? If "Yes," describe these arrangements. Yes No
-
- 5** Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped? If "Yes," describe these design features. Yes No

Section III Low-Income Housing

- 1** Do you provide low-income housing? If "Yes," describe who qualifies for your housing in terms of income levels or other criteria, and describe how you select persons for your housing. Yes No
-
- 2** In addition to rent or mortgage payments, do residents pay periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. Yes No
-
- 3a** Is your housing affordable to low income residents? If "Yes," describe how your housing is made affordable to low-income residents. Yes No
- Note.** Revenue Procedure 96-32, 1996-1 C.B. 717, provides guidelines for providing low-income housing that will be treated as charitable. (At least 75% of the units are occupied by low-income tenants or 40% are occupied by tenants earning not more than 120% of the very low-income levels for the area.)
- b** Do you impose any restrictions to make sure that your housing remains affordable to low-income residents? If "Yes," describe these restrictions. Yes No
-
- 4** Do you provide social services to residents? If "Yes," describe these services. Yes No

Affordable
Attractive
Accessible
Available
Appropriate

P.O. Box 6334
Sitka, Alaska 99835
907-747-8688

Sitka Community Development Corporation

July 27, 2007

IRS Form-1023 Attachments

Part IV Narrative Description of Your Activities

Sitka Community Development Corporation (SCDC) was incorporated on October 26, 2006 and filled its nine-member board of directors on February 12, 2007. To date and for the foreseeable next few months, the organization will have no paid staff and will operate purely on a voluntary basis. It is the intention of the board to first achieve nonprofit status, then apply to Alaska Housing Finance Corporation for the Community Housing Development Organization (CHDO) certification. Once the organization is recognized both as a nonprofit and as a CHDO, it then intends to hire one staff person and pursue affordable housing activities in the City and Borough of Sitka, Alaska.

The purpose of SCDC is to promote community development and provide decent housing that is affordable to low and moderate-income individuals and families in Sitka. Activities the organization may engage in include: acquiring, rehabilitating, constructing, converting, managing, selling, renting, and financing properties for housing; furnishing consulting services; collecting and disseminating information; providing community education and training; and applying for, receiving, and managing grants, donations, and loans; all pursuant to the purpose of affordable housing.

In the near future, SCDC plans to build modest homes and apartments affordable to low and moderate-income households, cooperate with local service nonprofit agencies to assess the need for transitional housing, teacher housing, senior housing, and housing for people with disabilities, study the legal procedures for forming community land trusts and homeowner associations, and educate the public on the steps to home ownership. As may be expected, future activities will depend on what opportunities arise, the outcome of the strategic planning session of the board, and the input and feedback from the general public.

Part V Compensation and Other Financial Arrangements

1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees... (*continued*)

Name	Title	Mailing Address	Compensation
Alicia Williams	Director	201 Katlian Str., 2002 Sitka, AK 99835	none
Karen Alexander	Director	410 Hollywood Way #L Sitka, AK 99835	none
Scott Brylinsky	Director	709 Biorka Street Sitka, AK 99835	none
Dave Elsensohn	Director	1714 Edgecumbe Dr. Sitka, AK 99835	none
(vacant)	Director		none

5a Conflict of interest policy.

In the Corporation Bylaws, Article VII, Section D addresses self-dealing:

Directors may be reimbursed for an expense, authorized as provided in these bylaws. A director or a member of a director's immediate family may not receive payments from the funds of the corporation or directly benefit from a contract of the corporation unless (1) there has been full disclosure of the director's interest, payment, or contract, or (2) the board adopts a resolution that the action is in the best interest of the corporation, and (3) the director does not vote on the action which authorizes the payment or contract. A director or a director's family members may not receive housing benefits available as a result of the activities of the corporation unless (1) the director does not vote on a proposal to the board to authorize the benefits, and (2) the director or family member competes on an equal basis with all other persons eligible for the benefits.

Also in the Corporation Bylaws, Article II, Section B addresses no private inurement:

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section A above.

Part VI Individuals and Organizations that Receive Benefits

1a Do you provide goods, services, or funds to individuals?

SCDC will provide educational services to any interested member of the public regarding housing options and steps toward home ownership. In the future, if or when real estate projects are completed, SCDC intends to rent or sell housing units at an affordable and regulated rent or sales price.

1b Do you provide goods, services, or funds to organizations?

SCDC intends to work with other local service nonprofit agencies to assess their need for special needs housing such as transitional housing, senior housing, and housing for people with disabilities. These consulting services may be provided free of charge to the other organizations as part of SCDC's purpose. If SCDC enters into a joint venture with another nonprofit agency to develop appropriate affordable housing, SCDC will charge a developer fee appropriate for the scale of the project.

2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals?

Affordable housing projects and programs are income-based, thus the groups served by SCDC's activities will most likely have to qualify under certain household income limits, which are determined by various state and federal laws associated with the various funding sources. For rentals, other usual property management practices will be followed, such as determining the tenant's ability to pay rent based on income stability, rental history, and credit check.

- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or employees?

To date, no one has received goods, services, or funds through SCDC because the organization does not have any programs. It is possible that persons related to officers, directors, or employees may be income-eligible for future SCDC programs. Following SCDC bylaws, under such a circumstance, the persons in question must compete on an equal basis with all other persons eligible for the benefits as established in the program guidelines.

Part VIII Specific Activities

- 2a Do you attempt to influence legislation?

SCDC will not directly contact or urge the public to contact members of a legislative body for the purpose of proposing, supporting, or opposing legislation. However, when legislation related to affordable housing is debated, SCDC as an organization or members of its board may testify and advocate the adoption or rejection of such legislation. The amount of time and funds spent on such legislative activities shall be negligible and may sum up to a few minutes outside of regular work hours and no funds expended for some testimonies or letters to the legislative body. SCDC does not anticipate any other attempts to influence legislation.

- 2b Describe whether your attempts to influence legislation are a substantial part of your activities.

Attempts to influence legislation are not and will not be a substantial part of SCDC activities. To date, no time and no funds have been expended to influence legislation.

- 4a Fundraising programs.

To date, SCDC has not conducted a fundraising program. SCDC anticipates that the primary source of its future project-based funding will come from the Alaska Housing Finance Corporation (AHFC), a state government grant and funding source. In addition, SCDC may apply for Rasmuson Foundation grants, Denali Commission grants, USDA Rural Development loans and grants, and local banking institutions' Community Reinvestment Act loans and grants.

- 4d State and local jurisdictions.

SCDC will fundraise for itself in Sitka, Alaska. Some grant programs may be located in other parts of Alaska, but SCDC's fundraising efforts will be based in Sitka.

- 4e Separate accounts under which the contributor has the right to advise on the use or distribution of funds.

To date, SCDC has not received any contributions. SCDC anticipates that some future contributions may come attached with the right to advise on its use or distribution, such as funding designated for a project targeting a particular special needs population, for construction hard costs, or for administrative purposes of one particular program. SCDC

will keep separate accounts and honor the requests of contributors, as long as they contribute to the purpose of the organization.

7a Do or will persons other than your employees or volunteers develop your facilities?

Because of the complexity of real estate development, SCDC anticipates that it will act as project manager and contract out various components of the development process to experts and licensed professionals, such as licensed architects, tax credit lawyers, and licensed contractors. Facilities SCDC plans to develop may include rental and for sale housing and special needs homes such as transitional housing, senior housing, and housing for people with disabilities. SCDC does not anticipate any family relationships between the developer and the directors.

7b Do or will persons other than your employees or volunteers manage your facilities?

SCDC will manage and operate its own activities and the facilities that it owns. In cases where SCDC partners with another service nonprofit agency to develop a facility, SCDC will exit the partnership at the end of construction and the other service agency will own, manage, and operate such a facility, most likely a special needs facility that require separate expertise and licensing.

8 Do you or will you enter into joint ventures?

SCDC may enter into a joint venture such as a limited liability company for specific funding sources and developments that require it, such as Low Income Housing Tax Credit (LIHTC) developments. For the LIHTC partnership, SCDC, the nonprofit, will act as a silent partner while the private partner owns 99.9% of the equity in the project, in accordance to IRS rules and regulations. The nonprofit will generally receive a flat developer fee and will not take part in profit or loss sharing.

11 Do you or will you accept contributions of: real property, conservation easements, ...?

Although it seems unlikely SCDC will receive contributions of real property, SCDC is open to accept such a contribution. Real property is the only category SCDC is interested in, and any condition imposed by the donor would have to allow SCDC to develop the property for affordable housing.

Affordable
Attractive
Accessible
Available
Appropriate

P.O. Box 6334
Sitka, Alaska 99835
907-747-8688

Sitka Community Development Corporation

July 27, 2007

Schedule F Attachments

Section I General Information about your Housing

1 Describe the type of housing you provide.

Sitka Community Development Corporation (SCDC) does not currently provide any housing. The purpose of SCDC is to promote community development and provide decent housing that is affordable to low and moderate-income individuals and families in Sitka. Activities the organization may engage in include: acquiring, rehabilitating, constructing, converting, managing, selling, renting, and financing properties for housing; furnishing consulting services; collecting and disseminating information; providing community education and training; and applying for, receiving, and managing grants, donations, and loans; all pursuant to the purpose of affordable housing.

In the near future, SCDC plans to build modest homes and apartments affordable to low and moderate-income households, cooperate with local service nonprofit agencies to assess the need for transitional housing, teacher housing, senior housing, and housing for people with disabilities, study the legal procedures for forming community land trusts and homeowner associations, and educate the public on the steps to home ownership. As may be expected, future activities will depend on what opportunities arise, the outcome of the strategic planning session of the board, and the input and feedback from the general public.

2 Provide copies of any application forms you use for admission.

SCDC does not have any programs at this time and hence does not have any application forms used for admission. Hypothetically, such an application would include: applicant's name, social security number, household size, contact information, income and asset information, a checklist for income verification documents, and an authorization form for release of information. Please see **Appendix A**.

3 Explain how the public is made aware of your facility.

~~SCDC does not currently have any facilities. If and when any facility is constructed and available, SCDC will use affirmative marketing to make the public aware. Aside from the local newspaper and local radio station, which are wide-reaching in this small community, SCDC will identify underserved and hard-to-reach populations who are eligible for the program and devise methods of outreach suitable for those populations.~~

4a Provide a description of each facility.

4b What is the total number of residents each facility can accommodate?

4c What is the current number of residents in each facility?

4d Describe each facility in terms of whether residents rent or purchase housing from you.

SCDC does not own or operate any facilities at this time.

5 Attach a sample copy of your residency or homeownership contract or agreement.

SCDC does not have programs at this time and hence does not have any residency or homeownership contract or agreement. If and when affordable units are available and require such documents, SCDC will work with the Alaska Housing Finance Corporation (AHFC) to craft the most suitable and fair contract and agreement for our properties. One such example may be the sample homebuyer assistance agreement, as shown in **Appendix B**.

6 Joint ventures.

SCDC does not participate in any joint ventures at this time.

In the future, SCDC may enter into a joint venture such as a limited liability company for specific funding sources and developments that require it, such as Low Income Housing Tax Credit (LIHTC) developments. For the LIHTC partnership, SCDC, the nonprofit, will act as a silent partner while the private partner owns 99.99% of the equity in the project, in accordance to IRS rules and regulations. The nonprofit may receive a flat developer fee for its administrative costs and will not take part in profit or loss sharing.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing?

SCDC does not but may in the future contract with other organizations to develop and build affordable housing. Because of the complexity of real estate development, SCDC anticipates that it will act as project manager and contract out various components of the development process to experts and licensed professionals, such as licensed architects, tax credit lawyers, and licensed contractors. SCDC does not anticipate any family relationships between the developer and the directors.

Contracts are anticipated to follow procurement standards and put out to bid for the best price, product, or value. All rules in the bylaws regarding conflict of interests apply in the bid selection process and contract negotiation. SCDC will consult with other area agencies, licensed appraisers, regional housing authorities, the City and Borough of Sitka's Public Works Department, and AHFC to determine the fair market value for various services.

10 Do you own the facility?

SCDC does not currently own nor operate any facility.

Section II Homes for the Elderly or Handicapped

1a Do you provide housing for the elderly?

SCDC does not currently provide housing for the elderly. The senior population may be a priority in SCDC's strategic plan. If SCDC were to pursue senior housing, the entry age would likely be set at 65, unless the government funding source dictates otherwise. Income would likely be a criteria required by the funding source, at least for a portion of the facility. Level of need may be assessed if the facility offer services for daily living.

1b Do you provide housing for the handicapped?

SCDC does not currently provide housing for the handicapped. People with disabilities may be a priority in SCDC's strategic plan. If SCDC were to pursue housing for people with disabilities, we would likely partner with a local service nonprofit already serving this special needs population. Our partner would assist with identifying medical conditions while SCDC would screen for income eligibility, if required by any government funding sources used to construct or acquire the facility.

2c Is your housing affordable to a significant segment of the elderly or handicapped persons in the community?

The target community is the City and Borough of Sitka. Most elderly and/or persons with disabilities would most likely fall in the low-income category, and housing costs charged to such persons are required to be set at 30% of their income or less. Tenants may utilize Housing Choice Vouchers, if any are available. Any additional costs for meals and/or services would be covered by other sources, such as Medicaid, Alaska Mental Health Trust, and/or insurance coverage.

5 Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped?

If SCDC were to pursue any projects for the elderly and/or persons with disabilities, we would strive to design our facility to meet all of the needs of our tenants to the best of the industry standard. We want to ensure that beyond affordability, our tenants have a safe, comfortable, and enjoyable home to live in.

Section III Low-Income Housing

1 Do you provide low-income housing?

SCDC does not currently provide any low-income housing, but intends to. Low-income housing is the core mission of the organization. If and when SCDC develops low-income housing, SCDC will follow all rules and regulations associated with the funding sources, most likely LIHTC or HOME funds, as administered by the Alaska Housing Finance Corporation. At least 75% of all rental housing units will be targeted for households below 60% of area median income, and for sale homes targeted for below 80%. Social services may be provided on site depending on the targeted population. Tenants will be selected based on income. If the demand exceeds supply dramatically, SCDC will administer a waiting list and may utilize a lottery system for initial selection.

3a Is your housing affordable to low income residents?

Yes. Income-qualified renters will be charged a total housing cost (rent plus utilities) less than or equal to 30% of their household income. Income-qualified buyers will carry a mortgage (principal and interest) at or around 30% of their household income. Units will conform to LIHTC, HOME, or other funding source requirements for affordability.

3b Do you impose restrictions to make sure your housing remains affordable?

Rental housing will be restricted for at least 30 years, while for sale homes will have resale restrictions, in compliance with HOME rules and regulations.

SITKA COMMUNITY DEVELOPMENT CORPORATION
PO Box 6461, Sitka, AK 99835

Sitka Community Development Corporation
A Not-for-Profit Corporation

BYLAWS
December 2008

ARTICLE I. OFFICES

The principal office of the corporation shall be located in the City and Borough of Sitka and the state of Alaska.

ARTICLE II. PURPOSE

- A. Purpose.** The purpose of the organization is to promote community development and provide decent housing that is affordable to low and moderate-income individuals and families in the City and Borough of Sitka by: acquiring, rehabilitating, constructing, converting, managing, selling, renting, and financing properties for housing; furnishing consulting services; collecting and disseminating information; providing community education and training; and applying for, receiving, and managing grants, donations, and loans. It is organized exclusively for the foregoing charitable, benevolent, eleemosynary and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code or corresponding sections of any future federal tax code.
- B. No Private Inurement.** No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section A above.
- C. No Lobbying.** No substantial part of the activities of the corporation shall be disseminating propaganda, attempting to influence legislation, or supporting or opposing candidates for political office or political parties or otherwise participating in political campaigns. Notwithstanding any other provisions of these Articles, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the corporation, nor conduct any activities not permitted to be conducted by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code or by an organization contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or any corresponding section of any future federal tax code.

D. Dissolution. Upon the dissolution or final liquidation of the corporation, its liabilities and obligations shall be paid or discharged or otherwise adequately provided for. Any assets held on the condition that they be returned, transferred, or conveyed, shall be returned, transferred, or conveyed in accordance with such conditions. Any assets remaining to be distributed shall be distributed to one or both of the following options: (1) the federal, state, or local government, for a public purpose; or (2) one or more organizations engaged in charitable, eleemosynary, benevolent, educational, or similar purposes authorized by section 501(c)(3) of the Internal Revenue Code, provided however that such organizations are, or are qualified to be, exempt from income tax under section 501(c)(3) of the internal Revenue Code and contributions to which are deductible under section 170(c)(2) of the internal Revenue Code, and further provided that such organizations are engaged in activities substantially similar to those of the corporation, under a plan for distribution adopted as provided by Alaska Statutes chapter 10.20. Notwithstanding any other provision of these Articles, the distribution of the corporation's assets on dissolution shall be in accordance with the requirements of Alaska Statutes, chapter 10.20, and as required to maintain the status of the corporation as an exempt organization under section 501(c)(3) of the Internal Revenue Code.

ARTICLE III. BOARD OF DIRECTORS

- A. Number.** Sitka Community Development Corporation shall be governed by a board of directors composed of nine (9) directors. This number may be decreased by the amendment of these bylaws by the Board but shall in no case be less than six (6) directors.
- B. Term.** Directors shall serve staggered terms of three (3) years. Directors shall be restricted to serve no more than three (3) consecutive full three-year terms. Each director shall hold office until the end of her term, and until her successor is elected and qualified, or until her prior death, resignation, or removal.
- C. Election.** New directors shall be elected by a super-majority vote (two thirds) of the existing board from those nominated by a nominating committee composed of three (3) existing directors whose terms are not expiring or who intend to continue their service if their term is expiring. Elections shall occur at the annual meeting to fill vacated board positions if the annual meeting is within three months of the vacated board meeting and at least three (3) directors remain. Otherwise, the election shall occur at the monthly meeting. Each director shall hold office until the end of her term, and until her successor is elected and qualified, or until her prior death, resignation, or removal.
- D. Qualifications.** Any person over the age of 19 who supports the goals and aims of Sitka Community Development Corporation is eligible to be a director.
- E. Criteria for Selection of Directors.** New directors shall be elected by a majority vote of the board. In selecting directors, the board may, but are not required to,

consider: (1) commitment to the aims of the organization and (2) skills and experience related to the aims of the organization, including but not limited to skills or experience in real estate, social services, banking, law, finance, and being in need of affordable housing.

At least one third (1/3, rounding up) of the board of directors must belong to the income category which the board seeks to serve, more specifically, those residents whose income is 80% or below the HUD median income limit for the Sitka area. Of those one third (1/3 rounding up) meeting income category criteria, none can be "public officials" by definition of Alaska Housing Financial Corporation. Additionally, public officials on the board cannot comprise more than one third (1/3) of the board membership. Alternatively, the low-income directors may be residents of low-income neighborhoods or elected representatives of low-income neighborhood organizations.

- F. Duties and Powers.** The board shall be responsible for the control and management of the affairs, property, and interests of the corporation and may exercise all powers of the corporation, except as limited by statute.

- G. Resignations, Vacancies, and Removal.** Any director may resign at any time by giving written notice at a meeting of the board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the board, and the acceptance of such resignation shall not be necessary to make it effective. The board may remove a director for cause or in the best interests of the corporation by a unanimous vote, excluding the director facing removal. If a director has three (3) consecutive absences or three (3) unexcused absences within a 12-month span, it shall be deemed a resignation. A director may request an excused absence in writing to an officer other than himself or herself at least five (5) days before the meeting. Vacancies on the board created by resignation, removal, or any reason shall be filled as provided in Section C of this article for the unexpired balance of the term. A director removed for lack of participation may reapply for a future vacancy in open recruitment.

- H. Quorum.** At all meetings of the board, the presence of a majority of the entire board shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law or by these bylaws.

- I. Voting.** Unless otherwise provided by these bylaws, the board may take action on the vote of a majority of those directors present and voting. A director may abstain from voting if the director has a conflict of interest. Such an interest must be disclosed to the board, and the board shall determine, by a majority of those attending other than the director with the potential conflict, whether the director has a conflict and may abstain. Tie votes result in the granting of the abstention.

- J. **Board Action.** At all meetings of the board, each director present shall have one vote. Except as otherwise provided by statute, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the corporation shall be the act of the board. Any action taken by the board may be taken without a meeting if agreed to in writing by all directors before or after the action is taken and if a record of such action is filed in the minute book.

- K. **Liability.** No director shall be liable for any debt, obligation, or liability of the corporation.

ARTICLE IV. MEETINGS

- A. **Regular Meetings.** The board shall hold a regular meeting each month upon more than twenty-four-hour notice given to the directors. The president or a person designated by the president shall set the time, date, location, and agenda for monthly meetings. (Upon occasion, a monthly meeting may be canceled or rescheduled.)

- B. **Special Meetings.** A special meeting may be called by the majority of the board, the president, or by any three (3) directors, provided all directors are given more than twelve-hour notice.

- C. **Notice and Waiver.** Notice of any special meeting shall be given at least five days prior thereto by written notice delivered personally by mail or by facsimile to each Director at his address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid. Any Director may waive notice of any meeting, either before, at, or after such meeting, by signing a waiver of notice. Attendance of a director at a meeting constitutes a waiver of notice of the meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

- D. **Annual Meeting.** The annual meeting shall be held in January each year, unless rescheduled by the board. The agenda of the annual meeting must include the election of directors and officers. The board shall publish notice of the time, date, and place of the annual meeting in appropriate news media at least 14 days, but not more than 60 days, in advance of the meeting. Likewise, each director shall receive at least 14 days written advance notice of the annual meeting.

- E. **Organizational Meeting.** At the call of a majority of the incorporators, and on three days' notice to the directors, the board shall meet to adopt the bylaws and elect directors and officers to serve until the first annual meeting.

- F. **Telephone Meetings.** Directors may participate in meetings of the board

through use of a telephone if such can be arranged so that all board members can hear all other members. The use of a telephone for participation shall constitute presence in person.

- G. Conduct of Meetings.** Except as otherwise provided by these bylaws, the articles of incorporation, and the laws of the State of Alaska, meetings shall be conducted in accordance with Robert's Rules of Order Revised. (1915 Edition).

ARTICLE V. OFFICERS

- A. Officers and their Terms.** The officers of the corporation shall consist of a president, a secretary, a treasurer, and such other officers as the board may from time to time deem advisable. Any officer may be, but is not required to be, a director of the corporation. The officers of the corporation shall be elected by the board at the annual meeting of the board. The term of an officer shall be one year, from annual meeting to annual meeting, or until her death, resignation, or removal. An officer may continue if there is no other officer nominated.

B. Duties.

1. **President.** The president shall preside at all meetings of the board, shall be an ex officio member of all committees of the board, and shall in general perform all duties the board may from time to time assign, and as provided elsewhere in these bylaws and the articles of incorporation. The president shall act as spokesperson of the corporation and sign documents on behalf of the corporation, to the extent authorized by the board. The president shall prepare a report of each calendar year's activities and present the report to the board at its annual meeting. The president is entitled to vote to the same extent as the directors.
2. **Vice President.** The vice president shall act as president in the president's absence, and may perform such other duties as the board may from time to time direct.
3. **Secretary.** The secretary shall review minutes of all meetings of the board and shall keep or cause to be kept minutes of the meetings of the board's committees. The secretary shall be responsible for ensuring the records and papers of the corporation are maintained and may from time to time perform such other duties as the board may direct.
4. **Treasurer.** The treasurer is the financial officer of the corporation and shall oversee the deposit of funds of the corporation in such banks or other suitable financial institutions as have been approved by the board in accordance with Article VII of these bylaws. The treasurer shall keep or caused to be kept the accounts of the corporation, prepare a financial report on a calendar year basis and present it at the annual meeting and may from time to time perform such other duties as the board may direct.

- C. Delegation of Duties.** In the absence or disability of any officer of the

corporation or for any other reason deemed sufficient by the board of directors, the board may delegate her powers or duties to any other officer or director.

- D. Vacancy and Removal.** Officers may be removed from office and vacancies may be filled in the manner and for the reasons prescribed for directorship. A vacancy shall be filled only for the unexpired term. Removal of a director from an office does not result in the removal of the director from the board unless the board additionally follows the steps set out in Article III, section G of these bylaws.
- E. Compensation.** The officers of the corporation shall be entitled to such compensation as the Board shall from time to time determine.
- F. Liability.** No officer shall be liable for any debt, obligation, or liability of the corporation.

ARTICLE VI. COMMITTEES

The board of directors may, by resolution, from time to time create committees to assist in the work of the board. Persons who are not directors may be appointed to a committee if (1) they are qualified to be a director and (2) at least two directors serve on the committee. Committees may not take action on behalf of the board unless expressly authorized to do so by the board voting in a regular or special meeting, through the resolutions creating such committees. Meetings of committees may be held without notice at such time and at such place as shall be determined by the committees. The committees of the corporation shall keep regular minutes of their proceedings, and report these minutes to the board of directors when required.

ARTICLE VII. CONTRACTS AND EXPENDITURES

- A. Expenditures.** Expenditures greater than \$2,000 must be approved by a majority of the quorum. Expenditures of amounts less than \$2,000 may be made if consistent with a budget adopted by the board or if approved by the majority of the board.
- B. Authority to Make Withdrawals, and Sign Checks or Other Negotiable Instruments.** A withdrawal or check or other negotiable instrument for less than \$500 may be made and signed by the corporation's treasurer. A check of \$500 or greater must be signed by two corporate officers.
- C. Deposits.** All funds of the corporation not otherwise employed shall be deposited in such banks and other financial institutions as the board may select. No deposit may be made into a financial institution which exceeds the amount insured by a federal or state program of deposit insurance.
- D. Self-Dealing.** Directors may be reimbursed for an expense, authorized as provided in these bylaws. A director or a member of a director's immediate family may not receive payments from the funds of the corporation or directly benefit

from a contract of the corporation unless (1) there has been full disclosure of the director's interest, payment, or contract, or (2) the board adopts a resolution that the action is in the best interest of the corporation, and (3) the director does not vote on the action which authorizes the payment or contract. A director or a director's family members may not receive housing benefits available as a result of the activities of the corporation unless (1) the director does not vote on a proposal to the board to authorize the benefits, and (2) the director or family member competes on an equal basis with all other persons eligible for the benefits.

ARTICLE VIII. INDEMNIFICATION OF DIRECTORS: BONDS AND INSURANCE

- A. General Indemnification.** The corporation shall indemnify and undertake the defense of a director or former director, against expenses actually and reasonably incurred by that person in connection with the defense of any action, suit or proceeding, civil or criminal, in which that person is made a party by reason of having been a director, except in relation to matters in which that person was adjudged, in the action, suit or proceeding, to be liable for gross negligence or misconduct in the performance of corporate duties.
- B. Insurance.** The corporation may insure itself for the errors and omissions of its directors to the extent permitted by law.

ARTICLE IX. BOOKS AND RECORDS OF THE CORPORATION

- A. Articles of Incorporation.** Unless otherwise provided by the laws of the State of Alaska, the board may amend its articles of incorporation by a two-thirds vote of the directors, provided that at least 30 days written notice and a copy of any proposed amendments have been given to each director.
- B. Bylaws.** These bylaws may be amended by a majority of the directors, provided that at least two weeks' written notice and a copy of any proposed amendments have been given to each director.
- C. Annual Report.** The president of the corporation shall cause to be prepared annual or other reports required by law and shall provide copies to the board of directors.
- D. Permanent Records.** The corporation shall keep current and correct records of the accounts, minutes of the meetings, and proceedings. Such records shall be kept at the registered office or the principal place of business of the corporation.

Certified to be the bylaws of the corporation and adopted by the board of directors on the 11th day of December, 2008.

Tambi Calvert, President

Sitka Community Development Corporation

7



Department of Commerce, Community, and Economic Development
 Corporations, Business and Professional Licensing
CORPORATIONS SECTION
 PO Box 110808
 Juneau AK 99811-0808

ARTICLES OF AMENDMENT

Domestic Business, Professional Corporation or Non Profit Corporation

Pursuant to the provisions of Alaska Statutes, the undersigned corporation adopts the following Amended Articles of Incorporation:

1. Name the Corporation (as it is currently stated on the Certificate of Incorporation): Alaska Entity #:

Sitka Community Development Corporation	104202
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2. Amended Name of Corporation (if changing the name of the corporation):

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3. Business/Professional Corporations Only

If shares were issued:	If the class of shares are entitled to vote as a class:
------------------------	---

Date Amendment Adopted By the Board of Directors and Shareholders:	Number of Shares in Class:	
Number of Outstanding Shares:	Class Series:	
Number of Shares Entitled to Vote:	Number of Votes For Amendment:	
Number of Shares Voting For Amendment:	Number of Votes Against Amendment:	
Number of Shares Voting Against Amendment:		

If no shares were issued:

Date the amendment to the articles of Incorporation was adopted by resolution of the Board of Directors:	
--	--

4. Non-Profit Corporation Only

Date Amendment Adopted:	10/20/2008
-------------------------	------------

Check one of the boxes below:

If adopted by the members of the corporation:

- There are members entitled to vote on the amendment; a quorum was present at the meeting and the amendment received at least two-thirds of the votes which members present at the meetings or represented by proxy were entitled to cast.
- The amendment was adopted by consent in writing signed by all members entitled to vote with respect to the amendment.

If adopted by the Board of Directors:

- There are no members and the amendment received the vote of a majority of the directors in office.
- There are no members entitled to vote and the amendment received the vote of a majority of the directors in office.



A corporation may not amend its articles of incorporation to change the names and addresses of the first directors, incorporators or the initial registered agent of the entity.

Each amended article must be written in its entirety.

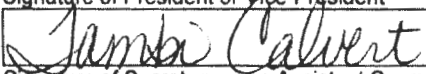
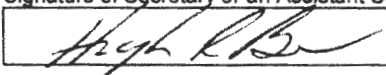
5. Amendments to the Articles of Incorporation are as follows:

PRESENT - Article 3. The purpose of the corporation is to promote community development and affordable housing for individuals and families in the City and Borough of Sitka and elsewhere in Southeast Alaska. It is organized exclusively for the foregoing charitable, benevolent, eleemosynary, and educational purposes, including for such purposes, the making of distributions or organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code or corresponding sections of any future federal tax code.

AMENDMENT - Article 3. The purpose of the corporation is to promote community development and affordable housing for individuals and families in the City and Borough of Sitka. It is organized exclusively for the foregoing charitable, benevolent, eleemosynary, and educational purposes, including for such purposes, the making of distributions ro organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code or corresponding sections of any future federal tax code.

Attach an additional 8½" x 11" page for continuation of previous article and/or additional articles. Please indicate which article you are continuing.

The Amended Articles of Incorporation must be signed by the president or vice president and by its secretary or an assistant secretary of the entity.

Signature of President or Vice President	Printed Name of President or Vice President	Date
	Tambi Calvert	12/19/08
Signature of Secretary or an Assistant Secretary	Printed Name of Secretary or Assistant Secretary	Date
	Hugh Bevan	01/05/09

If you have specific legal questions or concerns about this filing, you are strongly advised to consult an attorney or other professional to assist you. Mail the Amended Articles of Incorporation and the \$25.00 filing fee to:

State of Alaska
Corporations Section
PO Box 110808
Juneau AK 99801

For additional information or forms please visit our web site at: www.corporations.alaska.gov

ARTICLES OF AMENDMENT
OF
SITKA COMMUNITY DEVELOPMENT CORPORATION
A NONPROFIT CORPORATION
[Entity No. 104202]

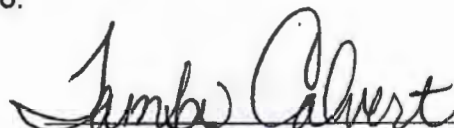
The Sitka Community Development Corporation states that there are no members of the corporation entitled to vote upon any Articles of Amendment relating to the Articles of Incorporation of such corporation filed with the Alaska Department Commerce, Community and Economic Development on October 26, 2006, and as amended on the 26th day of March, 2008, are per resolution adopted at a special meeting of the Board of Directors of the Sitka Community Development Corporation held on July 21, 2008, an amendment of the corporation's Articles of Incorporation was adopted (by affirmative vote of a majority of the directors then in office) in the following particulars:

ARTICLE 3 is deleted in its entirety and replaced with the following Article 3:

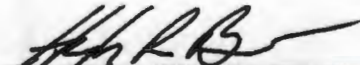
ARTICLE 3. The organization is organized exclusively for charitable, religious, educational, and/or scientific purposes under Section 501(c)(3) of the Internal Revenue Code. Such purposes include, promotion and facilitation of housing for persons of low and moderate income in the community of Sitka, Alaska, a community having a substantial population of minority and economically disadvantaged persons, many of whom presently reside in substandard housing.

All remaining provisions of the Articles of Incorporation, as previously amended on the 26th day of March, 2008, shall remain unchanged.

DATED this 21st day of July 21, 2008.


Tambi Calvert, President

Attest:


Hugh Bevan, Secretary

State of Alaska
Filing Changes 1 Page(s)



T0820644098

ARTICLES OF AMENDMENT
OF
SITKA COMMUNITY DEVELOPMENT CORPORATION
A NONPROFIT CORPORATION
[Entity No. 104202]

The Sitka Community Development Corporation states that there are no members of the corporation entitled to vote upon any Articles of Amendment relating to the Articles of Incorporation of such corporation filed with the Alaska Department Commerce, Community and Economic Development on October 26, 2006. On the 26th day of March, 2008, at a special meeting of the Board of Directors of the Sitka Community Development Corporation, an amendment of the corporation's Articles of Incorporation was adopted (by affirmative vote of a majority of the directors then in office) in the following particulars:

ARTICLE 3 is deleted in its entirety and replaced with the following Article 3:

ARTICLE 3. The organization is organized exclusively for charitable, religious, educational, and/or scientific purposes under Section 501(c)(3) of the Internal Revenue Code.

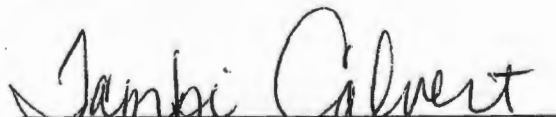
ARTICLE 4, the third paragraph of Article 4 is deleted in its entirety and replaced with the following third paragraph of Article 4:

ARTICLE 4, paragraph 3. Upon dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose.

ARTICLE 8, a new article (Article 8) is added to the Articles of Incorporation. Such article shall read as follows:

ARTICLE 8. The personal liability of a director to the corporation or its members (if any) for monetary damages for the breach of fiduciary duty as a director is eliminated to the full extent allowed by the Alaska Nonprofit Corporation Act.

DATED this 26th day of March, 2008.


Tambi Calvert, President

Attest:


Hugh Bevan, Secretary

State of Alaska
Filing Changes 1 Page(s)



T0808744073

**ARTICLES OF INCORPORATION
SITKA COMMUNITY DEVELOPMENT CORPORATION
A NONPROFIT CORPORATION**

The undersigned natural persons of the age of 19 years or more, acting as Incorporators of a corporation under the Alaska Statutes (AS 10.20) hereby executes the following document and sets forth:

ARTICLE 1. The name of the corporation is Sitka Community Development Corporation.

ARTICLE 2. The duration of the corporation is perpetual.

ARTICLE 3. The purpose of the corporation is to promote community development and affordable housing for individuals and families in the City and Borough of Sitka and elsewhere in Southeast Alaska. It is organized exclusively for the foregoing charitable, benevolent, eleemosynary, and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code or corresponding sections of any future federal tax code.

ARTICLE 4. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and contributions in furtherance of the purposes set forth in ARTICLE 3 above. No substantial part of the activities of the corporation shall be disseminating propaganda, attempting to influence legislation, or supporting or opposing candidates for political office or political parties or otherwise participating in political campaigns. Notwithstanding any other provisions of these Articles, the corporation shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of the corporation, nor conduct any activities not permitted to be conducted by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code or by an organization contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or any corresponding section of any future federal tax code.

The internal affairs of the corporation are governed by the by-laws of the corporation. The Directors of the corporation may adopt by-laws and may amend and repeal the by-laws.

Upon the dissolution or final liquidation of the corporation, its liabilities and obligations shall be paid or discharged or otherwise adequately provided for. Any assets held on the condition that they be returned, transferred, or conveyed, shall be returned, transferred, or conveyed in accordance with such conditions. Any assets remaining to be distributed shall be distributed to one or both of the following options: (1) the federal, state, or local government, for a public purpose; or (2) one or more organizations engaged in charitable, eleemosynary, benevolent, educational, or similar purposes authorized by section 501(c)(3) of the Internal Revenue Code, provided however that such organizations are, or are qualified to be, exempt from income tax under section 501(c)(3) of the internal Revenue Code and contributions to which are deductible under section 170(c)(2) of the internal Revenue Code, and further provided that such organizations are engaged in activities substantially similar to those of the corporation, under a plan for distribution adopted as provided by Alaska Statutes chapter 10.20. Notwithstanding any other provision of these Articles, the distribution of the corporation's assets on dissolution shall be in accordance with the requirements of Alaska Statutes, chapter 10.20, and as required to maintain the status of the corporation as an exempt organization under section 501(c)(3) of the Internal Revenue Code.




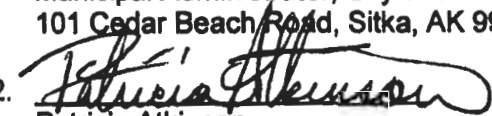
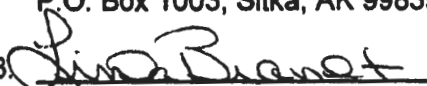
ARTICLE 5. The Registered Agent and Registered Office of this corporation are:

Felix AuYeung
303 Lincoln Street, Suite 3
Sitka, AK 99835

ARTICLE 6. The number of Directors constituting the initial Board of Directors of this corporation will be three. The names and mailing addresses of those persons, each of whom shall serve as a Director until her successor is elected and qualified, are as follows:


1. Linda Brandt
P.O. Box 6334, Sitka, AK 99835
2. Alicia Williams
P.O. Box 1966, Sitka, AK 99835
3. George Ridley
208 Marine Street, Sitka, AK 99835

ARTICLE 7. The signatures, names, and mailing addresses of each Incorporator are:

1. 
John Stein
Municipal Administrator, City and Borough of Sitka
101 Cedar Beach Road, Sitka, AK 99835
2. 
Patricia Atkinson
Owner, Sustainable Solutions
P.O. Box 1003, Sitka, AK 99835
3. 
Linda Brandt
Manager, Alaska Pacific Bank, Sitka Office
P.O. Box 6334, Sitka, AK 99835

Signed by the Incorporators this 24th day of October, 2006.

The undersigned, being the Registered Agent listed in these Articles of Incorporation hereby accepts the position as such and agrees to act in such capacity.

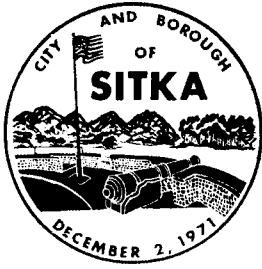

Felix AuYeung

DISCLOSURE OF CORPORATE PURPOSE USING THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

A separate Disclosure of Corporate Purpose must be attached to the Articles of Incorporation which most closely describes the activities of the corporation. The NAICS Code must not conflict with the purpose listed in the Articles of Incorporation.

The 6-digit NAICS industry grouping code which most clearly describes the initial activities of the corporation is:

925110



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, June 10, 2014 on the following items:

Public hearing and consideration of a land sales authorization filed by Sitka Community Development Corporation at Pocket Park, Turney- Burkhart PUD. The request is to sell the pocket park to the SCDC Community Land Trust for construction of a single family home to be sold with affordability controls. The property is also known as Pocket Park, Turney Burkhart Planned Unit Development. The owner of record is The City and Borough of Sitka.

Please see the hearing description on back of page. The Assembly may take action on June 10, 2014.

The Assembly meeting will begin at 6:00 pm in Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Land Sales Authorization at Pocket Park, Turney Burkhart Subdivision:

The applicant is requesting a land sales authorization for a lot referred to as Pocket Park, Turney Burkhart Planned Unit Development. This would transfer ownership from CBS to the Sitka Community Development Corporation Community Land Trust to construct a modest single family house for the purposes of affordable housing. The lot (land) will remain in ownership of SCDC and will be available with lease guidelines and future affordability controls.



Legislation Details

File #: ORD 14-18 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/27/2014 In control: City and Borough Assembly
On agenda: 5/29/2014 Final action:
Title: Amending CBS Sitka Personnel Policies Handbook to: Change Policy on Probationary Period Increase for Regular Employees; Address Starting Pay for New Employees; Address Pay Upon Promotion; Establish Pay Matrix Procedures; Address Forfeited Annual Leave; Remove Section XXI and Update Attachment A

Sponsors:

Indexes:

Code sections:

Attachments: [MOTION ORD 14-18](#)
[ORD 2014-18 Personnel Policy New Matrix etc](#)

Date	Ver.	Action By	Action	Result
5/29/2014	1	City and Borough Assembly		
5/29/2014	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2014-18 on second and final reading.



Memo

City & Borough of Sitka - Human Resources

Date: Wednesday, May 28, 2014

To: Mayor McConnell, Members of the City and Borough Assembly
Mark Gorman, Municipal Administrator

From: Mark Danielson, Human Resources Director

MWD

RE: Fox Lawson and Associates Report - Compensation philosophy and compensation plan revisions.

Background

Six collective bargaining agreements have been negotiated with our unionized employees. This resulted in concerns about the equity of compensation for employees covered by the City and Borough personnel policies. For the FY14 budget, the City and Borough proposed wage adjustments for a group of employees. Some money was set aside for this purpose. After consideration and input from the public and employees, the Assembly held off on these adjustments and authorized a compensation study to look at our internal compensation philosophy and our overall compensation as compared to the market.

The Study

Fox Lawson and Associates (FLA) were engaged to confirm and suggest compensation philosophy and strategies, to collect market data, analyze applicable benchmark positions, and to prepare a final report summarizing study findings and recommendations. This study has been completed and contains recommendations for changes in our compensation philosophy and for adjustments in our pay structure. Below is a summary of FLA recommendations and our plan to go forward.

- 1) The study proposed a new pay matrix as the old was not within market range for nearly all positions.
- 2) The study assigned employees to the updated pay matrix grades per standard compensation comparisons and practice.
- 3) Employees were placed in the appropriate grade on the pay matrix at the closest point to their current pay or within 10% of the current mid-point of market rates. Employees were then moved one step so that all would receive at least a 2.5% increase.
- 4) Additionally, changes in compensation philosophy were recommended for implementation:
 - a. The pay matrix moves 1.5% every year.
 - b. Employees below Step H (mid-point) would move every two years to the next step with a satisfactory or better rating in the annual evaluations. They would receive the 1.5% matrix adjustment annually.
 - c. Employees at Step H and above would not move on the matrix. These employees would receive the 1.5% annual matrix adjustment. With Administrator approval, for special circumstances, outstanding performance, reclassification, matrix revision or update, etc., employees above Step H could receive a step increase or other merit-based compensation.

- d. The Administrator approves starting wages that are within the pay matrix. The Assembly must approve any wages that are not within the matrix.
- e. Probationary wage increases after six months are eliminated.
- f. Administrator and Attorney are moved to contract employees.

Implementation recommendations

Our Administration team recommends implementation of the Fox Lawson proposed changes to our compensation plan. These changes are contained in the attached cost implementation spreadsheet and the Ordinance to update the Personnel Policies Handbook.

This process has addressed employee and Assembly concerns about fair pay with internal and external comparisons presented by Fox Lawson and Associates. It has addressed executive compensation and the issue of sustainable pay practices and policy for the future. Additionally, the recommendation is within budget. Note: This is a movement away from a strictly longevity-based pay system.

This proposal is fiscally conservative, provides a sustainable plan for the future and is responsive to the needs of the community and their employees.

City and Borough of Sitka
 Fox Lawson Salary Study Implementation
 Bringing All Non-Represented Employees First To At Least 90% of Market, Then Moving All
 Non-Represented Employees One Step To Ensure A Minimum 2.5% Salary Increase

Title	Current Pay Rate	New Pay Rate	% Pay Rate Increase	Annual Salary Increase
General Fund				
Executive Assistant	\$ 19.28	\$ 22.06	14.42%	\$ 5,782.40
Payroll Specialist	\$ 19.74	\$ 23.67	19.91%	\$ 8,174.40
Office Manager	\$ 19.76	\$ 22.06	11.64%	\$ 4,784.00
Planner 1	\$ 21.87	\$ 27.30	24.83%	\$ 11,294.40
Assistant Clerk	\$ 24.63	\$ 25.28	2.64%	\$ 1,352.00
Legal Assistant	\$ 25.25	\$ 25.91	2.62%	\$ 1,376.96
Contract Coordinator - Public Works	\$ 27.86	\$ 28.68	2.94%	\$ 1,705.60
Tax Accountant	\$ 29.27	\$ 30.14	2.97%	\$ 1,809.60
Deputy Clerk	\$ 29.21	\$ 30.14	3.17%	\$ 1,924.00
Parks & Recreation Manager	\$ 29.26	\$ 30.14	2.99%	\$ 1,820.00
Grant Accountant	\$ 31.00	\$ 31.78	2.52%	\$ 1,622.40
Accountant	\$ 31.87	\$ 33.26	4.37%	\$ 2,893.80
EMS/Fire Captain	\$ 32.30	\$ 34.97	8.27%	\$ 5,553.60
Budget/Treasury Officer	\$ 32.62	\$ 36.99	13.40%	\$ 9,089.60
Library Director	\$ 33.86	\$ 35.03	3.47%	\$ 2,442.96
Centennial Building Manager	\$ 33.94	\$ 35.03	3.21%	\$ 2,267.20
Building Official	\$ 34.25	\$ 35.33	3.16%	\$ 2,250.04
Senior Accountant	\$ 34.26	\$ 35.91	4.80%	\$ 3,423.16
Maintenance Supervisor	\$ 34.61	\$ 35.84	3.57%	\$ 2,567.24
Deputy Fire Chief	\$ 37.71	\$ 38.86	3.04%	\$ 2,387.32
Assessor	\$ 39.24	\$ 43.50	10.86%	\$ 8,860.80
Police Lieutenant	\$ 40.87	\$ 42.44	3.84%	\$ 3,265.60
Project Manager	\$ 42.18	\$ 43.50	3.13%	\$ 2,747.68
Maintenance and Operations Superintendent	\$ 43.19	\$ 44.61	3.29%	\$ 2,953.60
Fire Chief	\$ 43.21	\$ 44.59	3.19%	\$ 2,865.20
Planning Director	\$ 43.27	\$ 44.59	3.04%	\$ 2,740.40
Human Resources Director	\$ 44.29	\$ 47.99	8.35%	\$ 7,696.00
Government Relations Director	\$ 44.35	\$ 45.70	3.05%	\$ 2,817.88
Senior Engineer	\$ 45.37	\$ 46.87	3.31%	\$ 3,126.76
Municipal Clerk	\$ 47.69	\$ 51.70	8.41%	\$ 8,340.80
Police Chief	\$ 47.69	\$ 49.16	3.08%	\$ 3,055.52
Senior Engineer	\$ 48.85	\$ 50.47	3.32%	\$ 3,371.68
Deputy Finance Director	\$ 48.95	\$ 50.44	3.04%	\$ 3,099.72
Municipal Engineer	\$ 50.00	\$ 51.61	3.22%	\$ 3,346.20
Public Works Director	\$ 51.77	\$ 58.33	12.67%	\$ 13,644.80
Chief Financial and Administrative Officer	\$ 52.81	\$ 58.33	10.45%	\$ 11,481.60
		Wages		\$ 157,934.92
		32% Benefits		\$ 50,539.17
		Total		\$ 208,474.09
		2.5% increase Budgeted Departmentally:		\$ 90,290.00
		GF Implement Adjustment Budgeted In		\$ 144,127.00
		Administrator's Department:		\$ 234,417.00
		Surplus Implementation Adj. Not Used		\$ (25,942.91)
Enterprise Funds				
Electric Utility Director	\$ 56.66	\$ 67.52	19.17%	\$ 22,588.80
Contract Coordinator - Electric	\$ 31.63	\$ 32.45	2.59%	\$ 1,705.60
Electric Generation Engineer	\$ 54.24	\$ 56.98	5.05%	\$ 5,698.68
Electric Systems Generation Manager	\$ 56.60	\$ 58.36	3.12%	\$ 3,668.08
Electric T&D Manager	\$ 49.46	\$ 52.87	6.89%	\$ 7,092.80
Administrative Assistant	\$ 17.50	\$ 20.44	16.80%	\$ 6,115.20
		Wages		\$ 46,869.16
		32% Benefits		\$ 14,998.13
		Total		\$ 61,867.29
Deputy Harbormaster	\$ 26.52	\$ 27.23	2.68%	\$ 1,476.80
Harbormaster	\$ 32.99	\$ 39.40	19.43%	\$ 13,332.80
		Wages		\$ 14,809.60
		32% Benefits		\$ 4,739.07
		Total		\$ 19,548.67
Facilities Manager	\$ 33.06	\$ 34.47	4.27%	\$ 2,934.36
		32% Benefits		\$ 939.00
		Total		\$ 3,873.36
Information Systems Analyst	\$ 34.75	\$ 35.84	3.15%	\$ 2,276.04
Information Systems Director	\$ 43.30	\$ 44.59	2.97%	\$ 2,678.00
		Wages		\$ 4,954.04
		32% Benefits		\$ 1,585.29
		Total		\$ 6,539.33
Environmental Superintendent	\$ 52.63	\$ 54.23	3.04%	\$ 3,328.00
		32% Benefits		\$ 1,064.96
		Total		\$ 4,392.96

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-18

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE CITY AND BOROUGH OF SITKA PERSONNEL POLICIES HANDBOOK TO: CHANGE POLICY ON PROBATIONARY PERIOD INCREASE FOR REGULAR EMPLOYEES; ADDRESS STARTING PAY FOR NEW EMPLOYEES; ADDRESS PAY UPON PROMOTION; ESTABLISH PAY MATRIX PROCEDURES; ADDRESS FORFEITED ANNUAL LEAVE; REMOVE SECTION XXI AND UPDATE ATTACHMENT A

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the City and Borough of Sitka Personnel Policies Handbook.

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 update the City and Borough of Sitka’s Personnel Policies Handbook to implement the Fox Lawson recommendations for compensation and compensation policy for employees covered by the City and Borough of Sitka Personnel Policies. It does not affect employees covered by collective bargaining agreements. The proposed amendments to the City and Borough of Sitka Personnel Policies Handbook make a number of changes, as outlined below:

- Section 4.3 entitled “Types of Appointments” - the 6-month probationary pay increase is removed;
- Section 6.5 entitled “Pay for New Employees” - requires administrator approval of all starting pay within the established pay matrix of the Personnel Policies;
- Section 6.11a. entitled “Promotions” - requires administrator approval of promotional pay;
- Section 6.12 entitled “Pay Increases – Pay Matrix” - modifies the operation of the Pay Matrix in Attachment A of the Policies and addresses performance pay and forfeited annual leave;
- Section 9.10 entitled “Family and Medical Leave Act Policy – removes reference of Subsection 9.10.D that no longer exists;
- Section 21 entitled “Rewards for Excellence Program” is deleted; and
- Attachment A entitled “Salary Data Recommendations: Proposed Pay Structure” updates the pay matrix as recommended by Fox Lawson.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the following provisions of the City and Borough of Sitka Personnel Policies Handbook are amended as follows (new language highlighted and underlined; deleted language stricken):

47 **IV. TYPES OF APPOINTMENTS**

48 * * *

49 4.3 PROBATIONARY. Every full-time or part-time regular appointment in the
50 Municipality's employment service shall be preceded by a probationary appointment in
51 which the employee serves in a probationary status. A newly hired or rehired employee with
52 a probationary appointment is an at-will employee who can be disciplined or discharged with
53 or without cause, with or without notice, at any time, and whose employment can be
54 terminated at the option of either the employee or the employer. Just cause is not required
55 for any form of discipline or discharge of such an employee during a probationary period.

56
57 An employee promoted or transferred from a regular appointment to a different position shall
58 also serve a probationary period in which the employee can be returned to their previous
59 position, if vacant; or returned to another position, if available, and if the employee is
60 qualified for the position; or terminated. If an employee is returned or transferred during a
61 probationary period, that return or transfer shall not constitute a demotion.

62
63 The length of a probationary period shall be six months, unless otherwise provided in these
64 policies, federal or state law, and/or unless the Department Head, with approval of the
65 Administrator, extends the probationary period. ~~Following successful completion of the
66 probationary period, a probationary employee shall be eligible for a step increase if the
67 Assembly approves step increases in the Fiscal Year budget. In addition, probationary
68 employees are eligible for any annual pay increase provided for in the Municipal Pay Plan.~~

69 * * *

70
71 **VI. PERSONNEL STAFFING AND COMPENSATION**

72 * * *

73
74 6.5 PAY FOR NEW EMPLOYEES

75 Starting pay shall be approved by the Administrator. All starting pay must be within the
76 established grade assigned to the position in the pay matrix in Attachment A of these
77 Personnel Policies. Any starting pay not within the pay matrix for the established grade for
78 the position shall only be authorized with Assembly approval.

79
80 a. ~~Generally, a new employee shall be paid the minimum rate of pay currently established~~
81 ~~for the grade assigned to his or her position. Exceptions pertaining to starting pay may be~~
82 ~~granted upon the written prior approval of the [Finance Director,] Administrator and~~
83 ~~Assembly if necessary as provided below:~~

84
85 i. ~~Starting Pay Below Grade. The minimum rate of pay is based on the assumption that a~~
86 ~~new employee meets the minimum qualifications stated in the position job description. If it~~
87 ~~becomes necessary to appoint a new employee with lesser qualifications, and with approval~~
88 ~~of the the Administrator, such employee may be started up to 10% below the minimum step~~
89 ~~of the grade to which the position is assigned. After six months, if approved by~~
90 ~~Administrator, the employee shall be increased to the minimum step in the grade to which the~~
91 ~~position is assigned.~~

93 ii. ~~Starting Pay Above Grade.~~ If a potential employee meets or exceeds the minimum
94 qualifications contained in the position job description but will not accept employment at the
95 minimum step of the grade to which the position is assigned, the potential employee may be
96 offered the following incentives as provided below:

97
98 a. ~~Upon recommendation of the Department Head and with the approval of the~~
99 ~~Administrator, the potential employee may be offered starting pay equal to the third step in~~
100 ~~the pay grade to which the position is assigned.~~

101
102 b. ~~Upon recommendation of the Administrator and with the approval of the Assembly, the~~
103 ~~potential employee may be offered starting pay above the third step of the pay grade to which~~
104 ~~the position is assigned.~~

105
106 * * *

107 6.11

108 a. Promotions. The Administrator shall approve pay for all promotions. When an
109 employee is promoted to a position in a higher pay grade, the employee's pay shall be
110 increased to the minimum step for the higher grade. In the case of overlapping pay grade
111 ranges, the promoted employee shall be increased to the step immediately above the
112 employee's current pay or to the step in the higher grade that is closest to 5% higher than any
113 employee to be supervised by the promoted employee, whichever is lower. The
114 Administrator may approve an additional step or the step closest to a 10% increase in the
115 employee's current pay, whichever is lower. Requests for promotional pay increases in
116 excess of the Administrator's authority shall be submitted to the Assembly for review and
117 appropriate action. With Administrator approval, the Department Head shall determine
118 whether a promoted employee immediately receives the pay increase associated with the
119 promotion or whether such an increase shall be delayed until the end of the period of
120 probation for the position to which the employee has been promoted.

121
122 * * *

123 6.12 PAY INCREASES - PAY MATRIX

124 a. The Pay Matrix in Attachment A of these policies will increase 1.5% every year. Any
125 employee who has not received an unsatisfactory overall performance rating in the most
126 recent evaluation of the employee shall be eligible to receive any annual pay increase
127 provided for in the Municipal Pay Plan. Any employee who has received an unsatisfactory
128 overall performance rating in the most recent evaluation of the employee shall be ineligible
129 to receive any annual pay increase provided for in the Municipal Pay Plan.

130
131 b. Employees in steps A-G who have not received an unsatisfactory overall performance
132 rating in their most recent evaluation will move one step every two years on their anniversary
133 date, in addition to the annual 1.5% increase in the Pay Matrix.

134
135 c. Employees placed in steps H-O will move only upon approval of the Administrator for
136 special circumstances, outstanding performance, reclassification, matrix revision or update,
137 or other reasons approved by the Administrator.

139 d. Employees in Steps H-O will receive the 1.5% annual increase in the Pay Matrix.

140
141 e. Performance Pay. b. In addition, pay increases or monetary awards may be made at any
142 time to recognize outstanding performance of duty or to correct wage inequities based on
143 written recommendations of the Department Head ~~or to correct wage inequities~~ per the
144 approval by the Administrator. The Administrator may also withhold a portion of the total
145 amount of money appropriated by the Assembly during budget time to be used for merit
146 increases; if any such money is withheld, the Administrator will determine the guidelines for
147 its award and distribution. The Administrator may also designate forfeited annual leave for
148 employee recognition purposes. The Finance Department will track all forfeited leave in a
149 leave bank.

150
151 * * *

152 **IX. SICK LEAVE**

153
154 9.10 FAMILY AND MEDICAL LEAVE ACT POLICY

155
156 A. The City and Borough shall grant family and medical leave consistent with applicable
157 provisions in the Federal Family and Medical Leave Act (FMLA) and the Alaska Family
158 Leave Act (AFLA) effective the first day of the authorized leave.

159
160 B. Start of Family Leave Calculation under the FMLA/AFLA.

161
162 An employee may use up to fourteen days per calendar year of their sick leave to care for a
163 family member ~~(as defined in Subsection 9.10.D)~~ who is sick before the family leave
164 calculation may begin under FMLA/AFLA. This family member need not have a "serious
165 health condition" ~~as defined in Subsection 9.10.D.~~

166
167 * * *

168 **XXI. DELETED REWARDS FOR EXCELLENCE PROGRAM**

169
170 ~~21.1 PURPOSE. This program provides a policy under which employees may submit~~
171 ~~ideas that may save money or increase efficiency of City and Borough operations. This~~
172 ~~policy provides guidance for the payment of awards. The City Rewards Program (CRP) is~~
173 ~~intended to encourage employees to improve present operations, practices, and to eliminate~~
174 ~~unnecessary budget expense. The CRP is designed to improve morale by providing an~~
175 ~~opportunity for employees to take part voluntarily in the improvement management with the~~
176 ~~government.~~

177
178 ~~21.2 RESPONSIBILITIES:~~

179 ~~1) The City and Borough Administrator will:~~

180
181 ~~a. Exercise overall responsibility for the CRP policy and program administration.~~

182 ~~b. Submit to the City and Borough Assembly monetary award recommendations and~~
183 ~~annual reports on employee suggestion activity.~~

184 ~~2) Department Heads will:~~

- 185
- 186 a. ~~Facilitate adoption and implementation of improved management processes and~~
- 187 ~~systems.~~
- 188 b. ~~Adopt as policy those employee ideas that prove successful.~~
- 189 c. ~~Award, where appropriate, cash payments to employees whose proposals are adopted~~
- 190 ~~and who qualify under the rules of the CRP.~~
- 191 d. ~~Ensure that the CRP is responsive in providing recognition to deserving individuals.~~
- 192 e. ~~Provide policy development, program direction, and management oversight.~~
- 193 f. ~~Conduct analyses of program execution and performance.~~
- 194 g. ~~Establish policy and procedures, and ensure administration of the CRP within their~~
- 195 ~~departments.~~
- 196 h. ~~Ensure awards are granted according to the intent of program policy and are~~
- 197 ~~consistent, equitable, and timely.~~
- 198 i. ~~Publicize and promote the CRP within their departments.~~
- 199

200 ~~21.3 PROGRAM ADMINISTRATION The CRP will be administered entirely on the basis~~

201 ~~of merit, without regard to age, sex, race, color, religion, national origin, or physical or~~

202 ~~mental handicap. Participation is voluntary.~~

203

204 ~~21.4 PROGRAM PROMOTION AND PUBLICITY~~

- 205 ~~1) Active promotion of the CRP is the responsibility of all levels of the administration.~~
- 206 ~~Departments are encouraged to develop their own materials and promote the program.~~
- 207 ~~2) As part of promotional efforts, Department Heads may:~~
- 208 ~~a. Identify and systematically publicize key areas in which constructive ideas are~~
- 209 ~~specifically desired.~~
- 210 ~~b. Use internal and external channels to publicize outstanding suggestions and program~~
- 211 ~~accomplishments through honor roll displays, news releases and articles, or ceremonies~~
- 212 ~~honoring individuals~~
- 213 ~~c. Familiarize personnel at all levels by conducting briefings and presentations at staff~~
- 214 ~~meetings, management and leadership courses, and the like.~~
- 215

216 ~~21.5 DECISION PREROGATIVE The decision to adopt or not adopt an idea, or to~~

217 ~~recommend to the Assembly that an award be granted or not granted based upon the adoption~~

218 ~~of that idea, is the prerogative of the Administrator. At the same time, the City and Borough~~

219 ~~is committed to fair and consistent administration of the CRP, and will adhere to this~~

220 ~~commitment in making all decisions on the disposition of ideas and the payment of awards.~~

221

222 ~~21.6 TESTING OF IDEAS~~

- 223 ~~1) Test evaluation is a critical part of the CRP process. Department heads shall submit~~
- 224 ~~requests for changes to policy based on proposed ideas suggested by employees. The~~
- 225 ~~Administrator will approve the test evaluation unless a test will have serious adverse affects~~
- 226 ~~for the City and Borough. At the end of the test period, (normally one year), the department~~
- 227 ~~head shall forward the evaluation of the idea to the proponent and the Administrator. The~~
- 228 ~~Administrator will provide analyses, appropriate comments, and recommendations on~~
- 229 ~~whether the idea should be approved for continued implementation.~~
- 230

- 231 2) — An idea should also be tested when it offers a prospective benefit to the City and
232 Borough that cannot be ascertained or adequately quantified without a test. — At the
233 conclusion of the test period the idea either will be adopted, and an award paid based on the
234 documented benefits, or disapproved. In either case, full evaluations should be done at both
235 the beginning and end of the test period.
236 3) — If an idea is approved for testing, the submitter should receive nonmonetary award
237 recognition pending completion of the test and validation of savings.
238 4) — Successful department testing may provide sufficient basis for implementing an idea
239 more broadly. Department heads retain the basic responsibility for determining whether or not
240 an idea
241 5) — If it is concluded, after testing, that an idea or proposal should be implemented, then
242 the Administrator shall announce the implementation of that idea or proposal and submit to
243 the Assembly recommendation for an award.
244

245 21.7 PROPRIETARY RIGHTS:

246 Employees who suggest or propose ideas (“suggesters” or “proponents”) have an interest in
247 the use and disposition of their ideas. Proprietary rights begin when the idea is initially
248 entered into the system and remain until two years after the date of final action (that is, the
249 date of approval of an award or written notification of nonadoption).
250

251 21.8 REQUESTS FOR RECONSIDERATION:

- 252 1) — A suggester may request reconsideration of an idea evaluation or other aspect of the
253 idea’s disposition. The request must be submitted to the Administrator in writing within
254 sixty days of the notification of the final disposition.
255 2) — In support of the request for reconsideration, the suggester must do one of the following:
256 a. — Provide evidence that an evaluator made a material error of fact or logic that had an
257 effect on the idea evaluation.
258 b. — Provide new material, information, or rationale.
259 c. — Clarify significant issues or questions.
260 d. — Mere dissatisfaction or disagreement with the previous determination is not by itself
261 justification for reconsideration.
262

263 21.9 PERSONS ELIGIBLE FOR PARTICIPATION IN PROGRAM:

264 All City and Borough employees are eligible to submit ideas, and — subject to the provisions
265 of this section — all City and Borough employees are eligible to receive a reward, monetary
266 or otherwise. Retired or otherwise separated employees whose ideas were entered into the
267 CRP while they were employed with the City and Borough are also eligible to receive a
268 reward. — Persons ineligible to participate in the program include: private citizens;
269 department heads; the Administrator; the Mayor and other members of the Assembly; and
270 contractors for the City and Borough.
271

272 21.10 ELIGIBLE IDEAS OR SUGGESTIONS FOR PARTICIPATION IN THE
273 PROGRAM:

274 To be accepted in the CRP, an idea must satisfy the following conditions:

- 275 1) — Be submitted in writing to the City Administrator.
276 2) — Benefit the City and Borough.

277 3) — Present a problem or situation and propose a solution with sufficient rationale to
278 support the requested new procedure.

279

280 21.11 BASIC CONTENT OF IDEAS:

281 In order to make a positive evaluation possible, the following information should be legibly
282 included in any idea submission:

283 1) — The current practice, method, procedure, task, directive, or policy affected. If possible,
284 cite the particular regulation or policy involved.

285 2) — The proposed method, change, or idea, with an explanation of why the present practice
286 is deficient, and why the change will be beneficial. A statement of known or estimated
287 benefits should also be included.

288 3) — Drawings, photographs, specifications, or other supporting documentation.

289

290 21.12 ELIGIBILITY REQUIREMENT FOR IDEAS:

291 1) — An idea (or reconsideration request) will not be processed for evaluation when it:

292 a. — Presents a problem but offers no solution.

293 b. — Is vague or incomplete.

294 e. — Indicates potential tangible savings but does not provide the rationale or calculations
295 on which to base the estimate.

296 2) — Ineligible ideas will be identified by the Administrator, who will return the ideas to
297 the suggester with specific reasons for the return.

298

299 21.13 DUPLICATE IDEAS:

300 In the event of a duplicate idea, only the first suggester will be considered and eligible for an
301 award.

302

303 21.14 DISPOSITION OF IDEAS:

304 In all cases in which a submission qualifies as an idea, there will be prompt evaluation and
305 disposition. If the Administrator can make final disposition, there must be adoption,
306 notification of nonadoption, or approval for testing. In case of adoption, a benefits
307 determination should be made, and any award recommendation should be made promptly to
308 the Assembly. The suggester should be kept informed, verbally or in writing, of the status of
309 the award. If the Administrator cannot make final disposition of an idea, he or she should
310 submit views and recommendations with the idea to the appropriate department head.

311

312 21.15 ADDITIONAL INFORMATION REQUESTS:

313 Suggesters can be requested to provide additional information to the Administrator if an idea
314 is incomplete, or to help clarify the idea.

315

316 21.16 DENIAL AUTHORITY:

317 Authority to disapprove an idea resides with the Administrator

318

319 21.17 ANSWERING SUGGESTER INQUIRIES:

320 Suggesters should contact the Administrator for inquiries about the proposal while it is being
321 processed.

322

323 ~~21.18 SUGGESTER EVALUATION ENTITLEMENTS.~~

324 ~~Suggesters are entitled to clear, complete, and fair evaluations of their ideas. The~~
325 ~~Administrator should be predisposed to approve rather than disapprove and be willing to~~
326 ~~work in cooperation with the suggesters to seek the valuable elements in all submissions.~~
327 ~~The Administrator must give suggestions timely and thorough responses.~~

328
329 ~~21.19 EVALUATION COMPLETION TIME.~~

330 ~~Receipt, evaluation, and disposition (approve, disapprove, return) of ideas should take no~~
331 ~~more than a total of 60 calendar days.~~

332
333 ~~21.20 DISPOSITION OF IDEAS/PROPOSALS/SUGGESTIONS UNDER THIS~~
334 ~~PROGRAM.~~

335 ~~1) No later than 60 days after the submission of an idea under this program, the~~
336 ~~Administrator must adopt the idea, not adopt the idea, or approve it for testing. For an~~
337 ~~adoption to be valid, the Administrator must be willing and able to implement the idea~~
338 ~~adopted. Adoption carries with it the obligations to implement at the earliest possible time.~~

339 ~~2) Nonadoption can take the form of either of the following:~~

340 ~~3) Disapproval for cause.~~

341 ~~4) Disposition as an idea already in use or under consideration.~~

342 ~~5) Whatever disposition is made, the Administrator must in all cases provide a rationale for~~
343 ~~what has been done. This justification need not be lengthy, but should reflect serious~~
344 ~~consideration of the idea submitted. All points made by the suggester should be addressed,~~
345 ~~and reasons given on why the idea is or is not meritorious. If the Administrator bases the~~
346 ~~disposition on a similar proposal previously considered, the Administrator must provide the~~
347 ~~details of that previous proposal and the evaluation of that proposal.~~

348 ~~6) When appropriate, a statement of net estimated or actual benefits (total first year~~
349 ~~benefits less cost of implementing the idea) should be provided, as should an indication of~~
350 ~~how costs and benefits were determined. Such data is required for all adopted ideas.~~

351 ~~7) If benefits are intangible, the Administrator is required to recommend a precise award~~
352 ~~within the appropriate range provided as follows:~~

353 ~~a. **Moderate Value:** Change or modification of an operating principle or procedure which~~
354 ~~has a moderate value sufficient to meet the minimum standard for a cash award; an~~
355 ~~improvement or rather limited value of a product, activity, program or service to the public.~~
356 ~~The range for this award shall be \$100.00 to \$250.00.~~

357 ~~b. **Substantial Value:** Substantial change or modification of an operating principle or~~
358 ~~procedure; an important improvement to the value of a product, activity, program, or service~~
359 ~~to the public. The range for this award shall be \$250.00 to \$500.00.~~

360 ~~c. **High Value:** Complete revision of a basic principle or procedure; a highly significant~~
361 ~~improvement to the value of a product, major activity, or program, or service to the public.~~
362 ~~The range for this award shall be \$500.00 to \$750.00.~~

363 ~~d. **Exceptional Value:** Initiation of a new principle or major procedure; a superior~~
364 ~~improvement to the quality of a critical product, activity, program, or service to the public.~~
365 ~~The range for this award shall be \$750.00 to \$1,000.00.~~

366
367 ~~21.21 TANGIBLE BENEFITS.~~

368 1) ~~Whenever possible awards will be based on tangible benefits. Only if it is~~
369 ~~extraordinarily difficult to measure benefits in dollar terms will intangible benefits~~
370 ~~calculations be used.~~

371 2) ~~Tangible benefits may be calculated on the basis of estimated value, but actual value is~~
372 ~~preferable. In most cases, savings will be determined for the first full year of use, whether~~
373 ~~for testing or full implementation. Offsetting costs will then be subtracted to obtain the net~~
374 ~~benefit on which an award would be based. If costs exceed 50 percent of first year benefits,~~
375 ~~calculations may be based on an average of net benefits for the first three to five years. If the~~
376 ~~reasonable life of the initial implementation or the clearly predictable period of use is less~~
377 ~~than three years, calculations will be based on the shorter of the latter two periods.~~
378 ~~Exceptions to these methods may occur; however, they should follow generally accepted~~
379 ~~costing procedures and reflect an annual savings amount. All calculations are subject to~~
380 ~~audit.~~

381 3) ~~Direct savings, cost avoidances, and increased output at the same cost are all tangible~~
382 ~~benefits as determined in this regulation; that is, they are measured in dollar terms.~~
383 ~~Therefore, they will be counted equally in arriving at the basis for an award.~~

384 4) ~~All tangible dollar and manpower savings are subject to audit and must be verifiable.~~

385

386 ~~21.22 INTANGIBLE BENEFITS.~~

387 1) ~~Intangible benefits will out of necessity be estimated on the basis of judgment rather~~
388 ~~than precise facts or calculations.~~

389 2) ~~If benefits are intangible, the Administrator must clearly indicate the value and extent~~
390 ~~application and recommend a precise award amount. Suggestions with intangible benefits of~~
391 ~~limited value should be recognized.~~

392 3) ~~An idea may have tangible or intangible benefits only or a combination of both.~~

393

394 ~~21.23 BENEFIT CALCULATIONS.~~

395 1) ~~All benefits of a particular idea, or cost incurred to implement the idea, will be~~
396 ~~calculated in terms of savings or expense to the City and Borough as a whole. Excluded~~
397 ~~from idea implementations costs are administrative overhead costs incurred in processing and~~
398 ~~evaluating ideas.~~

399 2) ~~Labor costs will include fringe benefits and be based on actual costs.~~

400

401 ~~21.24 PAYMENT APPROVAL.~~

402 ~~The Administrator will make submit a recommendation to award a payment to the Assembly~~
403 ~~for approval. The Assembly will have the power of final approval.~~

404

405 ~~21.25 AWARD ELIGIBILITY.~~

406 ~~An idea is eligible for an award when:~~

407 1) ~~The idea is approved for testing; or~~

408 2) ~~The idea is approved for implementation. The award is based on tangible or intangible~~
409 ~~benefits as identified earlier.~~

410

411 ~~21.26 AWARD PAYMENT AFTER SEPARATION.~~

412 ~~When payment of an award is authorized after an individual has separated from employment,~~
413 ~~efforts will be made to reach him or her at the last known address.~~

Salary Data Recommendations: Proposed Pay Structure

Grade	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
17	11.91	12.21	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83
18	12.52	12.83	13.15	13.48	13.82	14.17	14.52	14.88	15.25	15.63	16.02	16.42	16.83	17.25	17.68
19	13.14	13.47	13.81	14.16	14.51	14.87	15.24	15.62	16.01	16.41	16.82	17.24	17.67	18.11	18.56
20	13.80	14.15	14.50	14.86	15.23	15.61	16.00	16.40	16.81	17.23	17.66	18.10	18.55	19.01	19.49
21	14.49	14.85	15.22	15.60	15.99	16.39	16.80	17.22	17.65	18.09	18.54	19.00	19.48	19.97	20.47
22	15.21	15.59	15.98	16.38	16.79	17.21	17.64	18.09	18.54	19.00	19.48	19.97	20.47	20.98	21.50
23	16.63	17.05	17.48	17.92	18.37	18.83	19.30	19.78	20.27	20.78	21.30	21.83	22.38	22.94	23.51
24	18.07	18.52	18.98	19.45	19.94	20.44	20.95	21.47	22.01	22.56	23.12	23.70	24.29	24.90	25.52
25	19.50	19.99	20.49	21.00	21.52	22.06	22.61	23.17	23.75	24.34	24.95	25.57	26.21	26.87	27.54
26	20.92	21.44	21.98	22.53	23.09	23.67	24.26	24.87	25.49	26.13	26.78	27.45	28.14	28.84	29.56
27	22.34	22.90	23.47	24.06	24.66	25.28	25.91	26.56	27.23	27.91	28.61	29.33	30.06	30.81	31.58
28	24.13	24.73	25.35	25.98	26.63	27.30	27.98	28.68	29.40	30.14	30.89	31.66	32.45	33.26	34.09
29	26.27	26.93	27.60	28.29	29.00	29.73	30.47	31.23	32.01	32.81	33.63	34.47	35.33	36.21	37.12
30	28.06	28.76	29.48	30.22	30.98	31.75	32.54	33.35	34.18	35.03	35.91	36.81	37.73	38.67	39.64
31	29.49	30.23	30.99	31.76	32.55	33.36	34.19	35.04	35.92	36.82	37.74	38.68	39.65	40.64	41.66
32	30.92	31.69	32.48	33.29	34.12	34.97	35.84	36.74	37.66	38.60	39.57	40.56	41.57	42.61	43.68
33	32.69	33.51	34.35	35.21	36.09	36.99	37.91	38.86	39.83	40.83	41.85	42.90	43.97	45.07	46.20
34	34.83	35.70	36.59	37.50	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21
35	36.60	37.52	38.46	39.42	40.41	41.42	42.46	43.52	44.61	45.73	46.87	48.04	49.24	50.47	51.73
36	38.44	39.40	40.39	41.40	42.44	43.50	44.59	45.70	46.84	48.01	49.21	50.44	51.70	52.99	54.31
37	40.37	41.38	42.41	43.47	44.56	45.67	46.81	47.99	49.18	50.41	51.67	52.96	54.28	55.64	57.03
38	42.39	43.45	44.54	45.65	46.79	47.96	49.16	50.38	51.64	52.93	54.25	55.61	57.00	58.43	59.89
39	44.50	45.61	46.75	47.92	49.12	50.35	51.61	52.90	54.23	55.59	56.98	58.40	59.86	61.36	62.89
40	46.72	47.89	49.09	50.32	51.58	52.87	54.19	55.55	56.94	58.36	59.82	61.32	62.85	64.42	66.03
41	49.06	50.29	51.55	52.84	54.16	55.51	56.90	58.33	59.78	61.27	62.80	64.37	65.98	67.63	69.32
42	51.52	52.81	54.13	55.48	56.87	58.29	59.75	61.24	62.77	64.34	65.95	67.60	69.29	71.02	72.80
43	54.10	55.45	56.84	58.26	59.72	61.21	62.74	64.30	65.91	67.56	69.25	70.98	72.75	74.57	76.43
44	56.79	58.21	59.67	61.16	62.69	64.26	65.87	67.52	69.21	70.94	72.71	74.53	76.39	78.30	80.26
45	59.63	61.12	62.65	64.22	65.83	67.48	69.17	70.90	72.67	74.49	76.35	78.26	80.22	82.23	84.29
46	62.63	64.20	65.80	67.44	69.13	70.86	72.63	74.44	76.30	78.21	80.17	82.17	84.22	86.33	88.49

Attachment A



Legislation Details

File #: ORD 14-19 Version: 1 Name:
Type: Ordinance Status: FIRST READING
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Amending Title 15 of the SGC to increase Water Rates at Sections 15.05.240 A entitled "Service Connection Charge", 15.05.560 entitled "Rates and Fees" and 15.05.625A entitled "Water Service-Sawmill Cove Industrial Park AKA Gary Paxton Industrial Park."

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-19](#)
[Items J and K Memo](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-19 on first reading

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-19

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE WATER RATES AT SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES" AND DELETING SECTION 15.05.625 ENTITLED "WATER AND WASTEWATER RATES – SAWMILL COVE INDUSTRIAL PARK"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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 increase user fees for water service, and, to increase the connection charge for connecting a structure to the Municipal water system and make clarifying edits.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 15.05.240A, SGC 15.05.620 and SGC 15.05.625 are amended to read as follows (new language underlined; deleted language stricken):

15.05.240. Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service location, or size, or to serve a new structure, the applicant shall submit with this application the service connection charge of six hundred and ninety dollars. This charge is to cover permit fees, inspection, and administrative costs.

15.05.620 Rates and fees.

A. Unmetered Water. Base rate: ~~thirty dollars and eighty cents~~ \$35.42 per unit.

Table with 2 columns: UNIT DESCRIPTION and UNIT. Rows include Residential/Dwelling Unit (1.0), Commercial (General, Miscellaneous) (1.0), and Clubs and lodges without bar or restaurant.

UNIT DESCRIPTION		UNIT
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

- 38 (1) Including apartments and trailers, per each. (Apartments shall be assessed as if on a
- 39 separate meter.)
- 40 (2) Base rate.
- 41 (3) Business in homes shall be assessed for the additional appropriate commercial rate.
- 42 (4) Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count
- 43 beds or room. RV parks count RV spaces with utility hookups. (Vacation rates do not
- 44 apply.)
- 45 (5) Approximate enrollment—may be reviewed annually.
- 46 (6) RV parks have all mobile units able to be underway on the road with a minimal
- 47 amount of time and not require special permits to drive on the road. Underway can be
- 48 under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are
- 49 based on the day and utilities are included.

51 B. Metered Water Service.

52 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	\$43.91 \$50.50
2"	50,000	\$96.30 \$110.75
3"	100,000	\$144.45 \$166.12
4"	250,000	\$288.90 \$332.24
6" and above	500,000	\$577.80 \$664.47

53 All over allowance charged at minimum charge plus ~~ninety-six cents~~ \$1.10 per
 54 one thousand gallons. The over allowance charged at minimum charge plus ~~forty-~~
 55 ~~four cents~~ \$0.51 per one thousand gallons will apply to major fish processing
 56 plants (Seafood Producers Cooperative, Sitka Sound Seafoods, Inc., aka North
 57 Pacific Seafoods, and Stikine Holdings, LLC, aka Silver Bay Seafoods).

58 2. Gary Paxton Industrial Park

59 a. Metered water: \$110.75 per month minimum.

60 i. Treated water: \$2.22 per one thousand gallons.

Memo

To: Mayor McConnell and Assembly Members
From: Jay Sweeney, CFAO
Date: June 9, 2014
Re: Tracking of Utility Rate Increases to Utility Master Plans

Mayor McConnell and Assembly members,

As you have proposed water and wastewater user fee increases before you for consideration, I thought it would be helpful to review how these fee increases relate to the approved master plans for water and wastewater treatment.

The proposed fee increases are being greeted by the public with somewhat of an element of surprise. The master plans, which were approved by the Assembly, laid out a series of annual fee increases for water and wastewater, however, and the fee increases being proposed for FY15 are right in line with the overall goals of the respective master plans. Thus, there may be some element of forgetting the goals and conclusions of the master plans associated with this surprise.

Water Master Plan

In the City and Borough of Sitka Municipal Water System Master Plan (MWMP), approved in May, 2009, it was noted (Executive Summary, page 6) that “...**user fees have not increased since July, 2002, and (were at the time) significantly lower than other communities in Alaska**”. The MWMP recommended that the monthly base rate per unit be increased by roughly 14% per year for a period of 7 years, from FY09 through FY15, with the base rate rising from \$16.00 to \$35.12 in FY15 (Executive Summary, page 6). The current rate increase would raise the monthly base rate per unit to \$35.42, slightly ahead of the planned rate for FY15.

The MWMP went on to discuss, in Chapter 8, the importance of raising user fees to increase working capital. Within the Fiscal Policy Framework in the MWMP (Chapter 8, pages 1-2), the Plan stated “...**the purpose of maintaining a working capital balance is to provide sufficient cash flow to meet daily operating expenses....this study incorporates a minimum balance in the operating account equal to 30 to 45 days of annual operating and maintenance expense sustained from rate revenue**”. The Plan further stated that, in addition to working capital, “...**a capital contingency is similar to a working capital balance, but is used for capital purposes. Consistent with industry practice, this study incorporates a target (capital contingency) balance of 1% of water system fixed assets, ranging from about \$100,000 to \$270,000 a year**”. Finally, the Plan addressed accumulation of cash for system reinvestment by stating “...**this study introduces a system of reinvestment funding to annually fund from rates an amount equal to annual depreciation rates**”.

In Table 1 in the Technical Appendix, Financial Spreadsheet Model, the MWMP showed total working capital rising to \$1,540,656 by the end of FY14, with user fee increases implemented annually as

recommended. This goal has not been achieved, unfortunately, despite the series of implemented rate increases. The reason for the goal not being achieved has been higher than anticipated rate funded system reinvestment (replacing worn out infrastructure).

The following were target goals for FY14 and projections for actual results:

Total Revenue Projected Per Plan, FY14:	\$1,753,319
Total Estimated Actual Revenue, FY14:	\$1,763,000
Total Cash Outlays Projected Per Plan, FY14:	\$1,794,772
Total Estimated Actual Outlays, FY14:	\$1,548,000
Total Working Capital Per Plan, FY14:	\$1,540,656
Total Estimated Working Capital, FY14:	\$ 157,000

Given the above data, it is clear that it not the inability to achieved planned revenues, not the inability to control costs, which is the reason for the inability to achieve planned levels of working capital. Instead, it is that expenditures for system reinvestments (replacements of infrastructure) that have exceeded planned levels. These reinvestments were absolutely essential and are indicative of an infrastructure in worse shape than previously thought.

The MWMP further went on to recommend “**...following the implementation of the proposed rate strategy, future year rate increases....(will) correspond with annual inflationary levels**” (Executive Summary, page 6).

Given the fact that the water Fund has not been able to achieve its planned level of working capital despite 6 years of rate increases, it is highly likely that (1) a water rate increase will be necessary annually, and (2) the water Fund will need to continue with rate increases above the rate of inflation for some time after FY15.

Wastewater Master Plan

In the City and Borough of Sitka Municipal Sanitary Sewer Master Plan (MSSMP) was approved in October, 2012. The MSSMP recommended that the monthly base rate per unit be increased by roughly 9.5% per year for a period of 6 years, from FY13 through FY18, and then by 6.5% per year for another 4 years, from FY19 through FY22, with the base rate rising from \$38.53 to \$85.44 in FY22 (Rate Schedule, page 29). The current rate increase would raise the monthly base rate per unit to \$50.59, the planned rate for FY15.

The MSSMP set forth fiscal policies which, if adopted, would meet certain key goals. These included:

- “**providing sufficient cash flow (working capital) to meet daily operating expenses.....allowing the Wastewater Fund to maintain a minimum balance equal to 30 to 45 days of operations and maintenance expenditures (about 8% to 12%) which are sustained from rate revenues**” (Fiscal Policies: Working Capital, Page 18);
- “**providing a source of funding for emergency repairs (other than catastrophic events), unanticipated capital expenditures, and project cost overruns...maintaining a minimum balance in the capital account equal to 1% to 2% of the original cost of system fixed assets**” (Fiscal Policies: Capital Contingency, Page 19); and,
- “**providing for ongoing system integrity through reinvestment in the system...annually funded from rates in an amount equal to annual depreciation expense – phased in over 10 years**” (Fiscal Policies: System Reinvestment Funding, Page 20).

In The Revenue Requirement Table (Page 28), the MSSMP showed total working capital needed to fund capital projects and system reinvestment through FY2022. The data was presented in such a way

as to show an annual cash flow deficit if rate increases were not enacted. This cash flow deficiency was shown to be (\$2,530,136) at the end of FY22, again if rate increases were not enacted.

Financial results through FY14 have been achieved and the plan is being executed as envisioned.

The following were target goals for FY14 and projections for actual results:

Total Revenue Projected Per Plan, FY14:	\$2,446,000
Total Estimated Actual Revenue, FY14:	\$2,628,000
Total Cash Outlays Projected Per Plan, FY14:	\$3,886,180
Total Estimated Actual Outlays, FY14:	\$2,695,000
Total Estimated Working Capital, FY14:	\$5,510,000
Total Estimated Undesignated Working Capital	\$2,012,000
Total Estimated Designated Working Capital	\$3,498,000
(Note: MSSMP did not forecast working capital)	

User Fees need to be raised in FY15, as recommended by the MSSMP, but for a different reason than in the Water Fund. As previously noted, the Water Fund has not achieved the fiscal goals of the MWMP, despite six years of user fee increases, due to higher than anticipated system reinvestment. The Wastewater Fund is achieving plan goals, but it is only entering the third year of the plan. If the Wastewater Treatment Fund continues to meet plan goals for several more years, lower annual fee increases could possibly be considered in the future. For example, the shift from annual fee increases of 9.5% to 6.5% could be made earlier than planned (currently in FY19). It is imperative, however, as advocated for the Water Fund, that user fees be increased every year and that we not use positive results as a reason to discontinue the plan, thus falling back into an eventual fiscal crisis.



Legislation Details

File #: ORD 14-20 Version: 1 Name:
Type: Ordinance Status: FIRST READING
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Amending Title 15 of SGC to increase wastewater rates at Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" and 15.05.625 entitled "Wastewater Service - Sawmill Cove Industrial Park AKA Gary Paxton Industrial Park"

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-20](#)
[Items J and K Memo](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-20 on first reading

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-20

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE WASTEWATER RATES AT SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", AND 15.04.320 ENTITLED "RATES AND FEES"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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 increase user fees for wastewater service, and, to increase the connection charge for connecting a structure to the Municipal sewer system and make clarifying edits.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 15.04.100A and SGC 15.04.320 are amended to read as follows (new language underlined; deleted language stricken):

15.04.100 Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of six hundred ninety dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

15.04.320 Rates and Fees.

A. Base rate: fifty ~~forty-six~~ dollars and fifty nine ~~twenty~~ cents per unit per month.

Table with 2 columns: UNIT DESCRIPTION and UNIT. Rows include Residential/Dwelling Unit (1.0), Commercial (General, Miscellaneous) (1.0), and Clubs and lodges without bar or restaurant.

UNIT DESCRIPTION		UNIT
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
<u>RV park⁽⁴⁾⁽⁶⁾</u>	<u>RV space</u>	<u>0.3</u>
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

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Notes:

⁽¹⁾ Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

⁽²⁾ Base rate.

⁽³⁾ Business in homes shall be assessed for the additional appropriate commercial rate.

⁽⁴⁾ Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count beds or room. RV parks count RV spaces with utility hookups. (Vacation rates do not apply.)

⁽⁵⁾ Approximate enrollment—may be reviewed annually.

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(6) RV parks have all mobile units able to be underway on the road with a minimal amount of time and not require special permits to drive on the road. Underway can be under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are based on the day and utilities are included.

B. Sewer Service in Conjunction with Metered Water.

1. General Sewer Service in Conjunction with Metered Water

Minimum charge: One times the unmetered sewer base rate plus two dollars and seventy three ~~thirty one~~ cents per one thousand metered gallons.

Note: Special provisions may be made for facilities such as fish processors, which do not discharge all wastewater into the municipal sewer system. These facilities may be assessed on their equivalent employee loads, such as with offices, dormitories, etc.

~~a.1.~~ The charge for any establishment not herein designated will be either:

~~i.a.~~ As metered if a meter has been installed; or

~~ii.b.~~ The minimum charge as outlined for sewer service, if a meter has not been installed; or

~~iii.e.~~ As determined administratively by the public works director.

~~b. 2.~~ A commercial enterprise consisting of more than one facility shall be charged the sum of the applicable rates for each facility.

~~c. 3.~~ Partial charges for services are prorated based on a thirty-day month. Vacation credit(s) must be requested prior to departure.

2. Gary Paxton Industrial Park

Treated wastewater, metered: one hundred dollars per month minimum.

a. Treated wastewater, metered: two dollars and ninety-nine cents per one thousand gallons water use.

C. Connection fee: six hundred ninety dollars per connection.

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5. EFFECTIVE DATE. This ordinance shall become effective on July 1, 2014 after passage by the Assembly of the City and Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of June, 2014

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 14-21 Version: 1 Name:

Type: Ordinance Status: FIRST READING

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Amending SGC to reflect the recent name change of Sawmill Cove Industrial Park to Gary Paxton Industrial park as approved by Resolution No. 2014-08

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-21](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-21 on first reading

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE TO REFLECT THE RECENT NAME CHANGE OF SAWMILL COVE INDUSTRIAL PARK TO GARY PAXTON INDUSTRIAL PARK AS APPROVED BY RESOLUTION NO. 2014-08

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is 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 change references within the SGC from Sawmill Cove Industrial Park (“SCIP”) to Gary Paxton Industrial Park (“GPIP”) as approved and passed by Resolution No. 2014-08 on May 27, 2014. Provisions of the SGC affected by Resolution 2014-08 under this ordinance are as follows:

- SGC Title 2 “Administration;”
- SGC Chapter 2.38, specifically sections 2.38.010 “Designation,” 2.38.020 “Sawmill Cove industrial park board of directors,” 2.38.080 “General powers,” 2.38.090 “Leasing powers,” 2.38.110 “Sawmill Cove industrial park director designated appointment,” 2.38.120 “Director duties and responsibilities,” 2.38.130 “Schedule of fees and charges,” and 2.38.180 “Definitions;”
- SGC 4.04.010 “Funds, divisions and departments;”
- SGC 4.06 “Allocation of Revenue From Sale of Water;”
- SGC 15.06.020 “Solid waste disposal policy and rates” in paragraphs A., D., G. and J.;
- SGC 22.12.010 “Districts established;”
- SGC Chapter 22.16 “District Regulations,” specifically sections 22.16.015B. “Permitted, conditional and prohibited uses” including Tables 22.16.015-1, 22.16.015-2, 22.16.015-3, 22.16.015-4, 22.16.015-5, and 22.16.015-6; and
- SGC 22.16.170 “SC Sawmill Cove special zone.

In addition, SGC 15.05.625 entitled “Water and wastewater rates – Sawmill Cove industrial park” will be deleted in its entirety in accordance with ordinance 2014-19.

4. **ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC Title 2 entitled “Administration,” SGC Chapter 2.38 entitled “Sawmill Cove Industrial Site,” SGC Chapter 4.04 entitled “Budgetary Organization,” SGC Chapter 4.06 entitled “Allocation of Revenues From Sale of Water,” SGC Chapter 15.05 entitled “Water System,” SGC Chapter 15.06 entitled “Solid Waste Treatment and Refuse Collection,” SGC

49 Chapter 22.12 “Zoning Maps and Boundaries,” and SGC 22.16 entitled “District Regulations” is
50 modified as follows (new language underlined; deleted language stricken):
51

52 **Title 2**
53 **ADMINISTRATION**

54 **Chapters:**

55 * * *

56 **2.38 Gary Paxton Sawmill Cove Industrial Site**
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58 * * *

59 **Chapter 2.38**

60 **GARY PAXTON SAWMILL COVE INDUSTRIAL PARK SITE**

61 **Sections:**

62 **2.38.010 Designation.**

63 **2.38.020 Gary Paxton Sawmill Cove industrial park board of directors.**

64 **2.38.030 Board of directors organization.**

65 **2.38.040 Vacancies.**

66 **2.38.050 Meetings.**

67 **2.38.060 Coordination.**

68 **2.38.070 Membership in associations.**

69 **2.38.080 General powers.**

70 **2.38.090 Leasing powers.**

71 **2.38.100 Adoption of regulations.**

72 **2.38.110 Gary Paxton Sawmill Cove industrial park director designated appointment.**
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74 * * *

75 **2.38.010 Designation.**

76 The former Alaska Pulp Corporation mill site is designated as the Gary Paxton Sawmill Cove
77 industrial park (GPIP Sawmill Cove). As described in Exhibit A, attached to the ordinance
78 codified in this chapter and incorporated herein by reference. The Gary Paxton Sawmill Cove
79 industrial park is a municipal department subject to assembly general oversight.
80

81 **2.38.020 Gary Paxton Sawmill Cove industrial park board of directors.**

82 A. There is established the board of directors of the city and borough of Sitka, which shall be
83 known as the city and borough of Sitka Gary Paxton Sawmill Cove industrial park board of
84 directors. The Gary Paxton Sawmill Cove industrial park board shall consist of five members
85 appointed by the assembly to serve without compensation for staggered two-year terms. Terms
86 shall commence on June 1st.
87

88 B. No employee or the spouse of an employee or a member of the immediate family or
89 household of a member of the board of the Gary Paxton Sawmill Cove industrial park may be a
90 member of the board. To the extent possible, appointments to the board shall include persons
91 having marine, engineering, financial or other skills relevant to industrial park matters. One
92 member of the board shall hold a seat at large. The conflict of interest provisions set out in this
93 code and the Charter shall apply to actions of the board of directors. A written disclosure by

94 each board member of his or her ownership interests in lessees and lessee applicants shall be
95 filed with the municipal clerk by March 15th annually.

96
97 * * *

98 **2.38.080 General powers.**

99 A. Subject to state laws and municipal ordinances, the board of directors shall generally
100 exercise all powers necessary and incidental to operation of all Gary Paxton Sawmill Cove
101 industrial park facilities in the public interest and in a sound business manner. In particular, and
102 without limitation on the foregoing, the board:

103
104 1. Shall be responsible for the operation, maintenance, development, and marketing of
105 the municipally owned and operated Gary Paxton Sawmill Cove industrial park, including
106 such facilities as site development, docks, and facilities appurtenant thereto;

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108 * * *

109 7. Shall administer and dispose of tideland, submerged land, and other land identified by
110 the assembly by ordinance as subject to Gary Paxton Sawmill Cove industrial park
111 administration, subject to the following limitations:

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113 * * *

114 b. All land transactions by the board in accordance with this section shall be governed
115 by this chapter rather than Title 18 of this code, as follows:

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117 i. The long term leasing of all of the property at the Gary Paxton Sawmill Cove
118 industrial park is authorized regardless of value.

119 ii. Leases shall be granted to the highest responsible bidder unless the assembly
120 determines that because of the nature of the trust to be leased, the nature of the
121 business being sought for the lease or seeking a lease, or the number of jobs to
122 be produced, that competitive bidding is inappropriate and the terms of the
123 proposed lease, including price, should be negotiated. Applications for non-bid
124 dispositions shall be referred to the board for recommendations;

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126 * * *

127 9. Shall, on behalf of the municipality, enter into memoranda of understanding, permit
128 negotiations and similar agreements with public agencies for industrial park purposes. The
129 board may negotiate and enter into contracts for goods and services pursuant to regulations
130 set out in this chapter; provided, that all legal services shall be provided by or under the
131 supervision of the municipal attorney. All services provided by a municipal agency other
132 than the municipal attorney shall be pursuant to a memorandum of understanding or other
133 instrument providing for payment or such other settlement as the municipal administrator
134 and board may approve. Contracts for public improvements and, whenever practicable,
135 other purchase of supplies, materials, equipment, and services, except professional
136 services and services of officers and municipal employees, shall be by competitive bid and
137 awarded to the lowest qualified bidder according to the procedures established in Title 18.
138 All contracts, and purchased items specifically identified within the Gary Paxton Sawmill

139 ~~Cove~~ industrial park budget shall not require prior assembly approval. All contracts and
140 purchases shall require municipal administrator approval.
141

142 **2.38.090 Leasing powers.**

143 All leases of land, whether uplands or tidelands, within the Gary Paxton Sawmill-Cove
144 industrial park are subject to the leasing provisions set forth in this chapter.
145

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147 **2.38.110 Gary Paxton Sawmill-Cove industrial park director designated appointment.**

148 A. The director of the Gary Paxton Sawmill-Cove industrial park shall be the director
149 appointed by the assembly upon the affirmative recommendation of a majority of the entire
150 board. The board shall interview and recommend candidates to assembly for final approval. The
151 director serves at the pleasure of the board. For purposes of Title 2, the director shall have the
152 status of a department head as defined in Chapter 2.08. The assembly shall establish the
153 compensation and benefits to be provided to the director.
154

155 B. The assembly may alternatively elect to enter into a services contract with another entity to
156 perform all duties and functions of the director of the Gary Paxton Sawmill-Cove industrial park
157 as described in Section 2.38.120.
158

159 **2.38.120 Director duties and responsibilities.**

160 A. The director is responsible for the overall supervision and direction of the affairs of the
161 Gary Paxton Sawmill-Cove industrial park. The authority and duties of the director shall include
162 the following:
163

163 * * *

164 3. To prepare and submit to the board of directors for approval, a plan of organization
165 and a job classification plan for the personnel employed in the Gary Paxton Sawmill-Cove
166 industrial park;
167

167 * * *

168 5. To select, employ, control, and discharge all Gary Paxton Sawmill-Cove industrial
169 park employees and such other employees as the assembly by ordinance hereafter places
170 under the supervision of the director subject to the provisions of the municipal personnel
171 policies, except that the director may recommend changes to the personnel plan to allow
172 for the peculiarities of the operation of Gary Paxton Sawmill-Cove industrial park;
173

174 * * *

175 **2.38.130 Schedule of fees and charges.**

176 * * *

177 B. The assembly, prior to imposing any fee on activities related principally to or property
178 located in the Gary Paxton Sawmill-Cove industrial park, shall consider the extent to which such
179 fee is necessary to support municipal services delivered by or facilities provided by the
180 municipality.
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181 * * *

182 **2.38.180 Definitions.**

183 Whenever the following words and terms are used in this title, they shall have the meaning
184 ascribed to them in this chapter, unless the context clearly indicates otherwise.

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“Board” or “board of directors” means the Gary Paxton Sawmill Cove industrial park board.

* * *

**Chapter 4.04
BUDGETARY ORGANIZATION**

Sections:

4.04.010 Funds, divisions and departments.

4.04.010 Funds, divisions and departments.

The following funds, divisions and departments of the city and borough are established:

FUND	DIVISION	DEPARTMENT
* * *		
I. <u>Gary Paxton Sawmill Cove</u> Industrial Park	Operations	

* * *

**Chapter 4.06
ALLOCATION OF REVENUES FROM SALE OF WATER**

Sections:

4.06.010 Allocation of revenues from bulk sales of water.

4.06.020 Allocation of revenues from sales of raw water at Gary Paxton industrial park, Sawmill Cove Industrial Park.

4.06.025 Allocation of revenues from sales of water at Gary Paxton industrial park Sawmill Cove Industrial Park subject to the agreement to convey with Alaska Pulp Corporation.

4.06.030 Allocation of revenues from sales of treated water at Gary Paxton industrial park, Sawmill Cove Industrial Park.

4.06.010 Allocation of revenues from bulk sales of water.

Twenty-five percent of the revenues received by Sitka from bulk sales of water shall be deposited into the general fund. Half of the remainder of the revenues received by Sitka from bulk sales of water shall be deposited into the electric fund, and the other half of the remainder of the revenues received by Sitka from bulk sales of water shall be deposited into the water fund. This section does not apply to sales of water at Gary Paxton industrial park, Sawmill Cove Industrial Park.

4.06.020 Allocation of revenues from sales of raw water at Gary Paxton industrial park, Sawmill Cove Industrial Park.

For five years starting on the effective date of the ordinance codified in this chapter, fifty percent of the revenues received by Sitka from the sales of raw water at Gary Paxton industrial park, Sawmill Cove Industrial Park shall be deposited into the Gary Paxton industrial park

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225 ~~Sawmill Cove Industrial Park~~ enterprise fund and the remaining fifty percent of such revenues
226 shall be deposited into the water fund. Upon the passage of five years the revenues received by
227 Sitka from the sales of raw water at Gary Paxton industrial park ~~Sawmill Cove Industrial Park~~
228 shall be deposited equally into the general fund, the electric fund, the water fund, and the Gary
229 Paxton ~~Sawmill Cove~~ Industrial Park enterprise fund.

230
231 **4.06.025 Allocation of revenues from sales of water at Gary Paxton industrial park.**
232 **~~Sawmill Cove Industrial Park~~ subject to the agreement to convey with Alaska Pulp**
233 **Corporation.**

234 Notwithstanding any other provision of law, fifty percent of the revenues received before April
235 6, 2009 from sales of raw water subject to Section 9 of the Agreement to Convey between Sitka
236 and Alaska Pulp Corporation shall be paid to Alaska Pulp Corporation. Seventy-five percent of
237 the remainder of the revenues described in the previous sentence shall be deposited in the Gary
238 Paxton industrial park ~~Sawmill Cove Industrial Park~~ enterprise fund, and twenty-five percent
239 shall be deposited in the general fund. This section shall sunset and be of no further force and
240 effect on April 6, 2009.

241
242 **4.06.030 Allocation of revenues from sales of treated water at Gary Paxton industrial**
243 **park, ~~Sawmill Cove Industrial Park~~.**

244 All of the revenues received from the sales of treated water at Gary Paxton industrial park.
245 ~~Sawmill Cove Industrial Park~~ shall be deposited into the water fund.

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247 * * *

248 **Chapter 15.06**

249 **SOLID WASTE TREATMENT AND REFUSE COLLECTION**

250 * * *

251 **15.06.020 Solid waste disposal policy and rates.**

252 A. Junk automobiles and small trucks (three-quarter ton or smaller) may be delivered to Gary
253 Paxton ~~Sawmill Cove~~ industrial park (GPIP SMCIP) scrap yard at a rate of three cents per
254 pound.

255 * * *

256 D. Fuel tanks must be cleaned and cut into pieces less than five feet by twelve feet prior to
257 delivery to the GPIP SMCIP scrap yard.

258 * * *

259 G. Recyclables including mixed paper, cardboard, and newsprint that are delivered to the GPIP
260 SMCIP-scrap yard shall be billed at a rate of four cents per pound.

261
262 H. Tires off of large trucks and heavy equipment may be delivered to the transfer station or
263 GPIP SMCIP-scrap yard and shall be billed at a rate of twenty-five dollars each.

264 * * *

265
266 J. Household hazardous waste may be disposed of during normal business hours at the GPIP
267 SMCIP-scrap yard. Commercially generated household hazardous waste will not be accepted at
268 any time.

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Chapter 22.12
ZONING MAPS AND BOUNDARIES

* * *

22.12.010 Districts established.

The city and borough is divided into districts as shown on the zoning maps of the city and borough which, together with all explanatory matter, are adopted by reference to be a part of this title. The districts shall be as follows:

* * *

~~GPSC Gary Paxton Sawmill-Cove~~ special district

* * *

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Chapter 22.16
DISTRICT REGULATIONS

Sections:

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22.16.170 GP Gary Paxton SC Sawmill-Cove special zone.

* * *

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22.16.015 Permitted, conditional and prohibited uses.

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B. Any use which causes, or may be reasonably expected to cause, an excessive disturbance not in keeping with the character and stated intent of this district. "Excessive" is defined for these purposes as a degree exceeding that generated by uses permitted in the district in their customary manner of operation or to a degree injurious to the public safety, health, welfare or convenience.

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If the letter "P" appears in the box, the use is permitted outright subject to the provisions of the code. If the letter "C" appears in the box, the use is a conditional use subject to review and approval including site plan approval. If the box contains a number, there will be a corresponding footnote further specifying the conditions applicable to the use in the zone.

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With the exception of the Gary Paxton Sawmill-Cove special district or as otherwise provided in this code, if the letter "P," "C," or another notation does not appear in the box, the use is prohibited.

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The Gary Paxton Sawmill-Cove special (GP/GPS SC/SCS) district was specifically developed to allow for a wide range of flexible uses on the site. When the site was acquired, it was recognized that a number of appropriate uses may surface that could not be anticipated. Appropriate and inappropriate uses could be regulated through lease agreements and sales agreements that must be approved by the municipality. As a result, the GP/GPS SC/SCS district use tables shall function differently from the manner outlined above.

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Any uses, except retail and business uses, at Table 22.16.015-6, as well as natural resource extracting and mining support facilities uses within Table 22.16.015-5, may be approved in the GP/GPS SC/SCS district without a requirement of a zoning amendment in accordance with Section 2.38.080.

314 Retail and business uses in the GP/GPS SC/SCS district that are permitted uses, conditional
 315 uses, or prohibited uses on the site are governed by Table 22.16.015-6. Natural resource
 316 extractions and mining support facilities are conditional uses governed by Table 22.16.015-5 in
 317 the GP/GPS SC/SCS district. These use tables are binding on the owners and the operators in
 318 the Gary Paxton industrial park, Sawmill Cove Industrial Park. No changes to these tables shall
 319 be made without a zoning ordinance text amendment that follows the full procedures in Chapter
 320 22.30, Zoning Code Administration, of this code.

**Table 22.16.015-1
Residential Land Uses**

Zones	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD (11, 12)	C-1 (11)	C-2 (11)	WD (2, 11)	I	GI (3, 10)	LI(3)	R	OS	<u>GP SC</u> (13)

R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: Sawmill Cove Special District

**Table 22.16.015-2
Cultural/Recreational Uses**

ZONES	P(1)	SF (7)	SFLD(7)	R-1 (7)	R-1 MH (7)	R-1 LDMH (7)	R-2 (7)	R-2 MHP(7)	CBD	C-1	C-2	WD(2)	I	GI(3)	LI(3)	R	OS	<u>GPSC</u> (9)

R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: Sawmill Cove Special District

**Table 22.16.015-3
General Services Uses**

ZONES	P(1)	SF	SFLD	R-1 (6)	R-1 MH (6)	R-1 LDMH (6)	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I	GI(3)	LI(3)	R	OS	<u>GPSC</u> (8)

R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: Sawmill Cove Special District

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**Table 22.16.015-4
Public Facilities Uses**

ZONES	P(1)	SF	SFLD	R-1	R-1	R-1	R-2	R-2	CBD	C-1	C-2	WD	I	GI(3)	LI(3)	R	OS	GPSC (6)
* * *																		

R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: Sawmill Cove Special District

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**Table 22.16.015-5
Manufacturing/Storage Uses**

ZONES	P(1)	SF	SFLD	R-1	R-1	R-1	R-2	R-2	CBD	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GPSC (7)
* * *																		

R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: ~~Sawmill Cove~~ Special District

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* * *

**Table 22.16.015-6
Retail and Business Uses**

ZONES	P(1)	SF	SFLD	R-1	R-1	R-1	R-2	R-2	CBD	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GPSC
* * *																		
• Sales of goods that are wholly manufactured at <u>Gary Paxton industrial park</u> <u>GPIP</u> Sawmill Cove Industrial Park <u>SCIP</u>																		P
• Sales of gifts, souvenirs and promotional materials that bear the logo or trade name of a <u>GPIP</u> an SCIP permitted use business																		P
* * *																		

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R-2 MHP: Multifamily/Mobile Home District GP: Gary Paxton SC: ~~Sawmill Cove~~ Special District

343
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* * *

22.16.170 GP Gary Paxton SC ~~Sawmill Cove~~ special zone.

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A. Intent. The Gary Paxton ~~Sawmill Cove~~ special zone is intended to apply to the Gary Paxton ~~Sawmill Cove~~ industrial park site and the associated tidelands portions and adjacent municipal tracts as defined by the zoning maps. It provides development flexibility for this unique site by allowing many uses that are permitted in both the waterfront and industrial zoning districts.

352 5. **EFFECTIVE DATE.** This ordinance shall become effective the day after its passage.

353
354 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
355 Sitka, Alaska this 24th day of June, 2014.

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Mim McConnell, Mayor

360 **ATTEST:**

361

362

363 _____
Colleen Ingman, MMC

364 Municipal Clerk



Legislation Details

File #: ORD 14-22 Version: 1 Name:

Type: Ordinance Status: FIRST READING

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Modifying SGC Section 13.04 entitled "Definitions" to include Float Homes to definition of Float Houses and modifying Section 13.15 entitled "Reserved-Float House" to be entitled "Float Homes" and adding regulations for Floating Homes within the jurisdiction of the CBS of Harbors

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-22](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-22 on first reading



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Stan Eliason, Harbormaster on behalf of Port and Harbor Commission

Subject: Float Houses and Float Homes

Date: June 5th 2014

The Port and Harbor Commission voted and approved the draft ordinances regarding float houses and float homes at their meeting on May 14th 2014. A great deal of time and effort was put into these ordinances to comply with all federal, state and local requirements to allow float houses and float homes within the CBS harbor system. The Port and Harbor Commission approved these unanimously.

RECOMMENDED ACTION: Approve the ordinances.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-22

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MODIFYING SITKA GENERAL CODE SECTION 13.04 ENTITLED "DEFINITIONS" TO INCLUDE FLOAT HOMES TO DEFINITION OF FLOAT HOUSES AND MODIFYING SECTION 13.15 ENTITLED "RESERVED - FLOAT HOUSES" TO BE ENTITLED "FLOAT HOMES" AND ADDING REGULATIONS FOR FLOATING HOMES WITHIN THE JURISDICTION OF CITY AND BOROUGH OF SITKA HARBORS

1. CLASSIFICATION. This ordinance is of a permanent nature and is 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 City and Borough of Sitka ("CBS") do not have provisions in the SGC relating to float homes within the jurisdiction of CBS and its harbors. The purpose of this ordinance is to update SGC Title 13 which would modify the definition section in SGC 13.04 and add provisions within that title to regulate and provide guidance to float home owners to ensure compliance with all federal, state and local requirements to allow placement of float homes within the CBS harbor system. The proposed modifications and additions to SGC Title 13 are as follows:

- Modifying SGC 13.04.070 entitled "Float houses" to change to float homes to make consistent with changes within this Title and SGC Title 19.
• Modifying SGC 13.15 that was reserved for float houses by changing the term "float houses" to "float homes" to be consistent with this Title and SGC Title 19.
• Adding language to SGC 13.15 that was reserved for float homes within the harbor system jurisdiction.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 13.04.070 is amended to include float homes within the definition of float houses and SGC Section 13.15 of the Code entitled "Reserved - Float Houses" be modified to "Float Homes" and language be added to add requirements and regulate float homes within the jurisdiction of the City and Borough of Sitka harbor system (new language underlined; deleted language stricken where applicable; all language in SGC 13.15 except the title is new are not underlined):

Title 13
PORT AND HARBORS

- 46 **Chapters:**
- 47 **13.02 General Provisions**
- 48 **13.04 Definitions**
- 49 **13.06 Charges/Fees**
- 50 **13.07 Harbor Use Privileges and Prohibitions**
- 51 **13.08 Reserved Mooring Staffs**
- 52 **13.09 Anchoring**
- 53 **13.10 Float Regulations**
- 54 **13.11 Enforcement**
- 55 **13.12 Nuisances**
- 56 **13.14 Vessel Impoundment and Disposition**
- 57 **13.15 Float Homes (~~Reserved—Float Houses~~)**

58
59 * * *

60 **Chapter 13.04**
61 **DEFINITIONS**

62 **Sections:**

63 * * *

64 **13.04.070 Float Homes.~~Houses.~~**

65 * * *

66 **13.04.070 Float Homes.~~Houses.~~**

67 “Float homes” or “float houses” means a floating structure used wholly as a dwelling unit,
68 which is not designed to travel on water and which is otherwise not a vessel, as defined
69 herein and meets construction requirements as provided in SGC 13.15 and SGC 19.15, 19.16
70 and 19.17.

71 * * *

72 **Chapter 13.15**

73 **FLOAT HOMES (~~RESERVED—FLOAT HOUSES~~)**

74 **Sections:**

- 75 **13.15.010 Floating homes.**
- 76 **13.15.020 Occupancy.**
- 77 **13.15.030 Development standards.**
- 78 **13.15.040 Construction.**
- 79 **13.15.050 Floatation.**
- 80 **13.15.060 Sewage systems.**
- 81 **13.15.070 Safety.**
- 82 **13.15.080 Moorage identification.**
- 83 **13.15.090 Parking.**

84
85 **13.15.010 Floating Homes.**

86 A. General. Every floating home constructed, erected, enlarged, altered, conveyed, or moved
87 into this jurisdiction after the effective date of this code shall be in compliance with this
88 chapter and other pertinent laws and ordinances.
89

90 B. Permits required. Prior to placement of a floating structure, the owner shall apply for a
91 permit from the building official. The owner shall furnish the building official with a location
92 drawing, showing the general dimensions of the structure and its proposed place of location.
93 The structure must comply with relevant sections of SGC Chapter 19.

94
95 C. Every floating home must gain the necessary permits in order to moor, including but not
96 limited to:

- 97
- 98 1. Department of Environmental Conservation
- 99 2. Environmental Protection Agency

100
101 **13.15.020 Occupancy.**

102 A float home shall contain no more than one dwelling unit and may not be used for
103 business/commercial purposes.

104
105 **13.15.030 Development Standards.**

106 A. The dimensions of the floating structure must comply with SGC 19.15.012.

107
108 B. Floating homes:

- 109 1. May be one or two stories but a maximum of two stories;
- 110 2. Must have a 5:12 pitched roof; gable style; one foot minimum eaves;
- 111 3. Must have bevel lap siding, side wall shingle of wood or other approved material;
- 112 4. Doors and windows shall be wrapped with a minimum 3.5 inch trim; and
- 113 5. Construction must have the intent to enhance the aesthetic of the harbor environment.

114
115 **13.15.040 Construction.**

116 All construction must comply with application sections in SGC Chapter 19.

117
118 **13.15.050 Safety.**

119 Safety equipment within a float home shall include one fire extinguisher of a type and in a
120 location to be established by the building official, one axe for cutting mooring lines, and one
121 life ring 30 inches in diameter with line.

122
123 **13.15.080 Moorage identification.**

124 A float home shall have prominently affixed to it a numbered address for identification.

125
126 **13.15.090 Parking.**

127 Off- street parking spaces shall be available on a first come basis.

128
129 5. **EFFECTIVE DATE.** This ordinance shall become effective 30 days after the date of
130 its passage.

132 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
133 Sitka, Alaska this 24th day of June, 2014.

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Mim McConnell, Mayor

137
138 **ATTEST:**

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140 _____
141 Colleen Ingman, MMC
142 Municipal Clerk

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City & Borough of Sitka
Harbor Department
 617 Katlian Street, Sitka AK 99835
 Telephone: 907-747-3439 Fax: 907-747-6278



FLOAT HOME MOORAGE AGREEMENT

Owners(s) _____

Email address(es) _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Residence Address: _____ City: _____ State: _____ Zip: _____

Phone: (Home) (____) _____ (Work) (____) _____ (Cell) (____) _____

Driver's License Number: _____ State: _____ Tax Exempt No., if applicable: _____

Location: Slip # _____ at ANB Harbor Sitka, AK 99835

Floating Home: Slip Width _____ Length _____ Registration No# _____

Other requests _____

To be completed by Harbor Staff

Given Rules: Yes _____ No _____ Mailed _____

Wait list Fee (Nonrefundable) \$ _____ Date Paid _____ Receipt _____

Stall Assigned: _____ Wait list status forfeit: _____

Lessee _____ enters into this Float House Moorage Agreement ("Agreement") with the City and Borough of Sitka ("CBS" or "Lessor").

Moorage Document. This Agreement shall apply only to the Float Home and owner listed above and is nontransferable. In the event of a change in ownership, a new Agreement must be executed.

Qualifying Interest. Lessee certifies, by signing this Agreement, the Lessee is the owner or has a qualifying interest in Float Home, as defined by Sitka General Code ("SGC") 13.04.140.

Terms. The terms of this Agreement begin when executed, and cover the period of time prior to stall assignment. This Agreement terminates if the Float Home is sold or there is a change in ownership/qualifying interest, except for provisions related to any collection of fees or charges. Lessee shall inform CBS within 30 days of the sale of Float Home.

Lease Renewal: This lease will automatically renew at the lease termination date on all the same terms and conditions excluding rent which may be increased by Lessor upon an advance 90 day written notice, unless either party provides an advance 90 day written notice of intent to terminate lease.

Agreement To Pay Fees. Lessee agrees to pay applicable fees and city taxes for moorage and for other harbor services or provided to Lessee or Lessee's agent, (such as but not limited to: garbage, sewer,

electricity, utilities, grid, towing, etc.). Lessee agrees to pay all such moorage and service fees, including emergency services that CBS harbor staff determines to be necessary to protect the harbor facility or Float Home from damage. Moorage fees shall be payable in advance in accordance with CBS fee schedules and SGC.

Obligation For Care. Lessee agrees that this Agreement is for the moorage space and other services as provided in the Agreement only. Nothing contained in this Agreement or Sitka General Code (SGC) shall be interpreted to impose upon CBS any obligation or responsibility for the care and protection of any private property, including Float Home and property associated with the Float Home, or for injury or death to person(s) associated with the Float Home.

Acceptance of Condition of Facilities. Lessee has inspected the moorage location and all services including electrical service, water and sewage and accepts them in present as is condition.

Repairs and Maintenance. Lessee to comply with all Moorage, City and Borough and State rules and regulations affecting use of Floating Home and Moorage. Lessee shall not perform any major repairs to the Floating Home without Lessor's prior written consent. Floating Home is to be maintained in proper and safe condition, free of mold, rust. Lessee shall keep Floating Home and decks in good repair and free from any accumulation of debris. Lessee shall not store any personal property including gear, equipment, material or supplies on any moorage property, including docks or ramps.

Default, Termination of Agreement and Remedies. If Lessee violates any term of this Agreement, or fails to pay moorage, utilities, service charges, interest, late fees or other associated harbor related fees within 60 days of the date on which such fees or charges related to this Agreement are due and payable, CBS may exercise any available remedy including, without limitation, one or more of the following:

- a) Denial of any provided moorage or service in conjunction with this Agreement;
- b) Termination of this Agreement;
- c) Collection actions against Lessee including reporting to credit bureaus; and
- d) All other actions as provided in SGC and by applicable law, including sale of Float Home and apply sale proceeds to satisfy any obligation of Lessee under this Agreement.

Liability and Indemnification. As a condition of this Agreement and to the full extent allowed by law, I agree to be waive liability to CBS, its employees and its agents, for any damage, injury or loss to persons or property, including Float Home, for claims of any sort arising from acts or omissions of CBS, its agents, any employees or invitees except for those arising from CBS willful or gross negligence. This includes damage to or loss of Float Home, equipment and other personal property located on or attached to Float Home, such as equipment, gear, lines, or its related property, and such damage or loss as a result of the exercise of CBS remedies because of a violation of this Agreement.

Insurance. Owner shall provide proof of insurance on the Float Home. This insurance shall cover the direct physical loss to the structure and contents of the home. It shall be provided on a Marine Broad Form Policy, covering those perils commonly covered by "special form" property insurance and other marine perils common to float homes. The Float Home shall be insured for the either the replacement cost or current market value of the structure, depending on the type of policy available. This insurance shall include debris and wreck removal limits of no less than 10% of the amount of insurance on the structure. This insurance shall include personal liability with limits of no less than \$500,000."

Agreement to Abide by All CBS, State and Federal Policies and Laws. As a condition of this Agreement, Lessee also agrees to abide by all CBS, State and Federal policies and laws, including those related to the provision of the Harbors (SGC Title 13) and Municipal Utilities (SGC Title 15) and Revenue and Finance (SGC Title 4) .

Natural Disasters: Lessee assumes full responsibility for damages resulting to Lessee's property or person or guests/invitees related to matters beyond the control of Lessor including but not limited to high or low water levels, other acts of nature i.e. wind, ice, snow, rain, flooding or other causes and Lessee shall defend and hold Lessor harmless from all such claims.

No Waiver. The failure of CBS to insist upon strict performance of any provision of this Agreement, or to exercise any right or remedy available on a breach, or the acceptance by CBS of full or partial payments during the continuance of any breach, shall not constitute a waiver of any provision of this Agreement, and all provisions shall continue in full force and effect. Nothing in this Agreement shall constitute a waiver by CBS of its right to enforce a lien, or any other right or remedy.

Notices. Billings and notices will be mailed to Lessee's address as set forth in this Agreement. Lessee shall notify CBS in writing of any change in Lessee's mailing address.

Interpretations; Amendment; Venue. Alaska law shall govern this Agreement, with any legal dispute filed in the appropriate First Judicial Circuit Court. The invalidity of any provision of this Agreement shall not affect the validity of any other provision. This document constitutes the entire agreement of the parties. No amendment of this Agreement shall be valid unless in writing and signed by both parties.

CITY AND BOROUGH OF SITKA

LESSEE

By: _____
Print Name: _____
Date: _____

Print Name: _____
Date: _____



Legislation Details

File #: ORD 14-23 Version: 1 Name:
Type: Ordinance Status: FIRST READING
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Modifying SGC Title 19 entitled "Building and Construction" by adding language to exempt float homes under SGC 19.08.025 entitled "Docks and Buildings" and adding Chapter 19.15 entitled "Building Code for Float Homes," Chapter 19.16 entitled "Electrical Code for Float Homes," and Chapter 19.17 entitled "Plumbing Code for Float Homes"

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2014-23](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2014-23 on first reading



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Stan Eliason, Harbormaster on behalf of Port and Harbor Commission

Subject: Float Houses and Float Homes

Date: June 5th 2014

The Port and Harbor Commission voted and approved the draft ordinances regarding float houses and float homes at their meeting on May 14th 2014. A great deal of time and effort was put into these ordinances to comply with all federal, state and local requirements to allow float houses and float homes within the CBS harbor system. The Port and Harbor Commission approved these unanimously.

RECOMMENDED ACTION: Approve the ordinances.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-23

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MODIFYING SITKA
GENERAL CODE TITLE 19 ENTITLED "BUILDING AND CONSTRUCTION" BY
ADDING LANGUAGE TO EXEMPT FLOAT HOMES UNDER SGC 19.08.025
ENTITLED "DOCKS AND BUILDINGS" AND ADDING CHAPTER 19.15 ENTITLED
"BUILDING CODE FOR FLOAT HOMES," CHAPTER 19.16 ENTITLED
"ELECTRICAL CODE FOR FLOAT HOMES," AND CHAPTER 19.17 ENTITLED
"PLUMBING CODE FOR FLOAT HOMES"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is 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 City and Borough of Sitka ("CBS") do not have provisions in the SGC relating to float homes within the jurisdiction of CBS and its harbors. The purpose of this ordinance is to update SGC Title 19 which would allow for the building and construction of float homes as well as add provisions within that title to regulate and provide guidance to float home owners to ensure compliance with all federal, state and local requirements for the construction and building of float homes and include adoption by reference of the 2009 International Residential Code. The proposed modifications and additions to SGC Title 19 are as follows:

Modifying –

- SGC 19.08.025 entitled "Docks and floating buildings" to make an exception to float homes as regulated by SGC 13.15 and SGC 19.15 of required permitting and plan review for non-structural fire and life safety project components.

Adding -

- SGC Chapter 19.15 entitled "Building Code for Float Homes;"
- SGC Chapter 19.16 entitled "Electrical Code for Float Homes;" and
- SGC Chapter 19.17 entitled "Plumbing Code for Float Homes."

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 19.08.025 entitled "Docks and floating buildings" is amended to exempt float homes as allowed regulated in SGC 13.15 and SGC 19.15 and add SGC 19.15 entitled "Building Code for Float Homes," SGC 19.16 entitled "Electric Code for Float Homes," and SGC 19.17 entitled "Plumbing Code for Float Homes" to regulate float homes and its construction within the jurisdiction of the City and Borough of Sitka (new language underlined; deleted language stricken where applicable; all language in SGC 19.15, 19.16 and 19.17 are new are not underlined):

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**Title 19
BUILDING AND CONSTRUCTION**

Chapters:

- 19.01 Building Code**
- 19.02 Electrical Code**
- 19.03 Plumbing Code**
- 19.04 Mechanical Code**
- 19.05 Fire Code**
- 19.06 Uniform Code for Abatement of Dangerous Buildings**
- 19.07 Demolition or Removal of Municipally Owned Buildings**
- 19.08 Code Applicability**
- 19.09 Electrical Code for Islands**
- 19.10 Plumbing Code for Islands**
- 19.11 Mechanical Code for Islands**
- 19.12 Fire Code for Islands**
- 19.14 Building Code for Islands**
- 19.15 Building Code for Float Homes**
- 19.16 Electrical Code for Float Homes**
- 19.17 Plumbing Code for Float Homes**
- 19.20 Fire Marshal Deferral Standards**

* * *

**Chapter 19.08
CODE APPLICABILITY**

Sections:

- 19.08.010 Geographical limits.**
- 19.08.020 Sitka road system.**
- 19.08.025 Docks and floating buildings.**
- 19.08.030 Islands.**
- 19.08.040 Definition of “islands” for purposes of this title and Title 22.**

* * *

19.08.025 Docks and floating buildings.

Docks and floating buildings, with the exception of float homes as allowed in the Sitka Harbor System and regulated by SGC 13.15 and SGC 19.15, require permitting and plan review for non-structural fire and life safety project components only. Section 19.01.070 does not apply to docks and floating buildings.

* * *

**Chapter 19.15
BUILDING CODE FOR FLOAT HOMES**

Sections:

- 19.15.010 Adoption by reference certain portions of the International Residential Code for one and two family dwellings.**
- 19.15.020 Size of floatation system.**
- 19.15.030 Floatation and stability.**

- 95 **19.15.040 Reserve buoyancy criteria.**
- 96 **19.15.050 Exiting and emergency egress.**
- 97 **19.15.060 Mooring.**
- 98 **19.15.070 Fire separation.**
- 99

100 **19.15.010 Adoption by reference certain portions of the International Residential Code**
101 **for One and Two Family Dwellings.**

102 The 2009 International Residential Code for One and Two Family Dwellings, published by
103 the International Code Council, as amended in Title 19.01, is adopted and included by
104 reference, with the following exceptions:

105
106 A. Amend Chapter 2 and add new definition: **Float home** – A single family dwelling unit
107 attached to a flotation device, built to the minimum standards of the IRC and of this
108 ordinance. Float homes are not boats and are subject to all the laws and regulations governing
109 private dwelling units.

110
111 B. Chapter 4 of the IRC is deleted.

112
113 C. All references to garages are deleted.

114
115 D. Stairs providing a required means of egress from an area of not more than 200 square feet
116 shall have a minimum clear width of 30 inches. Maximum riser height shall be not more than
117 8 inches and minimum tread depth shall be not less than 9.25 inches.

118
119 E. Guards are not required where open decks, balconies, and walkways do not exceed 36
120 inches in height above the water line.

121
122 F. Fastenings in areas exposed to the elements shall be hot dipped galvanized steel, marine
123 grade bronze, copper, stainless steel, or other corrosion resistant material suitable for marine
124 use.

125
126 G. Boat wells under floating structures shall be separated from the dwelling unit, and from
127 structural members supporting the dwelling unit, by a minimum of one layer of 5/8 inch Type
128 X, water resistant, gypsum wall board, or equivalent approved fire rated assembly. Boat
129 wells shall provide adequate natural ventilation to prevent the buildup of flammable vapors.

130
131 H. All framing lumber in contact with the flotation device and all framing lumber within 12
132 inches of the water surface shall be factory preservative treated in accordance with AWPA-
133 U1. Plywood shall be exterior grade and all plywood below the deck level shall be marine
134 grade.

135
136 I. Roof coverings shall be fire-resistant or noncombustible.

137
138 J. The building official shall have the authority to rule on the applicability of this code as it
139 applies to residential floating structures.

141 **19.15.020 Size of flotation system.**

142 The dimensions of the flotation system shall be not larger than 20 feet by 40 feet.

143

144 **19.15.030 Flotation and Stability**

145 A. The flotation system shall be designed according to accepted marine engineering and
146 naval architectural principles. The flotation devices shall be structurally sound and securely
147 integrated with the framing for the attached structure. The design shall be approved and
148 sealed by an appropriately licensed professional engineer qualified in such design and shall
149 be submitted to the building official for approval.

150

151 B. The flotation device shall be water tight, durable and protected from deterioration by
152 water, impact damage due to floating debris, electrolytic action, corrosion, water-borne
153 solvents, organic infestation, chafing or physical abuse. Logs and unprotected plastic foam
154 insulation are not approved flotation devices.

155

156 C. Where solid flotation devices are not used, hulls shall be fitted with longitudinal and/or
157 transverse watertight bulkheads sufficient to keep the loaded hull afloat with positive stability
158 with any one compartment flooded. No compartment shall compromise more than 20 per
159 cent of the total available flotation volume.

160

161 D. Where solid floatation devices are not used the flotation devices shall be constructed so
162 that access to each compartment is readily available from the first floor level of the
163 completed floating structure.

164

165 E. A float home with a flotation device other than solid flotation shall be equipped with
166 bilge pumps and a bilge alarm system with detectors in each compartment with audible and
167 visual alarm indicators in the float home. At least one visual indicator shall be located outside
168 the float home in a place visible to passersby.

169

170 F. The overall buoyancy and stability of the flotation device and attached structure shall be
171 designed to accommodate moving and launching, wave action, loads imposed by mooring,
172 vessels and walkways moored to the structure, live and dead loads, and the design snow
173 loads and wind loads in effect in the City and Borough of Sitka.

174

175 G. The flotation device shall have sufficient stability in both the longitudinal and transverse
176 directions to limit the amount of heel from the horizontal resulting from off of center live
177 loading to a maximum of 4 degrees.

178

179 H. The flotation system and decking shall provide access to, and protection for, the sewage
180 holding tank.

181

182 **19.15.040 Reserve Buoyancy Criteria**

183 The flotation system shall have sufficient buoyancy to support the design weight of the float
184 home plus the maximum combined weight of deadweight items and design snow load and
185 maintain a minimum freeboard of 14 inches. When design wind load is applied to the
186 superstructure the amount of heel shall be not more than 4 degrees from horizontal or one

187 half the freeboard, whichever is less. Freeboard is measured from the surface of the water to
188 the bottom of the lowest floor or deck framing members.

189

190 **19.15.050 Exiting and Emergency Egress**

191 In addition to the requirements of the IRC, including, but not limited to Chapter 3, section
192 R311, floating homes shall have a 24 inch minimum width open deck on all sides. Decks
193 shall be constructed so as to prevent the ponding of water.

194

195 **19.15.060 Mooring**

196 Cleats, bollards, bull rails or other such devices shall be sufficient in number and attached to
197 the floating structure in such a way as to provide adequate mooring points to secure the float
198 home in the highest design wind load. Mooring lines shall be kept in good condition, kept
199 free of chafing, and shall be removable without the use of tools.

200

201 **19.15.070 Fire separation**

202 A. A clear space of at least eight feet shall be provided between adjacent structures
203 measured from building wall line horizontal to adjacent building wall line. Roof eave
204 projections shall be no closer than six feet. Table 302.1 of the IRC shall not apply.

205 B. Where floating homes are placed closer than eight feet from building wall line horizontal
206 to building wall line; walls, eaves and roofs shall be constructed in accordance with Table
207 302.1 of the IRC.

208

209

Chapter 19.16

ELECTRICAL CODE FOR FLOAT HOMES

210

Sections:

211

19.16.070 Adoption by reference.

212

213

19.16.070 Adoption by reference.

214 The 2011 Edition of the National Electrical Code, copyrighted by the National Fire
215 Protection Association, is adopted and incorporated by reference.

216

217

Chapter 19.17

PLUMBING CODE FOR FLOAT HOMES

218

Sections:

219

19.17.010 Adoption by reference.

220

19.17.020 Sewage holding tank.

221

19.17.030 Sewage treatment.

222

19.17.040 Portable water.

223

19.17.010 Adoption by reference.

224 The 2009 Edition of the Uniform Plumbing Code, promulgated by the International
225 Association of Plumbing and Mechanical Officials, is adopted and incorporated by reference,
226 including the following appendices:

227

Appendix A, Recommended Rules for Sizing the Water Supply System.

228

Appendix B, Explanatory Notes on Combination Waste and Vent Systems.

229

230

231

232

233 Appendix I, Installation Standards.
234 Appendix K, Private Sewage Disposal Systems.

235

236 **19.17.020 Sewage holding tank**

237 A. Sewage holding tanks for float homes shall be sized in accordance with Table K-2,
238 Appendix K of the Uniform Plumbing Code.

239

240 B. Sewage holding tanks shall be constructed of materials not subject to corrosion or decay
241 and shall be watertight.

242

243 **19.17.030 Sewage Treatment**

244 Sewage, including greywater, shall be disposed of by pumping to a portable holding tank and
245 delivering to an approved sewage pump out facility. Alternatively, sewage may be treated
246 with an approved sewage treatment system and discharged into the water. The owner is
247 responsible for securing appropriate state and federal permits for such systems. Untreated
248 sewage or greywater shall not be discharged into the water.

249

250 **19.17.040 Potable Water**

251 Connections to the municipal water system shall be of an approved method, shall include
252 backflow prevention and shall be approved by the building official.

253

254 5. **EFFECTIVE DATE.** This ordinance shall become effective 30 days after the date
255 of its passage.

256

257 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
258 Sitka, Alaska this 24th day of June, 2014.

259

260

261

Mim McConnell, Mayor

262

263 **ATTEST:**

264

265 _____
266 Colleen Ingman, MMC
Municipal Clerk



City & Borough of Sitka
Harbor Department
 617 Katlian Street, Sitka AK 99835
 Telephone: 907-747-3439 Fax: 907-747-6278



FLOAT HOME MOORAGE AGREEMENT

Owners(s) _____

Email address(es) _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Residence Address: _____ City: _____ State: _____ Zip: _____

Phone: (Home) (____) _____ (Work) (____) _____ (Cell) (____) _____

Driver's License Number: _____ State: _____ Tax Exempt No., if applicable: _____

Location: Slip # _____ at ANB Harbor Sitka, AK 99835

Floating Home: Slip Width _____ Length _____ Registration No# _____

Other requests _____

To be completed by Harbor Staff

Given Rules: Yes ___ No ___ Mailed _____

Wait list Fee (Nonrefundable) \$ _____ Date Paid _____ Receipt _____

Stall Assigned: _____ Wait list status forfeit: _____

Lessee _____ enters into this Float House Moorage Agreement ("Agreement") with the City and Borough of Sitka ("CBS" or "Lessor").

Moorage Document. This Agreement shall apply only to the Float Home and owner listed above and is nontransferable. In the event of a change in ownership, a new Agreement must be executed.

Qualifying Interest. Lessee certifies, by signing this Agreement, the Lessee is the owner or has a qualifying interest in Float Home, as defined by Sitka General Code ("SGC") 13.04.140.

Terms. The terms of this Agreement begin when executed, and cover the period of time prior to stall assignment. This Agreement terminates if the Float Home is sold or there is a change in ownership/qualifying interest, except for provisions related to any collection of fees or charges. Lessee shall inform CBS within 30 days of the sale of Float Home.

Lease Renewal: This lease will automatically renew at the lease termination date on all the same terms and conditions excluding rent which may be increased by Lessor upon an advance 90 day written notice, unless either party provides an advance 90 day written notice of intent to terminate lease.

Agreement To Pay Fees. Lessee agrees to pay applicable fees and city taxes for moorage and for other harbor services or provided to Lessee or Lessee's agent, (such as but not limited to: garbage, sewer,

electricity, utilities, grid, towing, etc.). Lessee agrees to pay all such moorage and service fees, including emergency services that CBS harbor staff determines to be necessary to protect the harbor facility or Float Home from damage. Moorage fees shall be payable in advance in accordance with CBS fee schedules and SGC.

Obligation For Care. Lessee agrees that this Agreement is for the moorage space and other services as provided in the Agreement only. Nothing contained in this Agreement or Sitka General Code (SGC) shall be interpreted to impose upon CBS any obligation or responsibility for the care and protection of any private property, including Float Home and property associated with the Float Home, or for injury or death to person(s) associated with the Float Home.

Acceptance of Condition of Facilities. Lessee has inspected the moorage location and all services including electrical service, water and sewage and accepts them in present as is condition.

Repairs and Maintenance. Lessee to comply with all Moorage, City and Borough and State rules and regulations affecting use of Floating Home and Moorage. Lessee shall not perform any major repairs to the Floating Home without Lessor's prior written consent. Floating Home is to be maintained in proper and safe condition, free of mold, rust. Lessee shall keep Floating Home and decks in good repair and free from any accumulation of debris. Lessee shall not store any personal property including gear, equipment, material or supplies on any moorage property, including docks or ramps.

Default, Termination of Agreement and Remedies. If Lessee violates any term of this Agreement, or fails to pay moorage, utilities, service charges, interest, late fees or other associated harbor related fees within 60 days of the date on which such fees or charges related to this Agreement are due and payable, CBS may exercise any available remedy including, without limitation, one or more of the following:

- a) Denial of any provided moorage or service in conjunction with this Agreement;
- b) Termination of this Agreement;
- c) Collection actions against Lessee including reporting to credit bureaus; and
- d) All other actions as provided in SGC and by applicable law, including sale of Float Home and apply sale proceeds to satisfy any obligation of Lessee under this Agreement.

Liability and Indemnification. As a condition of this Agreement and to the full extent allowed by law, I agree to be waive liability to CBS, its employees and its agents, for any damage, injury or loss to persons or property, including Float Home, for claims of any sort arising from acts or omissions of CBS, its agents, any employees or invitees except for those arising from CBS willful or gross negligence. This includes damage to or loss of Float Home, equipment and other personal property located on or attached to Float Home, such as equipment, gear, lines, or its related property, and such damage or loss as a result of the exercise of CBS remedies because of a violation of this Agreement.

Insurance. Owner shall provide proof of insurance on the Float Home. This insurance shall cover the direct physical loss to the structure and contents of the home. It shall be provided on a Marine Broad Form Policy, covering those perils commonly covered by "special form" property insurance and other marine perils common to float homes. The Float Home shall be insured for the either the replacement cost or current market value of the structure, depending on the type of policy available. This insurance shall include debris and wreck removal limits of no less than 10% of the amount of insurance on the structure. This insurance shall include personal liability with limits of no less than \$500,000."

Agreement to Abide by All CBS, State and Federal Policies and Laws. As a condition of this Agreement, Lessee also agrees to abide by all CBS, State and Federal policies and laws, including those related to the provision of the Harbors (SGC Title 13) and Municipal Utilities (SGC Title 15) and Revenue and Finance (SGC Title 4) .

Natural Disasters: Lessee assumes full responsibility for damages resulting to Lessee's property or person or guests/invitees related to matters beyond the control of Lessor including but not limited to high or low water levels, other acts of nature i.e. wind, ice, snow, rain, flooding or other causes and Lessee shall defend and hold Lessor harmless from all such claims.

No Waiver. The failure of CBS to insist upon strict performance of any provision of this Agreement, or to exercise any right or remedy available on a breach, or the acceptance by CBS of full or partial payments during the continuance of any breach, shall not constitute a waiver of any provision of this Agreement, and all provisions shall continue in full force and effect. Nothing in this Agreement shall constitute a waiver by CBS of its right to enforce a lien, or any other right or remedy.

Notices. Billings and notices will be mailed to Lessee's address as set forth in this Agreement. Lessee shall notify CBS in writing of any change in Lessee's mailing address.

Interpretations; Amendment; Venue. Alaska law shall govern this Agreement, with any legal dispute filed in the appropriate First Judicial Circuit Court. The invalidity of any provision of this Agreement shall not affect the validity of any other provision. This document constitutes the entire agreement of the parties. No amendment of this Agreement shall be valid unless in writing and signed by both parties.

CITY AND BOROUGH OF SITKA

LESSEE

By: _____
Print Name: _____
Date: _____

Print Name: _____
Date: _____



Legislation Details

File #: 14-132 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Approve a conditional use permit for a Specialized Instruction School at 205 Harbor Drive filed by Emily Davis.

Sponsors:

Indexes:

Code sections:

Attachments: [CUP Motion](#)
[CUP Specialized Instruction School](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

BOARD OF ADJUSTMENT

1)

I MOVE TO CONVENE AS THE BOARD OF ADJUSTMENT.

2)

I MOVE TO approve a conditional use permit request, submitted by Emily A. Davis for a Specialized instruction School DBA as Pacific Learning Center at 205 Harbor Drive as recommended by the Planning Commission and in accordance with the following conditions and findings and request that these conditions and findings be a part of the official record: *(NO NEED TO READ THEM)*

Conditions:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request and in general conformance with the staffing and student ratio as presented.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report within 9 months and come in front of the Planning Commission for an annual review.
5. The Planning Commission, at its discretion, may schedule an additional public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

Findings:

- 1a. Granting of the conditional use permit will not be detrimental to the public health, safety, and general welfare;
- 1b. Will not adversely affect the established character of the surrounding vicinity, because there is adequate parking;
- 1c. Will not be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically the adjacent parking lot;
2. That the granting of the proposed Conditional Use Permit is consistent and compatible with the intent of the goals, objectives and policies of the Comprehensive Plan and any implementing regulation, specifically Economic Goals and Policies 2.1 *To contribute to a stable, long-term, local economic base;*
3. That all conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced;

4. That the proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;
5. That the conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services, specifically nearby presence of municipality maintained roads;
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria.

3)

**I MOVE TO RECONVENE AS THE ASSEMBLY IN
REGULAR SESSION**

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planner I MB

Subject: Conditional Use Permit approval for Specialized Instruction School
205 Harbor Drive

Date: June 2, 2014

The Sitka Planning Commission is unanimously recommending approval, with conditions, of a conditional use permit for a specialized instruction school at 205 Harbor Drive, filed by Emily Davis. The property is owned by Kirk and Marlene VanWinkle. The Board's recommendation followed a public hearing on May 20th, 2014.

The applicant is requesting a conditional use permit in order to operate a specialized instruction school, the Pacific Learning Center. Davis is a licensed educator who will be offering a math and science based curriculum to students aged 3-6 for either a half or full day schedule. The business will operate year round, Monday through Friday, from 9 am to 4:30 pm. The upper unit in the building is currently Van Winkle & Sons restaurant.

While the Central Business District is intended to have retail uses on street level, there are a number of store fronts that do not have year round operations. The school will help draw traffic to the downtown and will complement the commercial uses in the area.

The CBD Central Business District is designed specifically for concentrated retail, personal and business services of all kinds satisfying all residents in one central location. It should further prohibit exclusive residential or industrial uses which would interfere with the development and continuation of its cohesive business purposes.

Public comment in support was received on the proposal from surrounding downtown merchants.

The Planning Commission discussed parking and drop off/pick up safety issues with the applicant. The applicant informed the Commission that parents will be required to check children in and therefore would be walking them in and out of the building.

The Planning Commission's recommendation includes the conditions below and follow up findings. The conditions also require a follow up annual review by the Planning Commission.

RECOMMENDED ACTION: Approve the request with the conditions and findings recommended by the Planning Commission.

Conditions:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request and in general conformance with the staffing and student ratio as presented.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report within 9 months and come in front of the Planning Commission for an annual review.
5. The Planning Commission, at its discretion, may schedule an additional public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

Findings:

MOTION: M/S WESTOVER/SPIVEY move to approve the following findings 22.30.160 Required Findings for Conditional Use Permits as outlined by staff:

- 1a. Granting of the conditional use permit will not be detrimental to the public health, safety, and general welfare;
- 1b. Will not adversely affect the established character of the surrounding vicinity, because there is adequate parking;
- 1c. Will not be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically the adjacent parking lot;
2. That the granting of the proposed Conditional Use Permit is consistent and compatible with the intent of the goals, objectives and policies of the Comprehensive Plan and any implementing regulation, specifically Economic Goals and Policies 2.1 *To contribute to a stable, long-term, local economic base*;
3. That all conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced;
4. That the proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;
5. That the conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services, specifically nearby presence of municipality maintained roads;
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria.

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

MOTION: M/S WESTOVER/POHLMAN move to approve the following findings general approval criteria as outlined by staff:

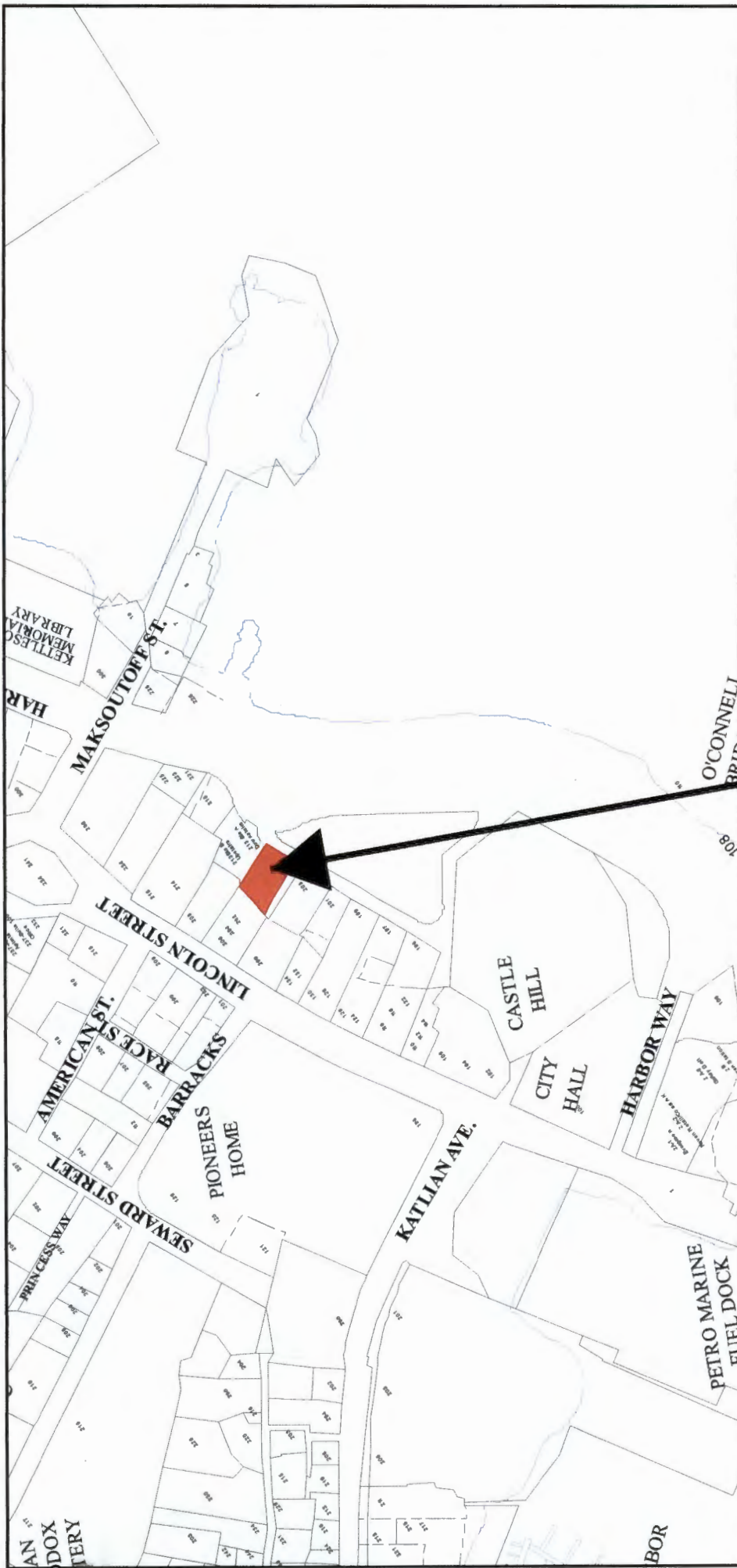
1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements, specifically that the school will be open during normal business hours;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

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

MOTION: M/S SPIVEY/WESTOVER move to approve the following findings 22.24.010 Conditional Uses as outlined by staff:

- a. Amount of vehicular traffic to be generated and its impacts of the traffic on nearby land uses;
- b. Amount of noise to be generated and its impacts on surrounding land uses;
- c. Odors to be generated by the use and their impacts;
- d. Hours of operation, consistent with hours of operation of adjacent retail uses;
- e. Location along a major or collector street;
- f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario;
- g. Effects on vehicular and pedestrian safety, specifically that parents will walk students into the building, by the statement of the applicant that the parents will walk the students into the building;
- h. Ability of the Police, Fire, and EMS personnel to respond to emergency calls on the site;
- i. Logic of the internal traffic layout, specifically the low 15 mph speed limit;
- j. Effects of signage on nearby uses;
- k. buffers are not appropriate;
- l. Presence of existing or proposed conditional use in a specific location to the goals, policies, and objectives of the Comprehensive Plan, specifically 2.1 Economic Goals and Policies;
- m. Other criteria that surface through public comments or Planning Commission Assembly review, specifically the significant amount of written public support by adjacent businesses.

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

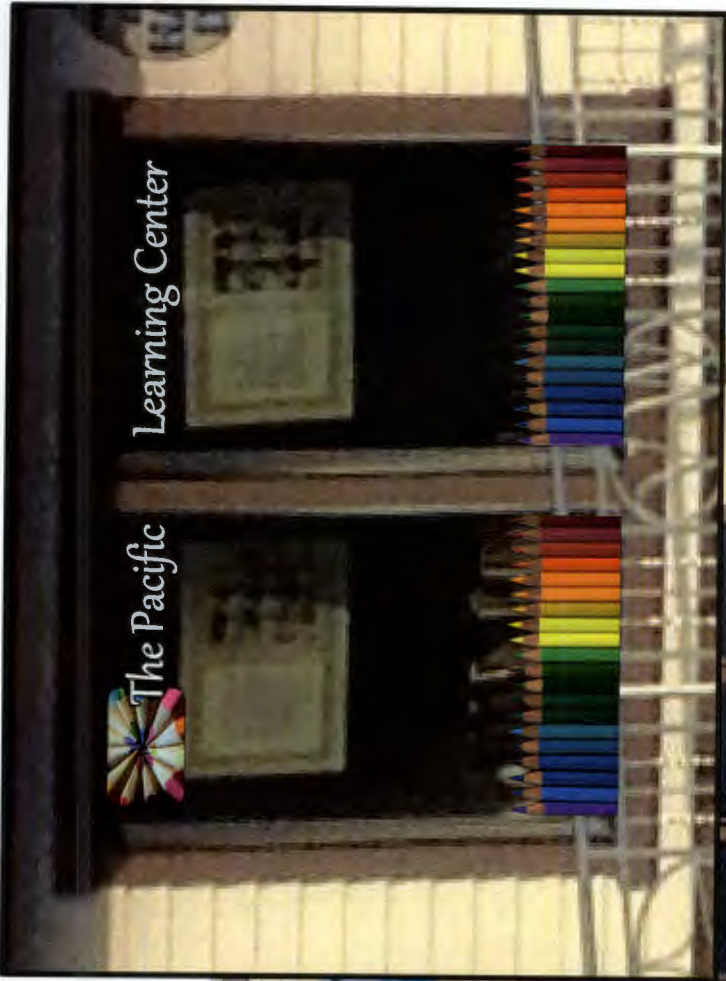


Davis
Conditional Use Permit
205 Harbor Drive



Davis
Conditional Use Permit
205 Harbor Drive

The Pacific Learning Center



Davis
Conditional Use Permit
205 Harbor Drive

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
CONDITIONAL USE PERMIT APPLICATION

Conditional Use Permit FEE \$100.00

plus current city sales tax

APPLICANT'S NAME: Emily A. Davis
PHONE NUMBER: 907-738-1743
MAILING ADDRESS: PO Box 6186 Sitka AK 99835

OWNER'S NAME: Kirk VanWinkle
(If different from applicant)
PHONE NUMBER: 907-752-7652
MAILING ADDRESS: PO Box 842 Sitka AK 99835

PROJECT ADDRESS: 205 Harbor Dr.
LEGAL DESCRIPTION Lot: _____ Block: _____
Subdivision: VanW
U.S. Survey: _____ Zoning Classification: CB1D

List specific request: Seeking "Specialized instruction school" zoning for lower level of building

State all reasons for justifying request:
convenient & central location for parents • a high demand for this type of service in Sitka • PLC is located on back side of CSD

List all features and details of request: PLC will be owned & operated by an AK Prek-12 grade licensed teacher. PLC will follow all state and federal regulations and maintain high standards.

State the schedule and timing of request: We would like to begin instruction following the release of Sitka schools, about June 1 in order to ensure continued learning.

Please attach drawings, maps, and additional narrative as appropriate.

The applicant must verify, to the satisfaction of the Public Works Department, that utility lines and services are not under proposed structures.

In applying for and signing this application, the property owner hereby grants permission to Municipal staff to access the property before and after Planning Commission's review for the purposes of inspecting the proposed and/or approved structures.

SIGNATURE OF APPLICANT: [Signature] Date: 4-23-14
SIGNATURE OF OWNER: [Signature] Date: 4-23-14
(If different from the applicant)

Approval will be based on plans submitted or approved by the Planning Commission or Assembly

Davis
Conditional Use Permit
205 Harbor Drive

Emily Davis, Owner/Operator:

I am an Alaskan licensed Preschool-12th grade educator. I have a BA in English, M.Ed. in education, and a special education certificate from the State of Alaska. I grew up in Alaska and have been teaching in rural southeast communities since 2003. During the summer, I teach MAT graduate courses at UAS. My proudest teaching accomplishment happened during my sixth and seventh years in Kake, 100% of my students in grades 7-12 were proficient or advanced in reading on the state exams.

With all of my teaching experience, I believe our communities need more in education. Our children need culturally relevant education that is founded in hands-on, project-based learning with an emphasis in math, science, and literacy. My goal is to open a school for learning that does just that.

The Pacific Learning Center Hours:

Monday-Thursday, 9am to 4:30pm, year-around (open summer & winter months)

Student ages 3-6 will have a choice of half or full day programs.

Students ages 7+ hourly, specialized instruction

What Students will be Learning:

The advanced curriculum of the Pacific Learning Center will focus heavily on math and science based inquiry. Literacy will be incorporated through the math and science foundation. Students will explore concepts through a hands-on, thematic center-based learning approach. Sitka is the ideal location for this sort of learning to happen as there are variety of local resources: UAS science & fisheries program, Sitka Sound Science Center, Sitka Conservation Society, and the US Forest Service just to name a few.

As the school grows, I aim to incorporate second- language instruction. I envision that one day a preschool student at this school will receive half of their instruction in the English language, and half of their instruction in a second language. Research shows that students who receive bilingual instruction early on in life perform better on assessments and have greater knowledge acquisition.

• **The Pacific Learning Center will:**

- Provide an emphasis on math and science foundations in learning
- Utilize hands-on, thematic center-based learning
- Increase literacy using nationally research-based programs
- Partner with the vast local Sitka resources
- Incorporate bilingual, culturally relevant instruction
- Comply with state and federal regulations

To make the Pacific Learning Center a reality, I need a space to lease that is in compliance with city and state requirements/codes. The property located at 205 Harbor Drive will ideally fit this need. It is one of the extremely few commercially zoned properties that has an adequate sprinkler system and three escape exits. The building is on the back side of the central business district and is located in a central area convenient for parents. If the lower VanWinkle's building is approved by City for use with children, then I would very much like to use this space to bring a dynamic and culturally relevant learning program to Sitka.

Davis
Conditional Use Permit
205 Harbor Drive

State of Alaska

Professional Teacher Certificate

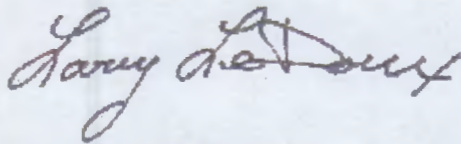
This certificate has been granted to

Emily Davis

in accordance with Alaska Statutes and the Regulations
of the Alaska State Board of Education & Early Development

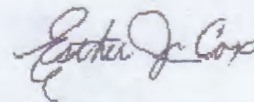
Endorsement(s)	Grade Levels	Valid From	Until
English	GR 7-12	6/9/2010	8/30/2015
Special Education	PRE K-GR 12	6/9/2010	8/30/2015

***Valid for five (5) years. Renewable. Holder must complete all requirements
for renewal of the Professional Certificate during the life of this Professional Certificate.***



Larry LeDoux, Commissioner

Department of Education & Early Development



Esther J. Cox, Chair

State Board of Education & Early Development

Emily A. Davis

PO Box 252

Kake, AK 99830

(907) 738-1742

emilyann80@yahoo.com

OBJECTIVE

Teaching is a calling that can be done well. I enjoy the company of students and want to share my skills, knowledge and expertise with them. I want to share with them the tools necessary to grow into successful, contributing citizens.

QUALIFICATIONS

- Teach graduate level Education courses for new teachers
- Wrote English Literature & Composition online course for State of Alaska EED
- Development of curriculum for grades 7-12 English that focuses on critical thinking, writing, and reading development
- Certified to teach intensive remedial reading instruction using Lindamood-Bell instructional techniques
- Taught online Secondary English courses using Moodle, Edmodo, & Blackboard
- Highly qualified to teach English, middle school, and special education K-12
- Intense concentration working with ESL students from foreign countries
- FAS/FAE training and classroom practice
- SAT/PSAT practice course development and implementation
- Rural Alaskan native village experience- 10 years
- Assisted in organizing student work and lesson plan design while preparing for a private school accreditation approval from the state of Hawaii
- Daily use of SmartBoard equipment and PowerSchool programs

EDUCATION

1994-1998 Diploma, A.J. Dimond High School Honor grad, Anchorage Alaska

1998-2003 B.A. in English, History minor, 3.3 GPA University of Alaska

2003-2005 Teaching Certificate, Graduate studies, 4.0 GPA, University of Alaska

Fall 2005 ESL strategies and practices, High School of the Pacific

2006-2008 Lindamood-Bell Intensive Reading Intervention Instruction

Spring 2008 M.A. in Secondary Education, 4.0 GPA, University of Alaska

Summer 2008 Special Education License, 4.0 GPA, University of Alaska

AWARDS/HONORS

August 2005 America's Who's Who Teacher Recipient

January 2008 Cambridge Who's Who Recipient

Fall 2010 – Elected to Kake City Council

December 2011 – Kake Outstanding Teacher Award

PUBLICATIONS

Davis, Emily. Achievement in Alaskan Rural Schools – A Detailed Review of Kake City School District (2008). Submitted to University of Alaska Fairbanks.

40 Below: A Journal About Writing and Teaching (2009). Writing contributor.

REFERENCES

Woody Wilson, AKLN Supervisor (907)305-0305 wwilson@wrangellschools.org
Ralph Crosslin, Former Kake Superintendent, (231)313-9215 rcrosslin@nenanalynx.org
Thomas Pennington, UAS Supervisor (906) 715-6908 tdpennington@uas.alaska.edu
Dwayne Davies, Senior Teacher Kake (907)738-3741 daviesdg@yahoo.com
Mary Jean Duncan, Angoon Principal, (907)788-3127 mduncan@chathamisd.org
Eric Gebhart, Former Kake Superintendent, (907)832-5464 supt@nenanasd.org
Bob Love, UAS (907)747-5608 bjmelove@gci.net

I believe that every student can learn.

I believe that as a teacher I need to find each student's learning style and teach to it. I should incorporate various learning skills into each classroom activity.

I believe that every student comes from a culture that should be enjoyed and taught, not hidden in books.

I believe that we should use our Native ways of Knowing to reach our students.

I believe that our parents and our community are our partners.

I believe that students should be in a democratic classroom.

I believe students should have a voice and opinion and that it should be heard.

I believe that everyone makes mistakes. You should be able to learn from them and move on in life knowing those extra hard lessons.

I believe that as a teacher I do not know everything. I can however, give my students the tools they need to learn anything they want.

It is my responsibility to provide a safe and caring environment for each and every student.

I believe that all of this is possible.

Emily Davis, Owner/Operator:

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The Pacific Learning Center Hours:

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Students ages 7+ hourly, specialized instruction

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I support this business and encourage the City of Sitka to issue an operational permit.



Sitka School District
Matthew J

David Arp
907-738-1343
Eve Arp

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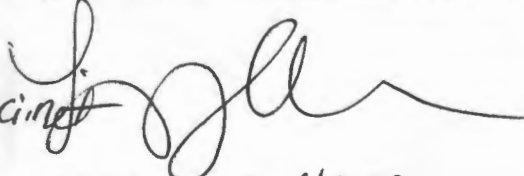
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lisaloud@gcincg

907-230-4095

Westmark Sitka Hotel
Totem Square Hotel + Marina

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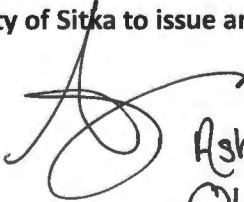
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Ashia Lane
Old Harbor Books

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Janet Keck Love
Janet Keck Love

907 747-5608
bjmelove@gci.net
Sitka School District Teacher

Emily Davis, Owner/Operator:

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Ramon. Quintero
738-0350



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*Christina Righter Cummins Taxi and Tours
738 3079*

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PETE MEASSENDEZ
Sitka Day Care Owner

407 738-3463

Emily Davis, Owner/Operator:

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AGAVE RESTAURANT

ALEXANDRO MARIAS V.

MANAGER

966-3333

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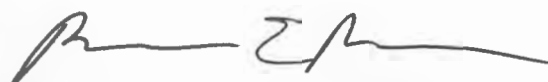
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Brenners

5-02-14

Bonnie E Brenner



747-3468

Emily Davis, Owner/Operator:

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ROBERTSON'S GALLERY + CUSTOM FRAMING

Martha Robertson
owner
747-6825

Emily Davis, Owner/Operator:

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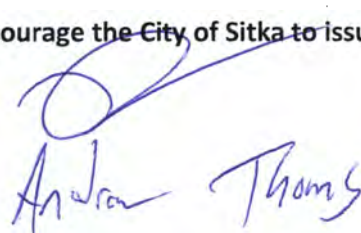
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To make the Pacific Learning Center a reality, I need a space to lease that is in compliance with city and state requirements/codes. The property located at 206 Harbor Drive will ideally fit this need. It is one of the extremely few commercially zoned properties that has an adequate sprinkler system and three escape exits. The building is on the back side of the central business district and is located in a central area convenient for parents. If the lower VanWinkle's building is approved by City for use with children, then I would very much like to use this space to bring a dynamic and culturally relevant learning program to Sitka.

I support this business and encourage the City of Sitka to issue an operational permit.



Sitka Conservation Society

Emily Davis, Owner/Operator:

I am an Alaskan licensed Preschool-12th grade educator. I have a BA in English, M.Ed. in education, and a special education certificate from the State of Alaska. I grew up in Alaska and have been teaching in rural southeast communities since 2003. During the summer, I teach MAT graduate courses at UAS. My proudest teaching accomplishment happened during my sixth and seventh years in Kake, 100% of my students in grades 7-12 were proficient or advanced in reading on the state exams.

With all of my teaching experience, I believe our communities need more in education. Our children need culturally relevant education that is founded in hands-on, project-based learning with an emphasis in math, science, and literacy. My goal is to open a school for learning that does just that.

The Pacific Learning Center Hours:

Monday-Thursday, 9am to 4:30pm, year-around (open summer & winter months)

Student ages 3-6 will have a choice of half or full day programs.

Students ages 7+ hourly, specialized instruction

What Students will be Learning:

The advanced curriculum of the Pacific Learning Center will focus heavily on math and science based inquiry. Literacy will be incorporated through the math and science foundation. Students will explore concepts through a hands-on, thematic center-based learning approach. Sitka is the ideal location for this sort of learning to happen as there are variety of local resources: UAS science & fisheries program, Sitka Sound Science Center, Sitka Conservation Society, and the US Forest Service just to name a few.

As the school grows, I aim to incorporate second- language instruction. I envision that one day a preschool student at this school will receive half of their instruction in the English language, and half of their instruction in a second language. Research shows that students who receive bilingual instruction early on in life perform better on assessments and have greater knowledge acquisition.

• **The Pacific Learning Center will:**

- Provide an emphasis on math and science foundations in learning
- Utilize hands-on, thematic center-based learning
- Increase literacy using nationally research-based programs
- Partner with the vast local Sitka resources
- Incorporate bilingual, culturally relevant instruction
- Comply with state and federal regulations

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Bayview Pub



Dave Jenks
773-573-0626

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7-7440

Channel Clubs

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
May 20, 2014**

Present: Richard Parmelee (Chair), Darrell Windsor (Member), Cheryl Westover (Member), Debra Pohlman (Member), Wells Williams (Planning Director), Maegan Bosak (Planner I)

Members of the Public: Todd Fleming, Jeremy Twaddle, Tony Conforti, Paul Davis, Shannon Haughland (Sitka Sentinel)

Chair Parmelee called the meeting to order at 7:01 p.m.

Roll Call:

PRESENT: 5 –Spivey, Windsor, Westover, Parmelee, Pohlman

Consideration of the Minutes from the May 6, 2014 meeting:

MOTION: M/S SPIVEY/WESTOVER moved to approve the meeting minutes for May 6, 2014.

ACTION: Motion **PASSED unanimously 4-0** on a voice vote. Pohlman refrained from voting as she was not present at last meeting.

The evening business:

**MINOR SUBDIVISION
PARCEL C, SOUTH BENCHLANDS
SOUND DEVELOPMENT, LLC.**

Public hearing and consideration of a concept plat for a minor subdivision at Parcel C South Benchlands off of Kramer Avenue. The property is on the lower side of Kramer Avenue and above Sand Dollar Drive. The request will create a total of four lots. The request is filed by Sound Development, LLC. The property is also known as Tract A12-11, Whitcomb Heights III Subdivision.

Planning Director Williams reminds Commission of public comment and concern heard at the last Planning Commission meeting regarding drainage. Water is coming from the top of Kramer through the middle of Parcel C. Williams encourages citizens to continue participating in the discussion, however at this time the Commission is only looking at a minor subdivision at the very ends of the parcel.

Commissioner Westover brings up proposed greenbelt. She would like that included in a motion for future development.

Commissioner Parmelee talks about the drainage concerns and how Sound Development is trying to make the problem better than what it is now. He invites Todd Fleming and Jeremy Twaddle to come forward and discuss the final plat.

APPLICANT: Todd Fleming and Jeremy Twaddle, both of Sound Development, LLC., come forward stating there have been no changes to the plan since the last meeting. Twaddle states that follow up motions should wait until the major subdivision process. Commissioner Parmelee agrees. Fleming says Sound Development proposed the greenbelt and will include it in the future development on good faith however it is not required.

PUBLIC COMMENT: Tony Conforti, 104 Sand Dollar Drive, says he appreciates the greenbelt and if that is included in the future plans, he will be "happy as pie."

COMMISSIONER DELIBERATION: Commissioner Spivey commented on how the focus should remain on the minor subdivision as presented. He states land will be sold to the current adjacent property owners in most cases and so there should be no change to the neighborhood.

Commissioner Westover talks that there is a misconception over the greenbelt. No legal requirements.

MOTION: M/S SPIVEY/WESTOVER move to approve a minor subdivision at Parcel C South Benchlands off of Kramer Avenue. The property is on the lower side of Kramer Avenue and above Sand Dollar Drive. The request will create a total of four lots. The request is filed by Sound Development, LLC. The property is also known as Tract A12-III, Whitcomb Heights III Subdivision.

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

MOTION: M/S WESTOVER/WINDSOR move to approve a motion encouraging full participation from property owners in a discussion over drainage and greenbelt issues for any future development of Track C.

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

**VARIANCE REQUEST
LOT 26 GAVAN SUBDIVISION
SAM SMITH**

Public hearing and consideration of a variance request at 1301 Georgeson Loop filed by Sam Smith. The request is to reduce the front setback from 20 feet to 16 feet and reduce the side setback from 8 feet to 5 feet for construction of a new garage. The property is also known as Lot 26 Gavan Subdivision. The owner of record is Sam Smith.

Planner I, Bosak, describes the location of the lot, neighborhood, surrounding properties and variances being requested. The applicant intends to construct a two car garage.

APPLICANT: Sam Smith, applicant, shares that the driveway doesn't go straight into the garage because of wetlands. He didn't want to disrupt the area so instead cars will enter to the side. He foresees no other variances needed.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION: No Commissioner questions. Commissioners are in support due to the property side being adjacent to public lands and privacy created by large trees.

MOTION: M/S SPIVEY/WESTOVER move to approve the following findings:

1. That there are special circumstances to the intended use that do not apply generally to the other properties, specifically the presence of wetlands limiting the development options;
2. The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, specifically building a garage on the property;
3. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property nearby parcels of public infrastructure, specifically that Georgeson Loop will not be affected and that side of the lot is publicly owned;
4. That the granting of such a variance will not adversely affect the Comprehensive Plan. It is in line with Comprehensive Plan 2.3.1 *To guide the orderly and efficient use of private and public land in a manner that maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations without infringing on the rights of private landowners.*

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

MOTION: M/S SPIVEY/WESTOVER move to approve a variance request at 1301 Georgeson Loop filed by Sam Smith. The request is to reduce the front setback from 20 feet to 16 feet and reduce the side setback from 8 feet to 5 feet for construction of a new garage. The property is also known as Lot 26 Gavan Subdivision. The owner of record is Sam Smith.

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

**CONDITIONAL USE PERMIT
LOT 1 VANWINKLE SUBDIVISION
EMILY DAVIS**

Public hearing and consideration of a learning center conditional use permit filed by Emily Davis at 205 Harbor Drive. The request is to operate a specialized instruction school in the Central Business District zone. The property is also known as Lot 1 VanWinkle Subdivision. The owner of record is Kirk and Marlene VanWinkle.

Planner I, Bosak, describes request and informs the Commission on the parameters of the central business district zone.

APPLICANT: Paul Davis, for Emily Davis, comes forward to answer questions and explain the request. Davis plans to offer specialized instruction for early learners through a math and science based program. There have been lots of parents and other businesses in support of the idea. They plan to operate the school year around with morning and afternoon sessions. The rented building provides just over 2000 square feet of student useable space and 2800 square

feet total. Plans on having 1-4 staff members depending on enrollment with no more than 25 students.

COMMISSIONER DELIBERATION: Commissioner Spivey has concerns over pick up/drop off safety. He worries about children running in and out of the building. Davis describes sign in and out procedures and how each student must be walked to and from the facility by an adult.

Commissioner Westover says she can see this as an appropriate use in the CBD because it is creating jobs and money being spent.

PUBLIC COMMENT: No public comment.

MOTION: M/S WESTOVER/SPIVEY move to approve the following findings 22.30.160 Required Findings for Conditional Use Permits as outlined by staff:

- 1a. Granting of the conditional use permit will not be detrimental to the public health, safety, and general welfare;
- 1b. Will not adversely affect the established character of the surrounding vicinity, because there is adequate parking;
- 1c. Will not be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically the adjacent parking lot;
2. That the granting of the proposed Conditional Use Permit is consistent and compatible with the intent of the goals, objectives and policies of the Comprehensive Plan and any implementing regulation, specifically Economic Goals and Policies 2.1 *To contribute to a stable, long-term, local economic base*;
3. That all conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced;
4. That the proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;
5. That the conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services, specifically nearby presence of municipality maintained roads;
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria.

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

MOTION: M/S WESTOVER/POHLMAN move to approve the following findings general approval criteria as outlined by staff:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power;

3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements, specifically that the school will be open during normal business hours;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

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

MOTION: M/S SPIVEY/WESTOVER move to approve the following findings 22.24.010 Conditional Uses as outlined by staff:

- a. Amount of vehicular traffic to be generated and its impacts of the traffic on nearby land uses;
- b. Amount of noise to be generated and its impacts on surrounding land uses;
- c. Odors to be generated by the use and their impacts;
- d. Hours of operation, consistent with hours of operation of adjacent retail uses;
- e. Location along a major or collector street;
- f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario;
- g. Effects on vehicular and pedestrian safety, specifically that parents will walk students into the building, by the statement of the applicant that the parents will walk the students into the building;
- h. Ability of the Police, Fire, and EMS personnel to respond to emergency calls on the site;
- i. Logic of the internal traffic layout, specifically the low 15 mph speed limit;
- j. Effects of signage on nearby uses;
- k. buffers are not appropriate;
- l. Presence of existing or proposed conditional use in a specific location to the goals, policies, and objectives of the Comprehensive Plan, specifically 2.1 Economic Goals and Policies;
- m. Other criteria that surface through public comments or Planning Commission Assembly review, specifically the significant amount of written public support by adjacent businesses.

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

MOTION: M/S SPIVEY/WESTOVER move to recommend approval of a learning center conditional use permit filed by Emily Davis at 205 Harbor Drive with the following conditions. The request is to operate a specialized instruction school in the Central Business District zone. The property is also known as Lot 1 VanWinkle Subdivision. The owner of record is Kirk and Marlene VanWinkle.

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request and in general conformance with the staffing and student ratio as presented.

3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report within 9 months and come in front of the Planning Commission for an annual review.
5. The Planning Commission, at its discretion, may schedule an additional public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

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

PLANNING DIRECTOR'S REPORT: No June 3rd Planning Commission meeting.

PUBLIC COMMENT: No public comment.

ADJOURNMENT:

MOTION: M/S SPIVEY/WESTOVER moved to adjourn at 7:54 pm.

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

Richard Parmelee, Chair

Maegan Bosak, Secretary

STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110208
JUNEAU AK 99811

SITKA BAZAAR BUILDING, LLC
SITKA BAZAAR BUILDING, LLC
P. O. BOX 458
SITKA AK 99835

CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

STEPHEN/BONNIE BRENNER
BRENNER, STEPHEN, H./BONNIE, E.
124 LINCOLN ST.
SITKA AK 99835

TROY/VICTORIA DENKINGER
DENKINGER, TROY/VICTORIA
2221 HALIBUT POINT RD
SITKA AK 99835

STEVEN/LINDA ANDERSEN
ANDERSEN, STEVEN/LINDA
216 LINCOLN ST
SITKA AK 99835

VENNEBERG BUILDING, LLC
VENNEBERG BUILDING, LLC
225 HARBOR DRIVE
SITKA AK 99835

BLANCA BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

STANLEY FILLER
ERNIE'S BAR
FILLER, STANLEY, J.
P.O. BOX 777
SITKA AK 99835

ETHEL/NORMAN/C. STATON
STATON, ETHEL/NORMAN JR.,BARGER, C.
P.O. BOX 829
SITKA AK 99835

KARL/ROBIN STEDMAN
STEDMAN INSURANCE AGENCY
STEDMAN, KARL, E./ROBIN
P.O. BOX 6172
SITKA AK 99835

FRANKLIN BUILDING CORPORATION
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FRANKLIN BUILDING CORPORATION
236 LINCOLN ST, STE 107
SITKA AK 99835

KCCR PROPERTIES, LLC
KCCR PROPERTIES, LLC
P.O. BOX 614
SITKA AK 99835

ORTHODOX CHURCH IN AMERICA
RUSSIAN GREEK MISSION
ORTHODOX CHURCH IN AMERICA
P.O. BOX 697
SITKA AK 99835

DIOCESE OF SITKA & ALASKA
DIOCESE OF SITKA & AK, ORTHODOX
CHURCH
P.O. BOX 210569
ANCHORAGE AK 99521

DOUGLAS/OLGA DOUGLAS/OLGA BORLAND
BORLAND, DOUGLAS & OLGA
P.O. BOX 1268
SITKA AK 99835

KIRK/MARLENE VAN WINKLE
WILMAC CORPORATION
WILMAC CORPORATION
208 LINCOLN ST
SITKA AK 99835

LUTHERAN CHURCH
LUTHERAN CHURCH
LUTHERAN CHURCH
P.O. BOX 598
SITKA AK 99835

**Assembly Mailing
May 30, 2014**

Davis
Conditional Use Permit
205 Harbor Drive



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Tuesday, June 10, 2014 on the following items:

Public hearing and consideration of a learning center conditional use permit filed by Emily Davis at 205 Harbor Drive. The request is to operate a specialized instruction school in the Central Business District zone. The property is also known as Lot 1 VanWinkle Subdivision. The owner of record is Kirk and Marlene VanWinkle.

Please see the hearing description on back of page. The Assembly may take action on June 10, 2014.

The Assembly meeting will begin at 6:00 pm in Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Conditional use permit at 205 Harbor Drive:

The applicant is requesting a conditional use permit for a learning center at 205 Harbor Drive. This would allow the applicant to operate a specialized instruction school in the Central Business District zone. The Business plans to operate year round with no more than 35 students and 1-4 staff depending on enrollment. The learning center will be for students aged 3-6 and operate from 9 am to 4:30 pm. The conditional use permit will be required to have an annual review in front of the Planning Commission to mitigate any concerns.

The CBD Central Business District is designed specifically for concentrated retail, personal and business services of all kinds satisfying residents in one central location. It should further prohibit exclusive residential or industrial uses which would interfere with the development and continuation of its cohesive business purposes.

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P&Z Mailing
May 8, 2014

Davis
Conditional Use Permit
205 Harbor Drive



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Sitka Planning Commission Agenda

Tuesday, May 20, 2014

Held in Harrigan Centennial Hall

330 Harbor Drive, Sitka, Alaska

7:00pm

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE MINUTES FROM May 6, 2014
- III. THE EVENING BUSINESS
 - A. Public hearing and consideration of a final plat for a minor subdivision at Parcel C South Benchlands off of Kramer Avenue. The property is on the lower side of Kramer Avenue and above Sand Dollar Drive. The request will create a total of four lots. The request is filed by Sound Development, LLC. The property is also known as Tract A12-III, Whitcomb Heights III Subdivision.
 - B. Public hearing and consideration of a variance request at 1301 Georgeson Loop filed by Sam Smith. The request is to reduce the front setback from 20 feet to 16 feet and reduce the side setback from 8 feet to 5 feet for construction of a new garage. The property is also known as Lot 26 Gavan Subdivision. The owner of record is Sam Smith.
 - C. **Public hearing and consideration of a learning center conditional use permit filed by Emily Davis at 205 Harbor Drive. The request is to operate a specialized instruction school in the Commercial Business District zone. The property is also known as Lot 1 VanWinkle Subdivision. The owner of record is Kirk and Marlene VanWinkle.**
- IV. PLANNING DIRECTOR'S REPORT
- V. PUBLIC BUSINESS FROM THE FLOOR
- VI. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to maegan@cityofsitka.com, or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: May 12 and 14



Legislation Details

File #: 14-137 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/4/2014 In control: City and Borough Assembly
On agenda: 6/10/2014 Final action:
Title: Discussion/Direction/Decision on the Port and Harbors Commission request that the Harbor Fund receive 80% of the tax revenue generated by the vessel tax with the General Fund receiving 20% to cover administrative fees

Sponsors:

Indexes:

Code sections:

Attachments: [Port and Harbors request](#)

Date	Ver.	Action By	Action	Result
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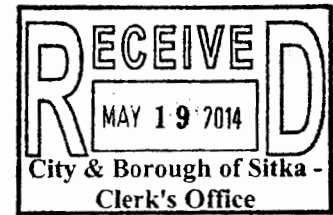
DISCUSSION/DIRECTION/DECISION

Recommend discussion first

Port and Harbor Commission Request

I move that Sitka Harbor Department receive ____% of the revenues generated by vessel tax with ____% dedicated to the General Fund to cover administrative fees.

Sitka Ports & Harbors Commission
Sitka, AK 99835
May 12, 2014



Sitka City & Borough Assembly
Assembly Members
Sitka, AK 99835

Dear Sitka City & Borough Assembly:

Currently there is a city property tax levied against all registered vessel owners within the city and borough of Sitka (CBS). It is our understanding that the CBS allocates ten dollars of the tax revenues generated by each vessel to the harbor fund with the rest of the tax revenue going to the general fund.

After much discussion it is our belief that the current allocations of vessel taxes should be revised to favor the harbor fund. The Sitka Ports & Harbors Commission respectfully requests that the harbor receive eighty percent of the tax revenues generated by the vessel tax with the general fund receiving twenty percent to cover administrative fees. The tax revenues generated will be dedicated to offset the rising costs within the harbor system.

The harbor users are responsible for all harbor infrastructure including electrical system repairs and replacement, water system repairs and replacement as well as harbor replacement. We haven't found any logical justification for the current vessel tax allocation but are open to discussion in case we are missing something. The fact that the harbor system is an enterprise fund and is expected to pay its own way seemingly justifies our position that the harbor fund should receive the bulk of the vessel tax receipts

Sincerely,

A handwritten signature in black ink, appearing to be "Steve K...", with a long horizontal line extending to the right.

Sitka Ports & Harbors Commission

A handwritten signature in black ink that reads "David A. Gmelch".

A handwritten signature in black ink, appearing to be "K. G...", with a long horizontal line extending to the right.

A handwritten signature in black ink that reads "M. Peterson".

Memo

To: Ports and Harbors Commission
From: Jay Sweeney, CFAO
Date: May 19, 2014
Re: Vessel Property Tax Questions

Dear Commission members,

The following are answers to questions regarding vessel property tax posed at your May 12th, 2014 meeting:

- \$104,729.50 was the property tax on vessels in FY2014. This declined from \$106,720 in FY 2013.
- The Harbor Fund received \$22,290 in vessel assessment fees in FY 2014. This is \$10 of the property tax collected on each vessel passed through to the Harbor fund. Thus, taxes were assessed on 2,290 vessels. \$22,050 was passed through in FY2013.
- If 80% of property taxes were passed through to the Harbor Fund, the amount of the pass through would be approximately \$83,780. This would be an increase of \$61,490 over what is currently passed through to the Harbor Fund. It would also represent a decrease in overall revenue available to the General Fund.
- If 80% of property taxes, or an additional \$61,490 were passed through to the Harbor Fund, this would represent the equivalent of \$1.52/linear foot/year, or 12.7 cents/linear foot/month. For the owner of a 48 foot commercial fishing vessel, this would represent the equivalent of an offset of \$15.20 to each quarterly moorage bill.

Regards,

Jay



Legislation Details

File #: 14-138 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: Authorize the Police Chief to apply for grants to fund a School Resource Officer under the COPS Hiring Program (CHP)

Sponsors:

Indexes:

Code sections:

Attachments: [COPS Hiring Program \(CHP\)](#)

Date	Ver.	Action By	Action	Result
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Legislation Details

File #: 14-134 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/4/2014 In control: City and Borough Assembly

On agenda: 6/10/2014 Final action:

Title: 1) Approve a employee contract between the CBS and Municipal Administrator Mark Gorman; and 2)
Approve an employee contract between the CBS and Municipal Attorney Robin Koutchak

Sponsors:

Indexes:

Code sections:

Attachments: [Admininstrator Contract](#)
[Attorney Contract](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

1)

I move to approve the Municipal Administrator Mark Gorman's employment contract per attached.



City & Borough of Sitka
Municipal Clerk's Office
100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



Memorandum

To: Mayor and Assemblymembers
Cc: Municipal Administrator Mark Gorman,
Municipal Attorney Robin Koutchak
From: Colleen Ingman, Municipal Clerk
Date: June 4, 2014
Subject: Contracts for the Municipal Administrator and Attorney

At the meeting of May 13, 2014 I was asked to meet with Assemblymembers Reif and Miyasato to come up with straightforward and simplified employee contracts for your two employees.

On May 28, 2014 I met with both Assemblymembers Reif and Miyasato to review the contracts. At that time a couple minor edits were offered. Specifically there was a desire to make it clear that if the employee terminated the contract on their own there would be no severance paid. Under Section 2: A Term, second paragraph, a clarifying statement was added to the end of the paragraph. In Section 4: Salary, it was the desirous that these employees' annual salary adjustments be considered at the time of their evaluations or April of each year. However, since no adjustments took place at their last satisfactory evaluations and the intent was to address them following the Fox Lawson Study the Municipal Attorney is respectfully requesting to have her pay adjusted by 5% effective July 1, which is referenced in the attached contract.

I'm attaching Alaska Municipal League's Salary Survey for these positions effective July 1, 2013 for your reference.

Attachment

Manager or Administrator

All salary rates are monthly; all employees are full time. This is an appointed position.

Municipality	Population	Specific Working Title	Job Match	# of Employees	Union or Nonunion	Work Wk	Lowest Wage	Average Wage	Highest Wage	Note:
Fairbanks North Star Borough	98,660	Chief of Staff	Same	1	Non	40	\$0.00	\$56.45	\$0.00	
Matanuska-Susitna Borough	91,946	Borough Manager	Same	1	Non	40	\$0.00	\$82.50	\$0.00	
Juneau	31,275	Borough Manager	More	1	Non	40	\$0.00	\$69.71	\$0.00	Determined by the Assembly
Kodiak Island Borough	13,592	Borough Manager	Same	1	Non	40	\$0.00	\$59.13	\$0.00	
Ketchikan Gateway Borough	13,477	Manager	Same	1	Non	40	\$0.00	\$63.94	\$0.00	
Sitka	8,627	Administrator	Same	1	Non	40	\$0.00	\$58.65	\$0.00	
Kenai	7,115	City Manager	Same	1	Non	40	\$0.00	\$74.53	\$0.00	Contract
North Slope Borough	6,751	Chief Administrative Officer	Same	1	Non	37.5	\$0.00	\$86.68	\$0.00	
Kodiak	5,974	City Manager	Same	1	Non	40	\$0.00	\$55.22	\$0.00	
Homer	5,551	Manager	Same	1	Non	40	\$0.00	\$52.45	\$0.00	
Palmer	5,382	City Manager	Same	1	Non	40	\$0.00	\$50.00	\$0.00	
Unalaska	4,297	City Manager	Same	1	Non	40	\$0.00	\$72.17	\$0.00	\$7500 lump sum bonus in addition to annual contractual increase
Soldotna	4,021	Manager	Same	1	Non		\$0.00	\$0.00	\$0.00	\$132,355.00 Year
Valdez	3,992	Manager	More	1	Non	40	\$0.00	\$60.02	\$0.00	Exempt-appointed
Nome	3,468	City Manager	Same	1	Non	37.5	\$0.00	\$51.09	\$0.00	
Petersburg	3,030	City Manager	Same	1	Non	40	\$0.00	\$50.48	\$0.00	Contract Employee
Seward	2,733	City Manager	Same	1	Non	40	\$0.00	\$53.58	\$0.00	
Aleutians East Borough	2,659	Administrator	Same	1	Non	40	\$0.00	\$63.08	\$0.00	
Dillingham	2,491	City Manager	Same	1	Non	40	\$0.00	\$55.29	\$0.00	Wage of last Full-Time City Manager. Currently have Interim City Manager.
Wrangell	2,144	Borough Manager	Same	1	Non	40	\$0.00	\$60.23	\$0.00	

**EMPLOYMENT AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND MARK GORMAN**

This "Employment Agreement Between City and Borough of Sitka and Mark Gorman" ("Agreement") is entered into by the City and Borough of Sitka, a municipal corporation of the State of Alaska ("CBS"), and Mark Gorman ("the Municipal Administrator"), referred to in this Agreement individual as "Party" and collectively as "Parties," with the terms and conditions set out as follows:

RECITALS

1. CBS desires to employ the services of the Municipal Administrator; and
2. The Municipal Administrator desires to maintain employment as the Municipal Administrator for CBS, a position he has held since October, 2013.

In consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

SECTION 1: THE MUNICIPAL ADMINISTRATOR EMPLOYMENT AND DUTIES

CBS agrees to employ the Municipal Administrator to assist in performing the functions and duties specified of the Sitka Municipal Administrator in the Charter of the City and Borough of Sitka and Sitka General Code and to perform such other legally permissible and proper duties and functions as the City and Borough Assembly shall from time to time assign.

SECTION 2: TERM, DISCHARGE AND RESIGNATION

A. TERM

This Agreement shall have a term commencing July 1, 2014 and ending June 30, 2017, hereinafter the termination date. The Municipal Administrator agrees to remain in the exclusive employment of CBS until said termination date unless this Agreement is earlier terminated as hereinafter provided.

Should the Municipal Administrator continue working for CBS after expiration of this contract without a new contract being signed or this contract being renewed, the Municipal Administrator will be employed under the same terms and conditions as contained in this Agreement until the Municipal Administrator relationship is severed, with the exception of Section 3.

Nothing in this Agreement prevents the Parties from extending the term of this Agreement by mutual agreement.

B. DISCHARGE

The Municipal Administrator agrees he is an at-will employee – serving at the pleasure of CBS Assembly. He may be suspended or discharged without advance notice and without

cause at any time during a lawfully scheduled meeting by a vote of at least four members of the Assembly.

C. RESIGNATION

The Municipal Administrator may terminate this Agreement for any reason, or no stated reason, upon giving ninety (90) calendar days written notice to CBS. In the event The Municipal Administrator voluntarily terminates employment, CBS shall be under no obligation to The Municipal Administrator except to pay salary, benefits and accrued leave, to the date the resignation is effective, less the amount of any unpaid balance owed to CBS by The Municipal Administrator.

SECTION 3: SEVERANCE PAY

In the event the Municipal Administrator is terminated by Assembly during such time as the Municipal Administrator is willing and able to perform the duties of the Municipal Administrator, CBS shall give the Municipal Administrator ninety (90) days of severance pay, unless The Municipal Administrator is terminated for commission of a crime or gross misconduct. Severance pay shall constitute a lump sum cash payment equal to the monetary value of all pay and benefits provided for the period of severance pay due, except that CBS shall pay directly for the Municipal Administrator's CBS-sponsored health insurance for ninety (90) calendar days after separation under COBRA. Employee shall be entitled to accrued leave as of the date of separation.

SECTION 4: SALARY

During the term of Agreement, CBS agrees to pay the Municipal Administrator for services rendered pursuant to an annual base salary of \$125,000 per year. Any future adjustments to his salary will be made in April and coincide with his evaluation provided the Municipal Administrator receives a satisfactory work performance from at least four of seven members of the Assembly.

SECTION 5: PERFORMANCE REVIEW

CBS agrees to review the Municipal Administrator's performance annually on the third Tuesday in April.

SECTION 6: HOURS OF WORK

The Municipal Administrator is exempt from the provisions of the Fair Labor Standards Act and shall not be bound to a workweek of any set number of hours. The Municipal Administrator is expected to work as many hours as the responsibilities of his position requires. As a result, the Municipal Administrator shall not be paid overtime or allowed to accrue compensatory time.

SECTION 7: VACATION AND BENEFITS

The terms and conditions of leave are subject to the provisions of CBS Personnel Policies Handbook. CBS will provide the Municipal Administrator with sick leave, health insurance and other benefits on the same basis that these benefits are provided to other CBS employees, as described in the Personnel Policies Handbook, with a vacation accrual rate of 16.67 hours per month of annual leave to the Employee starting July 1, 2014 and every year thereafter.

IN WITNESS THEREOF, CBS approves this Agreement by a majority vote of its Assembly, and has authorized this Agreement be signed and executed on its behalf by its Mayor and duly attested by its Municipal Clerk, and the Municipal Administrator also executes this Agreement freely and voluntarily, on this 10th day of June, 2014.

Mark Gorman

Date

CITY AND BOROUGH OF SITKA

Mim McConnell, Mayor

Date

ATTEST:

Colleen Ingman, MMC, Municipal Clerk

Date

POSSIBLE MOTION

2)

I move to approve the Municipal Attorney Robin Koutchak's employment contract per attached.

Attorney-Municipal

Can be either a salaried employee of the city, or on retainer and used as needed

Municipality	Population	Specific Working Title	Job Match	# of Employees	Union or Nonunion	Work Wk	Lowest Wage	Average Wage	Highest Wage	Note:
Fairbanks North Star Borough	98,660	Borough Attorney	Same	1	Non	40	\$0.00	\$64.40	\$0.00	
Matanuska-Susitna Borough	91,946	Borough Attorney	Same	1	Non	40	\$0.00	\$67.50	\$0.00	
Juneau	31,275	City/Borough Attorney	More	1	Non	40.0	\$0.00	\$67.69	\$0.00	Determined by the Assembly
Juneau	31,275	Assistant City/Borough Attorney	More	4	Non	37.5	\$44.57	\$51.38	\$54.82	
Fairbanks	31,182	City Attorney	Same	1	Non	40	\$0.00	\$46.04	\$0.00	
Ketchikan Gateway Borough	13,477	Attorney-Municipal	Same	1	Non	40	\$0.00	\$63.98	\$0.00	
Sitka	8,627	Municipal Attorney	Same	1	Non	40	\$0.00	\$50.57	\$0.00	
Kenai	7,115	Attorney	Same	1	Non	40	\$0.00	\$61.59	\$0.00	Contracted
North Slope Borough	6,751	Borough Attorney	Same	1	Non	37.5	\$0.00	\$78.62	\$0.00	

**EMPLOYMENT AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND ROBIN L. KOUTCHAK**

This "Employment Agreement Between City and Borough of Sitka and Robin L. Koutchak" ("Agreement") is entered into by the City and Borough of Sitka, a municipal corporation of the State of Alaska ("CBS"), and attorney Robin L. Koutchak ("Attorney"), referred to in this Agreement individual as "Party" and collectively as "Parties," with the terms and conditions set out as follows:

RECITALS

1. CBS desires to employ the services of Attorney; and
2. Attorney desires to maintain employment as Attorney for CBS, a position she has held since March, 2013.

In consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

SECTION 1: ATTORNEY EMPLOYMENT AND DUTIES

CBS agrees to employ Attorney to assist in performing the functions and duties specified of the Sitka Municipal Attorney in the Charter of the City and Borough of Sitka and Sitka General Code and to perform such other legally permissible and proper duties and functions as the City and Borough Assembly shall from time to time assign.

SECTION 2: TERM, DISCHARGE AND RESIGNATION

A. TERM

This Agreement shall have a term commencing July 1, 2014 and ending June 30, 2017, hereinafter the termination date. Attorney agrees to remain in the exclusive employment of CBS until said termination date unless this Agreement is earlier terminated as hereinafter provided.

Should Attorney continue working for CBS after expiration of this contract without a new contract being signed or this contract being renewed, the Attorney will be employed under the same terms and conditions as contained in this Agreement until the Attorney relationship is severed with the exception of Section 3.

Nothing in this Agreement prevents the Parties from extending the term of this Agreement by mutual agreement.

B. DISCHARGE

Attorney agrees she is an at-will employee – serving at the pleasure of CBS Assembly. She may be suspended or discharged without advance notice and without cause at any time during a lawfully scheduled meeting by a vote of at least four members of the Assembly.

C. RESIGNATION

Attorney may terminate this Agreement for any reason, or no stated reason, upon giving ninety (90) calendar days written notice to CBS. In the event Attorney voluntarily terminates employment, CBS shall be under no obligation to Attorney except to pay salary, benefits and accrued leave, to the date the resignation is effective, less the amount of any unpaid balance owed to CBS by Attorney.

SECTION 3: SEVERANCE PAY

In the event Attorney is terminated by Assembly during such time as Attorney is willing and able to perform the duties of Attorney, CBS shall give Attorney ninety (90) days of severance pay, unless Attorney is terminated for commission of a crime or gross misconduct, which would be the kind of conduct which could result in the loss or suspension of her license to practice law. Severance pay shall constitute a lump sum cash payment equal to the monetary value of all pay and benefits provided for the period of severance pay due, except that CBS shall pay directly for Attorney's CBS-sponsored health insurance for ninety (90) calendar days after separation under COBRA. Employee shall be entitled to accrued leave as of the date of separation.

SECTION 4: SALARY

During the term of Agreement, CBS agrees to pay the Municipal Attorney for services rendered pursuant to an annual base salary of \$117,374.40 with a 5.0% increase on July 2014 to \$123,240.00. Any future adjustments to her salary will take place in April and coincide with her evaluation provided the Municipal Attorney receives a satisfactory work performance from at least four of seven members of the Assembly.

SECTION 5: PERFORMANCE REVIEW

CBS agrees to review Attorney's performance annually on the third Tuesday in April.

SECTION 6: HOURS OF WORK

Attorney is exempt from the provisions of the Fair Labor Standards Act and shall not be bound to a workweek of any set number of hours. Attorney is expected to work as many hours as the responsibilities of her position requires. As a result, Attorney shall not be paid overtime or allowed to accrue compensatory time.

SECTION 7: VACATION AND BENEFITS

The terms and conditions of leave are subject to the provisions of CBS Personnel Policies Handbook. CBS will provide Attorney with sick leave, health insurance and other benefits (including the payment of bar dues as is currently done) on the same basis that these benefits are provided to other CBS employees, as described in the Personnel Policies Handbook, except with

a vacation accrual rate of 16.67 hours per month of annual leave to the Employee starting July 1, 2014 and every year thereafter.

IN WITNESS THEREOF, CBS approves this Agreement by a majority vote of its Assembly, and has authorized this Agreement be signed and executed on its behalf by its Mayor and duly attested by its Municipal Clerk, and Attorney also executes this Agreement freely and voluntarily, on this 10th day of June, 2014.

ROBIN L. KOUTCHAK

Date

CITY AND BOROUGH OF SITKA

Mim McConnell, Mayor

Date

ATTEST:

Colleen Ingman, MMC, Municipal Clerk

Date