



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 Pete Esquiro,
Vice Deputy Mayor Thor Christianson,
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, September 10, 2013

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

V. CEREMONIAL MATTERS

National Recovery Month Proclamation

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

ANB Harbor project update -- Moffat + Nichol and Shawn McFarlane (10 minutes)

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 [13-176](#) Approve the Assembly meeting minutes of August 26 & 27, 2013
Attachments: [Minutes 8-26 8-27](#)
- B [13-171](#) Approve an award to Schmolck Mechanical Contractors to supply two 40,000 gallon fuel tanks at a base bid of \$286,000 plus costs for installation of the associated equipment and a contingency
Attachments: [Memo Bulk Fuel Tanks](#)
- C [13-173](#) Award of a sole source responsive bid to Munson Boats for a 32' boat capable of handling fish waste disposal - \$249,653.00 (100% funded from Chinook Salmon Mitigation Infrastructure Grant)
Attachments: [Landing Craft](#)
- D [RES 13-14](#) Submitting the City and Borough of Sitka 2015 Legislative Priorities
Attachments: [RES 2013-14 Legislative Priorities](#)
- E [RES 13-15](#) Approving the City and Borough of Sitka submit an Alaska Energy Authority Renewable Energy Grant for Heat Pump Projects at the Wastewater Treatment Plant, Harrigan Centennial Hall and the Kettleson Memorial Library
Attachments: [RES 2013-15 Heat Pump Grant App.](#)
- F [ORD 13-37](#) Adjusting the FY13 and FY14 Budgets
Attachments: [ORD 2013-37 Fourth Quarter](#)
- X. **UNFINISHED BUSINESS:**
- G [ORD 13-33](#) Reenacting SGC at Chapter 2.32 entitled Strategic Planning Commission
Attachments: [ORD 2013-33 Strategic Planning Commission](#)
- H [ORD 13-34](#) Amending SGC Title 22 Zoning to revise SGC 22.20.038 Residential Demolition Guarantee
Attachments: [ORD 2013-34](#)
- I [ORD 13-35](#) Authorizing the sale of municipal benchland property identified as Tract A14-III in Whitcomb Heights III and Tracts A13, A12-III and Blocks 8 and 9 in Whitcomb Heights Subdivision - passage will include approval of associated Purchase Agreement and Warranty Deeds
Attachments: [ORD 2013-35 \(wo\)](#)
- XI. **NEW BUSINESS:**

New Business First Reading

- J** [ORD 13-38](#) Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$50,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank
Attachments: [ORD 2013-38 Electrical Bonds](#)
- K** [ORD 13-39](#) Amending Subsection 15.01.020 of the SGC Electrical rates by increasing rates for all customer classes to fund approved electrical utility capital projects including the Blue Lake hydroelectric expansion project - Effective July 2014
Attachments: [ORD 2013-39 Electrical Rates July 2014](#)
- L** [ORD 13-36](#) Amending the official Sitka Zoning Map to rezone a portion of Lot 5C Department of Public Safety Subdivision U.S. Survey 407 Tract B from R-2 MHP Multifamily and Mobile Home to I Industrial
Attachments: [ORD 2013-36 Zoning BIHA](#)

Additional New Business Items

- M** [13-175](#) Approve transfer(s) and/or designations from the General Fund to the Public Infrastructure Sinking Fund
Attachments: [Assembly Sinking Fund Dedication to Edgecumbe Dr 9-5-13](#)
- N** [13-172](#) Award Non-Profit Grants for FY'14
Attachments: [Non Profit Grants](#)
- O** [13-174](#) Discussion/Direction on a compensation study for non-represented employees
Attachments: [Memo Non-represented employess](#)

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: 9-6-13*



Legislation Details

File #: 13-176 **Version:** 1 **Name:**
Type: Minutes **Status:** AGENDA READY
File created: 9/4/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Approve the Assembly meeting minutes of August 26 & 27, 2013
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes 8-26 8-27](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Pete Esquiro,
Vice Deputy Mayor Thor Christianson,
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Monday, August 26, 2013

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

IV. PERSONS TO BE HEARD

V. UNFINISHED BUSINESS:

A 13-169 Selection of a Municipal Administrator for the City and Borough of Sitka - executive session anticipated and requested.

Mayor thanked the staff for an exceptional job with the hiring process adding there were some excellent final candidates.

Jennifer Robinson, Executive Director of the Chamber of Commerce, and Tom Hesse of Sitka Sentinel encouraged the Assembly to hold as much of their discussion in public as possible. Ed Ronco of Raven Radio echoed their statements.

Following the executive session the Mayor made a statement that there were strong opinions for various candidates and after a lengthy debate added Jay Sweeney's name to the list of potential candidates. The Assembly would continue their discussion Tuesday evening.

A motion was made by Christianson to go into executive session under the statutory category of discussing subjects that tend to prejudice the reputation and character of any person for a candid discussion and review of the CBS Municipal Administrator candidates(s): Mark Gorman, Cynna Gubatayao, Jim Pascale and Pam Caskie who recently interviewed.

Following the executive session Hunter moved to reconvene in regular session. That motion CARRIED unanimously.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

VI. EXECUTIVE SESSION

A motion was made by Hackett to go into executive session to discuss confidential legal advice with the Municipal Attorney and outside Counsel Michael Gatti on Sitkans for Responsible Government V. City and Borough of Sitka, which may have immediate adverse legal and financial consequences for the CBS and involve matters that are required by law to be confidential.

Following the executive session Hackett moved to reconvene in regular session. That motion CARRIED unanimously.

The Mayor stated the Assembly had given the Municipal Attorney direction on the matter.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

VII. ADJOURNMENT

A motion was made by Christianson that this meeting be ADJOURNED. No objections were heard and the meeting adjourned at 8:27 PM.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk



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Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
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*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, August 27, 2013

6:00 PM

Assembly Chambers

REGULAR MEETING

Present: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

A 13-168 Correspondence

Hackett read a comment from an Anchorage baseball coach who decided to extend their stay in Sitka this summer saying: "Why would we leave this place? We have a great place to stay (Sitka Fine Arts Camp), and we get to practice on the beautiful feild every day. Sitka is my new favorite place. Sitka rocks!" Hackett noted the potential solution for a temporary filtration plant could be the State purchasing the plant and the City in turn leasing from the State. Reif mentioned using ocean transporters as our water source during the interim.

V. CEREMONIAL MATTERS

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

Government-to-Government - Ben Miyasato, Vice Chair of STA, read a letter from STA Deputy General Manager and Tribal Planner, Tristan Guevin, supporting the development of the Long Range Strategic Planning Commission and added "STA is firmly committed to working with the City to play an active and constructive role in the development of long-range plans and strategies to make our community a better

place for all Sitkans.”

Sitka School District - Chair of the Sitka School Board, Lon Garrison, announced school would start August 28 and noted there were a number of new teachers and staff in the District.

VII. PERSONS TO BE HEARD

VIII. REPORTS

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

Interim Administrator - reported on his recent visit with Deven Mitchell of the Alaska Municipal Bond Bank. Mitchell visited Sitka to see the Blue Lake Dam project and discuss the next bond sale slated for this fall.

Attorney - Stated she was working on rewriting Title 13 of SGC which currently contained antiquated terms and illegal items. She noted the Legal Department had hired, with support from the Harbor Department, outside counsel to assist in the rewrite.

Liaisons - Putz reported on the STA Council meeting and Hackett followed with a report on a recent Tourism Commission meeting. Hackett mentioned Sitka Community Hospital (SCH) CEO, Hugh Hallgren, had written a letter to Senator Begich regarding the possibility of SCH losing their critical access status, which would be very detrimental for Sitka. Christianson encouraged Mayor McConnell to write a similar letter to Senator Begich; no objections were heard.

Clerk - Mentioned the request to move the first meeting in October by one day to accommodate the Alaska Tourism Conference opening ceremony. The Assembly decided on Monday, October 7. She informed that normally the Administrator and Mayor attend Southeast Conference. However, this year it is being held in Sitka so others may be interested and if so to get in touch with the clerk's office.

IX. CONSENT AGENDA

- A 13-166** Approve the minutes of the August 5, 6, 7 & 13, 2013 Assembly meetings.

A motion was made by Hunter that this Minutes be APPROVED. The motion PASSED by an unanimous vote.

X. UNFINISHED BUSINESS:

- B ORD 13-33** Reenacting Sitka General Code at Chapter 2.32 entitled "Long-Range Strategic Planning Commission"

John Holst mentioned CBS had a contractual agreement with Sitka Economic Development Association (SEDA) and asked SEDA to conduct meetings and look at

issues that were raised by the public and to allow the formation of an ad-hoc committee to deal with specific issues.

Putz noted the Ordinance revisions: reduced number of members from seven to five and changed the term of service from three years to two. Hunter added he saw the role of this Commission to be along the lines of problem solving versus economic development.

A motion was made by Hackett that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

XI. NEW BUSINESS:

New Business First Reading

C ORD 13-34 Amending SGC Title 22 Zoning to revise SGC 22.20.038 Residential Demolition Guarantee.

Reif questioned the caveat of one year. Planning Director, Wells Williams, mentioned the applicant of record was Barnaby Dow and explained the timeframe was actually two years since the Code allowed for a one year extension. Williams stated there was no requirement that it be completed in one, two or three years. Hackett expressed concern with the language or lack thereof in the notice.

A motion was made by Reif that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

D ORD 13-35 Authorizing the sale of municipal benchland property identified as Tract A14-III in Whitcomb Heights III and Tracts A13, A12-III and Blocks 8 and 9 in Whitcomb Heights Subdivision - passage will include approval of associated Purchase Agreement and Warranty Deeds.

Christianson expressed appreciation to Municipal Attorney, Robin Koutchak, for her work on this. Interim Administrator, Jay Sweeney, read a statement that spoke to the many passions, opinions and concerns both for and against, he had heard on the issue.

Putz spoke to the waiver, time of performance, and timeframe. Koutchak spoke to the elimination of the reverter clause and explained the waiver.

Reif asked for a definition of "total build up" - Todd Fleming and Jeremy Twaddle of Sound Development explained. They also reiterated they will be providing lots, not building homes.

The Assembly noted this sale only represented 10% of the Benchlands property. Assembly members urged other interested parties to come forward with an RFP. Mayor McConnell noted she had received a call about enough easements for the Cross Trail. Twaddle stated there was no intention to move or remove the Cross Trail.

He noted there was a partial easement through one lot at this time and that notation had been made in the agreement.

Esquiro wondered about a green strip between Sand Dollar Drive and Parcel C. Planning Director, Wells Williams, didn't recall anything specific or remember any Assembly action in regards to a green strip. Williams noted before Tract C was developed the project would come before the Assembly at a worksession. The Mayor added she also requested the future worksession to address her concerns of affordable housing.

A motion was made by Christianson that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

Additional New Business Items

- E 13-165** Approve a non-monetary sponsorship for Sitka Sound Science Center's application to the Alaska Energy Authority for a salt water heat pump.

Sitka Sound Science Center Executive Director, Lisa Busch, and Lon Garrison, Aquaculture Director, addressed the Assembly. Garrison noted it was fortunate the Center had a sea water intake and added funding was recently received to upgrade it.

Garrison explained the Center had the opportunity to tie into a deep well which would allow for connection to a heat exchange system. This in turn could supply a local heating district. For example, Sheldon Jackson Fine Arts Camp and other nearby neighbors could tap into the heat via a heat pump.

Esquiro didn't want to see this project costing the City. Interim Administrator, Jay Sweeney, said the City would serve as the grantee. There would be an administration burden and a nominal amount would be asked for from Sitka Sound Science Center to cover that. Busch and Garrison noted they were comfortable with the fee.

A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

XII. PERSONS TO BE HEARD:

Lon Garrison addressed the Assembly. Garrison said he held Mr. Sweeney in very high regard and appreciated his work, however, adding Mr. Sweeney to the list of Administrator candidates now could cast into question the transparency and equity amongst the other members applying for the Administrator position.

Human Resources Director, Mark Danielson, thanked the Assembly for going through a thoughtful process, however, Monday night's conversation of potentially adding Sweeney had placed a cloud over the process. "I've heard the term 'backdoor deal' at least a dozen times today," he said.

XIII. EXECUTIVE SESSION**F 13-170 Selection of Municipal Administrator continued from 8-26-13.**

Tom Hesse, Sitka Sentinel reporter, urged the Assembly to hold as much of their discussion in public as possible. Ed Ronco of Raven Radio echoed Tom's comments.

Sweeney paraphrased an email he sent to the Assembly. Sweeney thanked Assembly members for considering him; however, he did not have aspirations for becoming the Administrator right now. It would be a good fit for him someday. Only if the Assembly were to end up hopelessly deadlocked would he be willing to serve in a temporary or permanent position out of a sense of obligation and duty. Sweeney also stated he was concerned about public perception - of being selected without having earned it and going through the process and he did not want his consideration to be a sense of controversy.

Mayor McConnell added the Assembly had been through a long transparent process and needed to complete the process. She summarized the previous night's actions and explained when Jay Sweeney's name was mentioned he was excused from the room and the executive session concluded.

Christianson noted he was the one that brought up Jay's name he was one that was flopping around. He didn't have a strong opinion. Jay met most of the things he wanted to see in a candidate. He wanted to find the best candidate for the job and fairness wasn't the leading issue for him, finding the best candidate was.

Putz proclaimed the Assembly did follow the public process and the Alaska Open Meeting Act correctly. Hackett was proud of the Assembly for the process thus far. She stated she was a process person and adding a fifth name now would be detrimental to the process. She believed the incident last night was seen as a misconception and unfortunately eroded some trust within the community.

Hunter believed Sweeney would someday make a fine Administrator but to consider him now was not proper. Reif stated the possibility the Assembly may have damaged the relationship with some of the other candidates. Esquiro didn't have a problem leaving off where the meeting ended the previous night and added it was unfortunate Sweeney's name was brought up. Both he and Reif suggested if the Assembly could not come to a consensus on a candidate that the process start over.

Ultimately the Assembly decided not to include Sweeney's name or consider him as a candidate.

Motion was made by Hunter to go into Executive Session under the statutory category of discussing subjects that tend to prejudice the reputation and character of any person. For a candid discussion and review of the CBS Municipal Administrator candidates: Mark Gorman, Cynna Gubatayao, Jim Pascale and Pam Caskie who recently interviewed and further discuss salary that may have an immediate impact on the finances of the CBS and exclude Municipal Attorney Robin Koutchak and Interim Municipal Administrator Jay Sweeney and include Human Resources Director Mark Danielson.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

Motion by Reif to amend by only inviting in the Human Resource Director and Municipal Attorney as needed. The Amendment FAILED.

Yes: 3 - Christianson, Esquiro, and Reif

No: 4 - Hunter, Putz, McConnell, and Hackett

A motion was made by Hunter to reconvene in regular session. That motion PASSED unanimously.

A motion was made by Christianson that the vote on the appointment of municipal administrator be RECONSIDERED. The motion to reconsider PASSED by the following vote.

Yes: 5 - Christianson, Reif, Hunter, Putz, and Hackett

No: 2 - Esquiro, and McConnell

Hunter nominated Mark Gorman and Reif nominated Cynna Gubatayao. Both candidates received support. That action was followed by a vote for reconsideration. The official vote was unanimous for Gorman. Following the vote the Municipal Administrator salary and benefits were brought up.

A motion was made by Hackett to offer Mark Gorman the position of Municipal Administrator for the CBS at a starting salary of \$125,000 with a moving allowance of up to \$15,000 (if applicable), and a beginning leave accrual of 12.67 hours with two weeks leave deposition in the leave bank.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

XIV. ADJOURNMENT

A motion was made by Christianson to adjourn. No objections were heard and the meeting adjourned at 10:20 PM.



Legislation Details

File #: 13-171 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 9/4/2013 **In control:** City and Borough Assembly

On agenda: 9/10/2013 **Final action:**

Title: Approve an award to Schmolck Mechanical Contractors to supply two 40,000 gallon fuel tanks at a base bid of \$286,000 plus costs for installation of the associated equipment and a contingency

Sponsors:

Indexes:

Code sections:

Attachments: [Memo Bulk Fuel Tanks](#)

Date	Ver.	Action By	Action	Result
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Memorandum

September 4, 2013

To: Jay Sweeny, Interim Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Jarvis Street Diesel Capacity Increase - Award of Contract - Supply of Bulk Fuel Tanks**

Request:

I request Assembly approval authorizing the Municipal Administrator to issue Schmolck Mechanical Contractors a Notice of Award and enter into an agreement for supply of two (2) 40,000 gallon fuel tanks. The base contract amount would be \$286,000 plus an additional \$125,000 for procurement and installation of fuel piping, fuel forwarding pumps, fuel truck loading manifolds, field services, and contingency for a total contract cost of \$411,000.

Background:

The City and Borough of Sitka posted the Request for Proposals on June 18, 2013 and bids were received from one (1) bidder and opened on July 19, 2013 as noted below. The bid results are as follows:

<u>Company</u>	<u>Base Bid</u>
Schmolck Mechanical Contractors	\$286,000

Analysis:

The sole bid meets all technical requirements and is deemed a responsive bid. Schmolck is a licensed mechanical contractor and will be utilized to install the fuel tanks and associated infrastructure. Fuel quality is a critical issue for this project and Solar Turbines have expressed significant concerns about fuel quality. In fact, we are working closely with a Solar Consultant to develop and build a fuel conditioning skid that will allow extensive fuel filtering and treatment. The key component in ensuring a long, happy life for the turbine is consistent fuel quality.

Two new fuel tanks along with the fuel polishing skid will ensure our capability to provide clean fuel that meets Solar specifications as well as providing a new capability to condition fuel from the existing diesel bulk fuel storage tank.



Legislation Details

File #: 13-173 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 9/4/2013 **In control:** City and Borough Assembly

On agenda: 9/10/2013 **Final action:**

Title: Award of a sole source responsive bid to Munson Boats for a 32' boat capable of handling fish waste disposal - \$249,653.00 (100% funded from Chinook Salmon Mitigation Infrastructure Grant)

Sponsors:

Indexes:


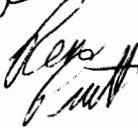
Code sections:

Attachments: [Landing Craft](#)

Date	Ver.	Action By	Action	Result
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MEMORANDUM

To: Mayor McConnell and Assembly Members
John P. Sweeney III, Interim Municipal Administrator

From: Marlene Campbell, Government Relations Director 
Ron Pratt, Harbor Maintenance Supervisor 

Reviewed: Robin Koutchak, Municipal Attorney ✓

Date: September 4, 2013

Subject: Award of Responsive Bid for Catamaran Landing Craft

Background

The City and Borough of Sitka applied for and received a 2013 Southeast Alaska Chinook Salmon Mitigation Infrastructure Grant in the amount of \$250,000, the maximum permitted under the grant. The purpose of this grant is to fund the Sitka Fish Waste Disposal Solution for the Sitka sport fishers by purchasing a 32 foot tunnel hull Catamaran Landing Craft capable of loading, transporting, and unloading totes containing fish carcasses during the summer fishing season. The CBS Harbor Department will use the craft throughout the year for all needed harbor purposes including raising and towing sunk vessels, dock repairs, and other tasks the Harbor Department currently is unable to perform with its small skiffs.

Analysis

The Harbor Department has needed a large, sturdy harbor vessel capable of safely hauling heavy fish waste out to open ocean where it can be legally dumped, as well as other harbor projects requiring a crane, totes, and very sturdy work platform. This power barge was specifically designed to meet the Harbor Department's requirements for summer fish waste disposal, which must currently be contracted out. Each tote weighs up to 1,000 pounds. The power barge requires specialized stability and equipment to safely perform its duties.

Fiscal Note:

The Chinook Salmon Mitigation Infrastructure Grant of \$250,000 will fund 100 percent of the 32 foot Catamaran Landing Craft and trailer bid purchase. The Harbor Department will provide approximately \$8,500 for additional additive alternates and shipping. The Harbor Enterprise Fund has funding for this additional purchase. The acquisition of this power barge and utilization by existing harbor staff will save the Harbor Enterprise Fund approximately \$44,000 per year currently being paid to the contractor for the Fish Waste Disposal, plus other contract charges the Harbor Department has had to pay for use of vessels to complete harbor tasks the Department has been unable to complete in-house. Cost of maintenance/fuel for the power barge is estimated at less than \$5,000. The Harbor Department carefully maintains its vessels (some dating from the 1980's), and the power barge should be functional for 20+ years.

Recommendation:

Approve sole responsive bid by Munson boats in the amount of \$249,653.00.

CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2013-05

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA, APPROVING
SUBMITTAL AND EXECUTION OF A SOUTHEAST ALASKA CHINOOK SALMON
MITIGATION INFRASTRUCTURE GRANT FOR UP TO \$250,000 FOR FISH WASTE
DISPOSAL

WHEREAS, the State of Alaska is providing one-time targeted grant funding through the Southeast Alaska Chinook Salmon Mitigation Infrastructure Grants; and

WHEREAS, City and Borough of Sitka is eligible to apply for this funding to enable the Sitka Harbor System to more efficiently and cost effectively dispose of fish waste generated by sport fishers who are required by Alaska Department of Fish and Game to bring their salmon carcasses to the Sitka Harbor System, but the carcasses can no longer be dumped in the water at the fish cleaning floats due to serious marine mammal and bird attraction safety problems adversely impacting Sitka Airport; and

WHEREAS, Sitka has the largest small-boat harbor system in Alaska, and the Harbor Department has hired a private contractor to handle the large sport angler fish waste disposal for several years, but the average four-month cost of \$42,000 is prohibitively expensive, and a permanent solution is needed and there are no other viable carcass disposal options available; and

WHEREAS, if this grant is received, the Sitka Harbor Department could purchase a greatly needed powered barge of sufficient size and carrying capacity to provide a stable platform to collect fish waste and safely relocate it to open water well beyond the Airport at a much lower cost and greater safety and efficiency than is currently possible;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports this Chinook Salmon Mitigation Infrastructure Grant for fish waste disposal as its highest priority project request and agrees, subject to available Grant funding and selection by the Alaska Department of Commerce, Community, and Economic Development (DCCED), to enter into a grant agreement with the State of Alaska, DCCED, for this Southeast Alaska Chinook Salmon Mitigation Infrastructure Grant;

AND BE IT FURTHER RESOLVED by the Assembly of the City and Borough of Sitka that the Municipal Administrator is authorized to apply for the grant and to execute the grant if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 12th day of March, 2013.



Mim McConnell, Mayor

Attested by



Colleen Ingman, MMC, Municipal Clerk

RFQ ID: RFQ814919 RFQ Title: City of Sitka, Alaska - Seeking 32-foot Catamaran Landing Craft RFQ Status: Closed	Reference #: RFQ Close Date: 09/03/2013 08:00:00 PM EDT														
Quote ID: RFQ814919-FZA Quote Status: Pending Response	Total Quote Price: \$249,653.00 This quote is good until: 11/02/2013 08:00:00 PM EDT Prompt Pay: 0 Days 0% FOB: Destination Socio-Economic: <u>s</u> DUNS: 867238842														
Vendor: WILLIAM E. MUNSON COMPANY  Contract Number: GS-07F-0442M Expires: 07/31/2017 Schedule/SIN: 84/260 01 Contact: Jesse Munson 360 707 2752 jesse@munsonboats.com															
Line Items (Specific items added by the vendor to complete this quote are listed below, beneath the RFQ line item)															
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:20%;">Mfr. Part/Item #</th> <th style="width:20%;">Manufacturer</th> <th style="width:30%;">Product/Service Name</th> <th style="width:5%;">Qty</th> <th style="width:5%;">Unit</th> <th style="width:10%;">Unit Price</th> <th style="width:10%;">Total Price</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: right;">Total Line Items:</td> <td style="text-align: right;">\$0.00</td> </tr> </tbody> </table>		Mfr. Part/Item #	Manufacturer	Product/Service Name	Qty	Unit	Unit Price	Total Price	Total Line Items:						\$0.00
Mfr. Part/Item #	Manufacturer	Product/Service Name	Qty	Unit	Unit Price	Total Price									
Total Line Items:						\$0.00									
Vendor Comments Vendor Attached Documents: 32-12SITKA HARBOR PKCAT 8.28.13-2.pdf past performance.pdf company overview.pdf ABYC electrical certification.pdf AWS welding certification.pdf															
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%; text-align: right;">Total Dollar Amount in Attached Documents:</td> <td style="text-align: right;">\$249,653.00</td> </tr> <tr> <td style="text-align: right;">FOB Transportation Cost:</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td style="text-align: right;">Total Quote:</td> <td style="text-align: right;">\$249,653.00</td> </tr> </table>		Total Dollar Amount in Attached Documents:	\$249,653.00	FOB Transportation Cost:	\$0.00	Total Quote:	\$249,653.00								
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FOB Transportation Cost:	\$0.00														
Total Quote:	\$249,653.00														
Buyer Notes															



15806 Preston Place, Burlington, WA USA 98233
Phone: 360 707 2752 Fax: 360 707 2842
www.munsonboats.com

August 28, 2013

RFQ ID: RFQ814919

For one

32' CATAMARAN LANDING CRAFT

For

CITY OF SITKA

Dept. of Public Works

Sitka, Alaska 99835

Contact: Ron Pratt

Ph: 907 747 4013 Email: ronp@cityofsitka.com

OVERVIEW: The following specifications describe a welded aluminum 32' x 12' PACKCAT planing tunnel hull catamaran landing craft (US Patents 8281730B2 and D438506S) to be used as cargo transporter and general purpose harbor workboat. Boat will tow containment boom and transport equipment. Boat will transport totes containing fish carcasses. Each tote weighs 1000 lbs. Totes will be lifted off dock using boat's crane and placed on deck. Totes will then be transported 2 miles out to sea and dumped. Typical load would be 2 totes. Detailed plans of boat will be submitted for approval prior to construction. Vessel must be fully outfitted, ready to launch, and delivered to Alaska Marine Lines Barge, Seattle, for barging to Sitka no later than 12:00 noon, Friday, August 1, 2014.

GENERAL SPECIFICATIONS:

1. Hull Length _____ 32' 6" feet
2. Beam _____ 12 feet
3. Transom Deadrise _____ Symmetrical 24 degree catamaran
4. Person and Cargo Capacity _____ 5000 lbs
5. Propulsion _____ Dual Mercury 250 HP outboards
6. Fuel Capacity _____ 150 gallons (dual 75 gallon tanks)
7. Hull Draft _____ 16 inches (lightship)
8. Bow Door Opening _____ 84" inches
9. Bottom Plating _____ ¼ inch 5086-H116
10. Side Plating _____ ¼ inch 5052-H32
11. Deck Plating _____ 3/16 inch 5052-H32
12. Centerline Vertical Keel (CVK) _____ 1/2" x 4" 6061-T6

WELDING:

1. The hull and superstructure shall be constructed of marine grade aluminum and MIG welded throughout.
2. All weld seams in the hull shall be welded 100%, both interior & exterior.

3. All welding shall be performed in accordance with American Welding Society D1.2-2003 procedure qualifications.
- 4.A All surface areas must be shiny, mill finish, with no grind marks, spatters, or blemishes.

BOAT LAYOUT:

1. Main deck to be level deck bow to stern.
2. Wheelhouse positioned on deck to provide 3' distance between aft house BHD and slop well BHD.

HULL:

1. 32' x 12' PACKCAT 2013 model hull package incorporating 2" pipe gunwale and transom layout for twin 30" shaft outboard motors.
2. The hull shall incorporate a 5.25" wide gunnels, from transom to bow.
3. Tunnel shall be in water at rest to add stability and floatation.
4. The hull shall incorporate three watertight bulkheads, forming four individually sealed buoyancy compartments.
5. The transom angle shall be set at 103 degrees off baseline for proper outboard trim.
6. Slop well bulkhead to incorporate a 2 section locker. One section houses batteries. The other section houses fuel filters. Both sections are ventilated.
7. Slop well drains shall be equipped with rubber flappers to divert water from entering slop well when operating the boat in reverse.
8. A ¾" aluminum double padeye shall be welded on centerline of the bow.
9. The main deck shall be self-bailing via two 3" pipe drains in the stern, eight 2" x 7" open scuppers at forward and two 1" pipe drains at the bow. Drains and scuppers shall be sized and installed in accordance with ABYC deck drainage requirements.
10. 1¼" pipe safety railings shall be installed 32" above main deck from stern to midship.
11. Six 10" welded aluminum cleats shall be installed (3 per side).
12. Two Diver's Dream zinc anodes shall be installed on brackets welded to transom.
13. ¼" x 4" beaching wear plates installed on the bow forefoot.
14. Four 8" round Baier watertight deck hatches shall be installed.
15. Four 15" x 24" Baier watertight deck hatches shall be installed in main deck.
16. Four (4) 12V 2200 GPH bilge pumps with auto/manual switches installed in the hull. Bilge pumps will be "fuse" protected and wire directly to constant hot.
17. Tie down rails installed on fwd. deck port and stb. 4" above main deck level.
18. Install 9" x 25" Polyform air bumpers along gunwale (12 per side).

DECK MOUNTED STORAGE LOCKERS:

1. Install 18" wide x 18" high x 48" long aluminum storage lockers with hinged, lockable lids port and stb. on main deck. Units are removable. Two total.

TOWING EQUIPMENT:

1. A 4" Sch 80 pipe tow post shall be installed aft on centerline complete with 1" stainless steel crucifix pin.
2. Outboard protection guard/tow line guide installed on transom.

PUSH KNEES:

1. 3" D rubber push knees installed port and stb. of bow door.

BOW DOOR:

1. A 84 inch wide drop down bow door shall be installed with manual winch.
2. The hull shall incorporate port and starboard bow lockers framing the door opening.
3. A Thern 1000 lb capacity stainless steel hand crank drum winch shall be installed on the port side bow locker for opening and closing the door. Auto brake in winch allow door to be opened to any position and will automatically lock in place.
4. The winch cable runs through stainless steel cheek pulleys on each side of the door providing equal tension on both sides when opened and closed.

5. The bow door shall be outfitted with two ¼" stainless steel positive locking pins to prevent the bow door from opening while underway.
6. A replaceable rubber gasket seals the bow door watertight when closed.
7. The inside face of the bow door shall be double plated for a smooth working surface.
8. The boat can be safely operated with the bow door opened as a working platform at low speeds.
9. The bow door shall not obstruct the operators view from the helm.

FUEL SYSTEM:

1. Dual 75 gallon non-integral fuel tanks (150 gallons total) installed complete with fill, vent, 12V sender and fuel level gauge on console.
2. Fuel tank shall be built from ¼" plate, pressure tested to 4 psi and bolted into the hull framing using doublers and stainless steel fasteners.
3. Two Racor fuel filters/water separators shall be installed with shut off valves.
4. Diurnal emissions system installed to meet EPA requirements for gasoline fuel tanks.
5. 12V 140 CFM blower installed in fuel tank compartment.

WHEELHOUSE:

1. Install 70" wide x 72" long walk around wheelhouse. Install 24" sliding door on stb. side.
2. All windows and doors are Diamond Sea Glaze units. Sliding windows installed port and stb sides fwd., fixed window installed aft, fixed window installed port side aft, two windows installed forward, window installed in sliding door. Aluminum control console installed stb. side, shelf storage with grab rail installed port side tied into control console. Tie down rails on roof, grab rails inside and outside of sliding door and on fwd. and aft corners of house.
3. Wheelhouse positioned on deck to provide 3' distance between aft house bulkhead and slop well bulkhead.

WHEELHOUSE OUTFITTING:

1. Insulate and panel wheelhouse. Owens Corning insulation with white, perforated aluminum paneling and teak joint strips.
2. Install two Bentley Helmsman pilot seat on aluminum seat/storage boxes.
3. Install 18" wide x 20" high by full width of house storage locker/seat with 2 sections. 3" butt pads on 2 hinged aluminum lids.
4. Gray Zolotone paint exposed aluminum surfaces in house.
5. Install Webasto AT3500 forced air diesel fired cabin heater complete with thermostat, outlets on deck and on operator's window.

PALFINGER HYDRAULIC WORK CRANE:

1. Palfinger PC 1500 Compact hydraulic deck crane mounted on stb. side fwd. Unit provides 360 degree rotation/articulation and has 13' telescoping reach. Max lift capacity is 2200 lbs. at 4' extension and 600 lbs. at 13' extension.

12V DC ELECTRICAL ACCESSORIES:

1. Eight position main breaker panel installed on the console.
2. Navigation lights installed to meet international requirements with hinging anchor light / flag mast.
3. Two (2) 12V two speed with self park windshield wipers shall be installed on the forward Windshield.
4. Icom M504 VHF radio with SS antenna installed.
5. One 12V red/white dome lights installed in the cabin overhead.
6. Two 12V power receptacles shall be installed on the console.
7. Four halogen flood lights installed on the cabin roof (fwd, aft, port, stb.). Each light shall have independent toggle switch on console.
8. One Go-Light 2020 400,000 candle power remote search light installed on roof with main control at the console location.

9. 3" pipe radar mount installed low profile on roof.
10. Garmin 4210 GPSMAP, 10" screen, installed complete with GSD 22 Sounder module, 4kw 18" high definition radome, GPS antenna, pre-loaded charts.
11. Install two (2) 12V oscillating defroster fans for pilot and co pilot windshield.
12. Install 12V air trumpet horn with momentary push button on dash.

PROPULSION:

1. Twin Mercury 250 HP Verado four stroke 30" shaft four-stroke counter rotating outboards complete with multifunctional digital gauge package, fuel management system, digital electronic controls (DEC), dual key switch panel, power trim and tilt, all harnesses, and Mercury stainless steel props.
2. Munson is an authorized Mercury dealer and installer (Mercury Dealer No. 86434).
3. Motors shall be installed complete with Teleflex hydraulic steering and two group 27 starting batteries with 4-way selector switches.

PAINT & MARKINGS:

1. Matson Floor Grip non-skid deck coating applied to main deck, bow door.
2. Paint wheelhouse front, back, sides, roof Dupont Imron paint system. Color to be determined.
3. Vessel Name and Numbers installed on specified locations on hull & cabin.
4. Bottom anti fouling paint installed with boot stripe.

SAFETY EQUIPMENT:

1. 24" White Jim Buoy life ring and bracket.
2. One 10 lb CO2 fire extinguisher installed with mounting bracket.
3. 6 XL life vests supplied with boat and stored in locker.
4. 12 Ga. Flare kit supplied with boat.
5. Three 20' x 1/2" mooring lines, three fenders supplied with boat.
6. Satellite 2 406 MHz EPIRB installed with auto release.
7. Coastal Life Raft Model 8677742 4 man canister life raft, release and cradle installed on wheelhouse roof.

TRAILER:

1. EZ Loader TIEZ102B 32-35 triple axle 15,500 lb capacity galvanized bunk trailer complete with electric over hyd. brakes all three axles, internal load guides for catamaran hull, manual strap winch, heavy duty tongue jack, sealed LED lights, 2-5/16" ball hitch, tie downs, boat and trailer matched up by builder.

TESTING & DOCUMENTATION:

1. Vessel shall be weighed by certified scales and documented by builder.
2. Vessel shall undergo seatrials prior to shipping. Munson shall perform speed, maneuvers, backing, beaching and endurance trials.
3. Seatrial tests shall be recorded and documented by the builder and shall be delivered with the craft.
4. One "Custom" Operation & Maintenance Manual shall be supplied with the craft. Includes OEM technical literature for all supplied equipment, operator/safety instructions, as-built boat drawings, electrical system drawings, and certified scale weight.
5. Munson shall supply buyer with all NAFTA documentation for import into Canada.

SHIPPING:

1. Deliver boat and trailer to Seattle, Alaska Marine Lines for barging to Sitka. Boat and trailer must be received at Alaska Marine Lines barge delivery location prior to 12:00PM, Friday, August 1, 2014.
2. Buyer to arrange for and pay for shipping boat pkg. to Sitka.

TOTAL SALE PRICE ALL THE ABOVE.....	\$254,149.00
LESS 2.5% GSA DISCOUNT.....	(\$6354.00)
ADJUSTED PRICE.....	\$247,795.00
GSA INDUSTRIAL FUNDING FEE (0.75%).....	\$1858.00
GSA PRICE, F.O.B. SEATTLE, WA.....	\$249,653.00

ADDITIVE ALTERNATES:

1. High-power, 12-volt, Blaster salt water wash-down pump will be installed above waterline with piped intake rather than through-hull fittings: \$1052.00
2. Fill empty voids with closed-cell floatation under floor: \$8500.00
3. Add one door on each side of hull: \$1995.00 per door

WARRANTY:

1. The William E. Munson Company warrants aluminum construction and equipment installation for a period of 12 months from time vessel is put into service.
2. Equipment purchased from outside suppliers and installed in vessel is warranted by the Company for proper installation only. Equipment purchased from outside suppliers will be warranted by the manufacturer or supplier of that equipment under their standard warranty.

For William E. Munson Company

Jesse Munson, VP



30' PACKCAT LANDING CRAFT– New Hampshire Port Authority

Type: 30' Aluminum Workboat

Value: \$213,637.00

Contact: Grant Nichols, Harbor Master

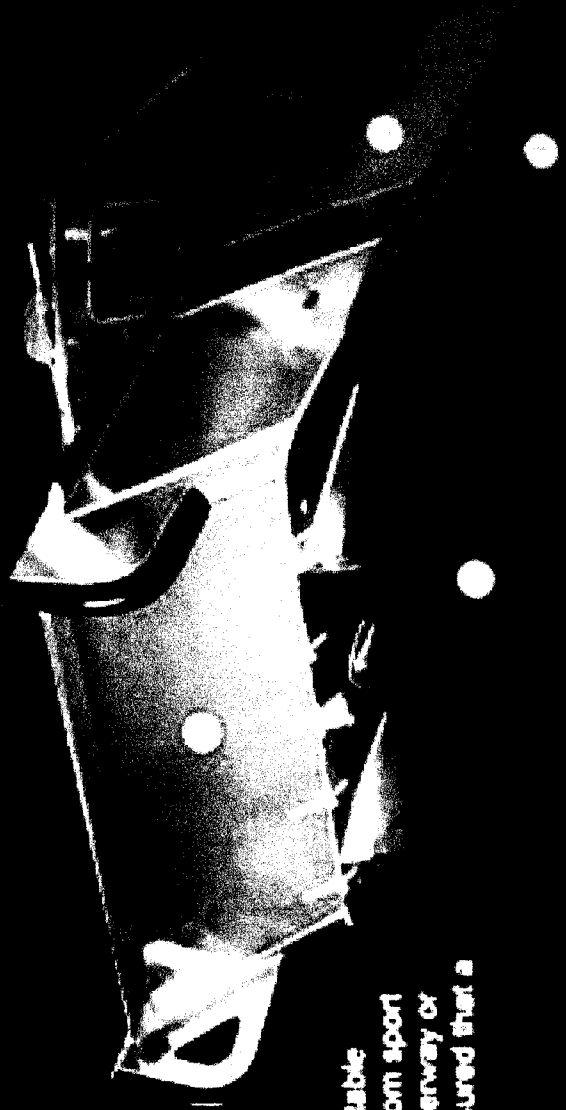
Email: g.nichols@peasedev.org

Description: 30' Packcat catamaran work boat with a 90" long walk-around wheelhouse and twin Honda 225 outboards. It is operated during diving, law enforcement, search & rescue, and Homeland Security operations.

MUNSON

MUNSON "PACKCAT" CATAMARANS

Munson Catamarans were developed to give you the greatest possible stability when working in demanding conditions. Our catamaran hulls are engineered to be fast, get on-plane quickly with little bow rise and to be the most stable platform possible when stability is of paramount concern. From sport diving to lifting buoy anchors off of the sea floor, at rest, underway or loading or unloading cargo from the beach, you can rest assured that a Munson Catamaran is the king of strength and stability.



MUNSON





15806 Preston Place, Burlington, WA USA 98233
Phone: 360 707 2752 Fax: 360 707 2842
www.munsonboats.com

COMPANY HISTORY & QUALIFICATIONS

INTRODUCTION:

The William E. Munson Company is a 100% family owned S-Corporation located in Burlington, WA (1 hour north of Seattle). We differentiate ourselves by specializing only in high speed welded aluminum landing craft specifically designed for rough operating conditions. Every Munson boat is designed and built for the rough water environment, as well as the shallow water environment, as beaching ability is generally essential to the boat's operation. Munson landing craft aluminum boats are the best built, most versatile workboat platform available, as our hull design and construction methods have been proven in heavy weather multi-purpose utility applications for over 25 years in the world's most severe conditions.

HISTORY:

Over 30 years have passed since Bill Munson built his first welded aluminum high speed workboat in 1977. His early designs were based on a modified "Seasled" hull with a flat, dished bottom. In 1984 Bill Munson originated the concept of the deep vee mono hull as an alternative to the traditional flat-bottom workboats. The modified-vee mono hull and wide forward chines have proven to function superbly in rough water operations.

With over 30 years experience in welded aluminum boat building & design, Bill Munson standardized a product line of the 21' – 54' high speed workboats which offer a unique alternative to conventional boat design and use. Today, approximately 2000 Munson Boats are working throughout the world.

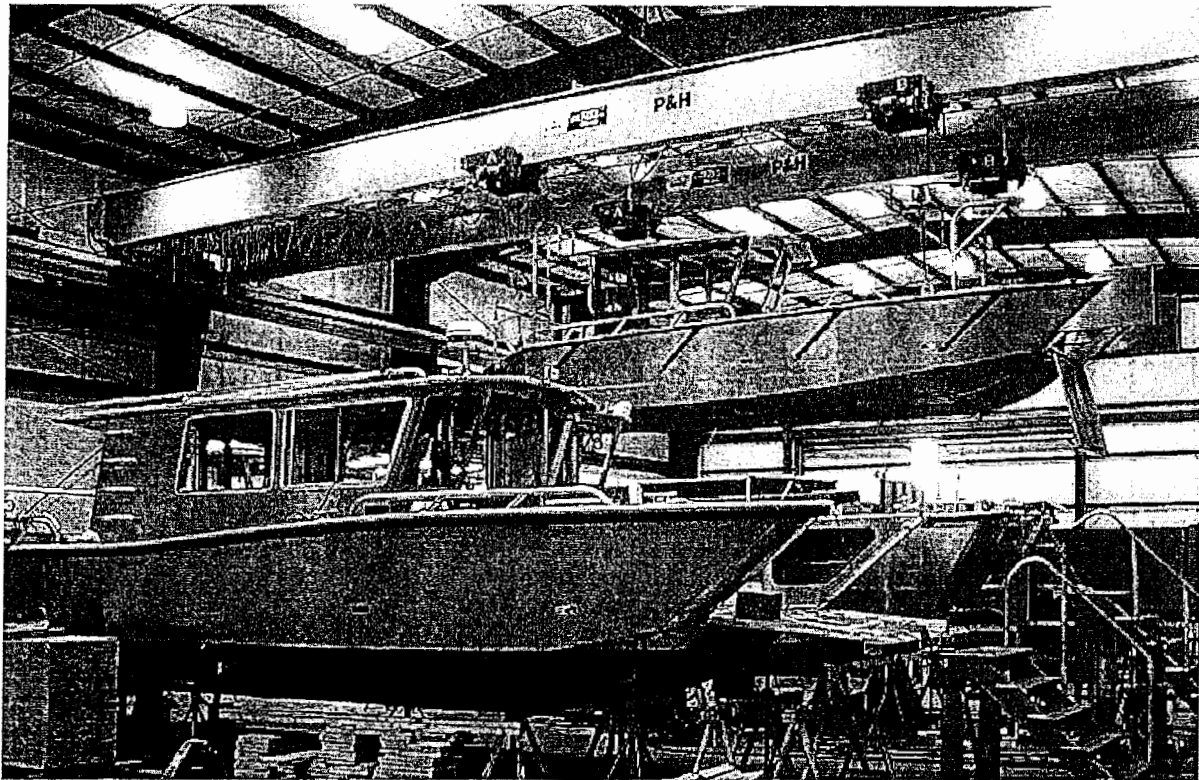
DESIGN MATURITY:

We have built over 500 welded aluminum landing craft, using the same general hull design in the past 10 years. Originated by Bill Munson in 1984 as an alternative to the traditional flat bottom landing craft, the modified vee hull design and wide forward chines have proven to function superbly in rough water operations. The 35 degree forefoot deadrise slices through heavy chop. The shape and rise of the forward hard chine has been developed to increase stability and provide maximum lift when bringing the boat onto plane, yet not pound in heavy sea, high speed operations. At speed, the chines knock down spray and hold the boat on plane with minimum effort.

FACILITIES & EQUIPMENT:

The William E. Munson Company's new state-of-the-art production facility was completed in January 2004. Designed from the ground up by the company's own management and production leads, every fine detail was conceived with the idea of increasing efficiency, safety, work flow and quality control throughout the entire production line. The 16,200 square foot building is plumbed with radiant floor heat, which insures that even on the coldest winter day, all

the equipment, parts and boats in process remain at 60+ degrees, 24 hours a day, 7 days a week, to insure proper weld penetration and formability of metal parts.



Two 10-ton Kaverit bridge cranes were installed during construction as part of the permanent building structure. Each bridge crane has two Abus 5-ton electric hoists that can be operated as singles, or matched to operate as a pair, or all four hoists can be used simultaneously. Boats, heavy parts and engines can be moved, at any time, with very little or no impact on the production line. Two Caston II 5-THB Load Cells allow use to scale weigh any item or completed boat, as well as load test fittings installed on boats.

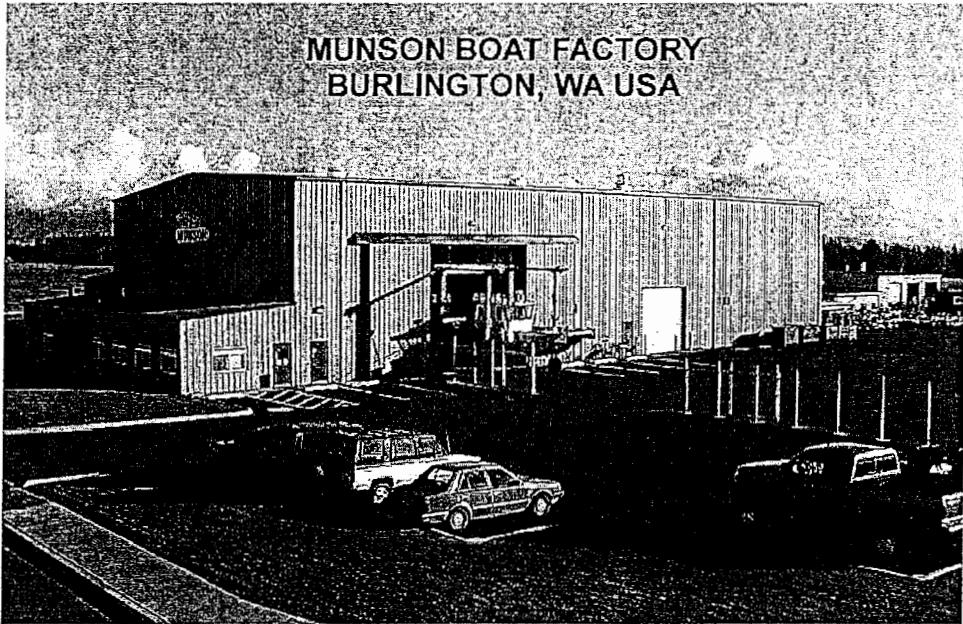
We currently operate twenty-nine Miller welding machines. A central gas mixing station (helium/argon) provides all the welding machines the same gas mixture throughout the entire facility. This is another step to help insure welding uniformity, penetration and quality. An automated telemetry system ensures the central gas system is always operating properly and never runs low on welding gas. Production welders never have to change out gas bottles, therefore, they become more efficient.

The shop has two milling machines, (a new machine was just purchased 2007) to assist in the production of custom and one-of-a-kind parts. A new metal lathe was also purchased to speed up production. We also operate an Accupress Sixty Ton x10 foot CNC hydraulic press break to form our own aluminum parts to specifications. Other metal working equipment includes pipe rollers, pipe benders, horizontal band saws, vertical band saws, chop saws, and hundreds of electric and air hand tools. By keeping virtually all metalworking in house, we can perform on tight schedules, without relying on outside suppliers.

Pneumatic air for equipment and tools is provided by an Ingersol Rand rotary compressor, which provides filtered/dried air in a facility wide closed loop system.

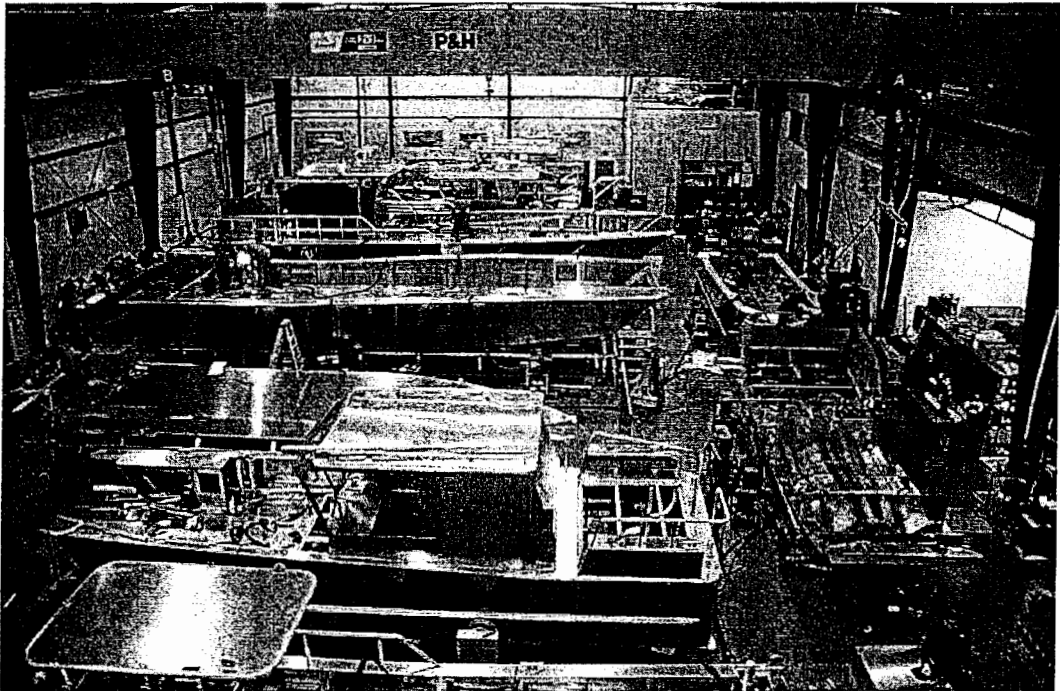
We also own a 15-ton Marine Travel-Lift. The 30,000 lb Travel-Lift allows us to safely move boats outside for seatrials and move boats too large to be put on a private trailer. Once outside,

the boats and boat trailers can be loaded directly to a commercial carrier for shipping, by one person.



PRODUCTION CAPABILITIES:

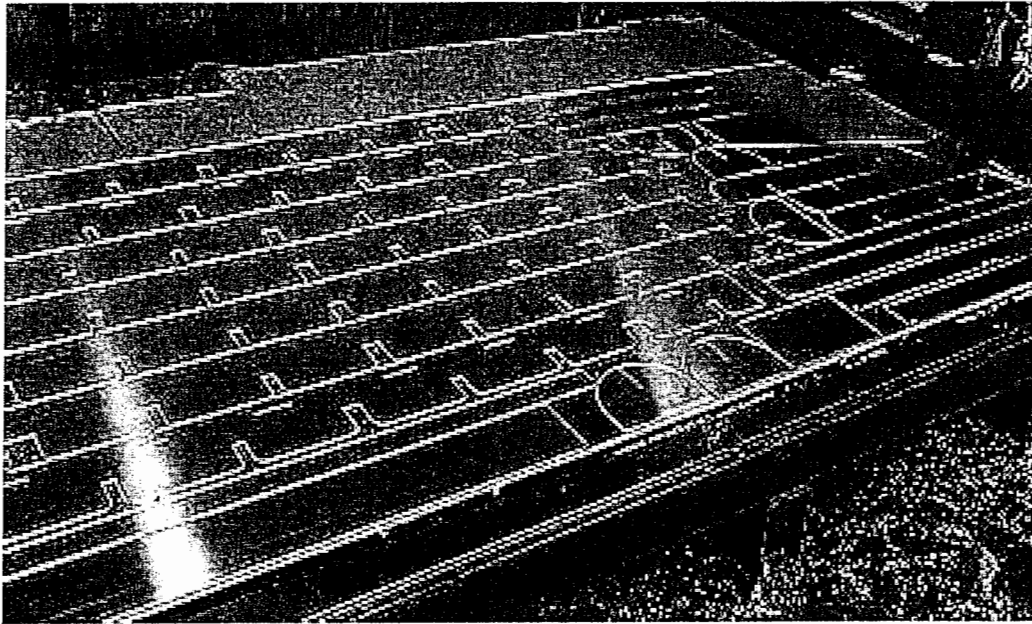
We currently employ 50 full time production employees with over 200 years combined experience in welded aluminum boat building. We have maintained our employment level for several consecutive years, without sharp increases or decreases in the number of our production employees, and tailor our production schedule to what we currently have on staff. Our average production rate produces 50+ vessels annually, with an average hull length of 32 feet. We typically have 8-10 units in production, ranging from 21 feet to 54 feet, at any given time.



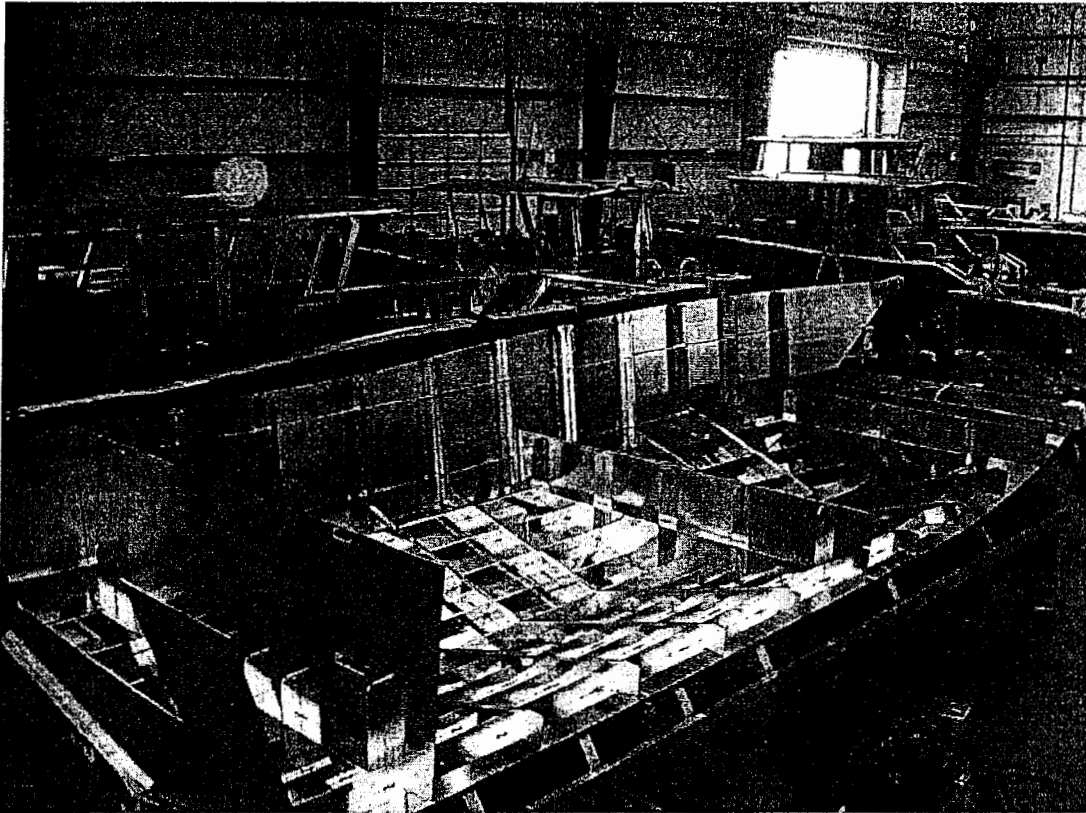
MANAGEMENT STRUCTURE:

The William E. Munson Company uses the Quick Response Manufacturing (QRM) company wide strategy that pursues the reduction of lead time in all aspects of the company's operations, both internally and externally. Specifically, from a customer's point of view, QRM means responding to a customer's needs by rapidly designing and manufacturing customized products to meet their needs. This is achieved by structuring the organization into cells, where teams run their own cells and are allowed to manage their capacity and continually improve their responsiveness.

Today's CAD/CAM technology gives us the ability to produce highly customized products for the customer without incurring high additional costs. QRM provides us with a significant competitive advantage through our ability to deliver customized products with short lead times.



In 2008 we purchased an 8' x 30' MultiCam CNC router table to maximize our ability to produce custom aluminum parts completely in house. Virtually every part of the aluminum hull, hull framing structure, and superstructure is precision cut by this machine to include weld markings, alignment lines, text labeling and numbering to refine our production process. The addition of the CNC router table has proven to reduce lead times and is a tremendous asset for producing one-of-a-kind parts to tight tolerances within minutes of conception, rather than trying to make use of a part that will not meet our quality control process.



QUALITY CONTROL:

Every boat we build is processed identically, regardless of size and complexity. The same teams are responsible for each phase of the construction process; framing the hull, hull weld-out, superstructure, top-side weld-out, electrical, mechanical, paint, initial startup, seatrials, and final cleaning/shipping. When each team has completed their phase, it is inspected by the receiving team as well as our dedicated quality control manager, prior to being transfer to the receiving team. Each phase has a dedicated quality assurance program check list that is signed off by lead of the receiving team and quality control manager. Any problems that are identified during the inspection are documented, as well as the corrective course of action taken. The receiving team is treated as the final customer throughout the process, until the product is shipped.

Munson has certified its welding procedures to American Welding Society D1.2-2003 welding qualifications to insure every boat is welded to the highest standard in our industry. We also employ ABYC certified marine electricians to ensure every Munson boat is build with the highest level of safety and corrosion resistance in the field.

For William E. Munson Company:

Jesse Munson, VP



Legislation Details

File #: RES 13-14 **Version:** 1 **Name:**
Type: Resolution **Status:** AGENDA READY
File created: 9/4/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Submitting the City and Borough of Sitka 2015 Legislative Priorities
Sponsors:
Indexes:
Code sections:
Attachments: [RES 2013-14 Legislative Priorities](#)

Date	Ver.	Action By	Action	Result
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Sponsor: Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2013-14

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUBMITTING CITY AND BOROUGH OF SITKA 2015 STATE LEGISLATIVE
PRIORITIES TO STATE OF ALASKA AND 2014 LEGISLATURE

WHEREAS, the City and Borough of Sitka advocates cooperating and sharing resources with the State of Alaska to maximize public infrastructure and services for the citizens of Alaska in the most efficient, cost effective manner; and

WHEREAS, municipalities have suffered unfunded mandates and budget impacts from State management of the PERS/TRS system, inadequate maintenance of State harbors, State roads and utilities, and other State responsibilities which should be compensated.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the following FY 2015 State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible:

- **State Revenue Sharing/Local Tax Relief** – The City and Borough of Sitka supports the State Revenue Sharing on a sustainable basis to equitably compensate Alaska communities for providing local services.
- **Education** – State funding should be increased to cover escalating transportation expenses, the rising costs of fuel and energy, and reasonable new costs to improve the quality of education.
- **Local Control and Maximum Local Self-Government Guaranteed by the Alaska Constitution** – The Legislature should defeat any legislation that creates new unfunded mandates or takes away existing powers of local governments. The State should fund existing unfunded State mandates.
- **Deferred Maintenance of Harbors** – The State should fully fund the deferred maintenance of State harbors transferred to local governments. In addition, the State should fully fund the 50 percent matching grants legislated by the Municipal Harbor Facility Grant Fund to assist with harbor upgrades.
- **DEC Municipal Matching Grants** – The State is requested to fully fund the Department of Environmental Conservation Municipal Matching Grants Program. This 50/50 percent matching grants program permits greatly needed utility upgrades through partnerships between the State of Alaska and local communities that benefit the entire State.

NOW FURTHER BE IT RESOLVED that the Assembly submits the enclosed FY 2015 City and Borough of Sitka Legislative Capital Project Requests and Requests for State Funding for State Facilities in priority order to the 2014 Session of the Alaska State Legislature and State of Alaska.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 10th day of September, 2013.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

FY 2015 CITY AND BOROUGH OF SITKA STATE LEGISLATIVE PRIORITIES

DRAFT

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FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA BLUE LAKE HYDROELECTRIC EXPANSION PROJECT

Total Project Cost:	\$158,000,000	(100%)¹
Funding Already Secured:	\$49,500,000 State FY09/10/11	(31%)
	\$4,000,000 State (AEA) FY14	(2.5%)
	\$21,000,000 Municipal Bond FY11	(13.3%)
	\$35,530,000 Municipal Bond FY13	(22.5%)
FY2015 State Funding Request:	\$18,750,000	(11.9%)
Additional Funding Required/Outstanding:	\$29,720,000 Municipal Bond FY15/16	(18.8%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka requests the State's partnership to complete construction of a \$145M expansion of the Blue Lake Hydroelectric Project. \$18.75M further assistance is requested from the State of Alaska, to fund the State's interest in the Blue Lake Hydroelectric Project Expansion and fully partner with Sitka for this project. Sitka will match each dollar of State assistance with the goal of ultimately financing the project 50 percent with State funds and 50 percent Municipal funds. The State's interest in this project will be well rewarded for decades to come as a solution to our community's energy needs.

The scope of the Blue Lake Hydroelectric Project is to raise the height of the existing dam by 83 feet to elevation 425 feet, and construct a new intake structure, penstock, and powerhouse. The new powerhouse will replace the existing two 3MW generators with three 5.3MW generators, with an increase in capacity from 7.5MW to 17MW, and total energy of 32,000 MWh or 29 percent of system capacity. Construction began in December 2012 and the project is progressing on schedule and is approximately 40% complete. Most of the high risk elements of the project have been completed, including all underground work (completed 29 days ahead of schedule), with the next major milestone in August 2014. This is the planned outage to decommission the existing powerhouse and commission the new powerhouse.

Sitka has exhausted its hydroelectric resources. Economic growth and community viability are directly related to availability of reasonable cost energy. With the continued State financial support, the Blue Lake Expansion Project will achieve that. The State's full partnership will help CBS finance its debt without overwhelming rate payers and harming Sitka's economy. New hydroelectric capacity will allow the City to address other critical community needs such as a facility to handle commercial fish waste which is currently dumped into Sitka Sound.

In addition to new generation, the City has worked to address energy issues through energy efficiency projects, such as our Energy Star/Heat Pump Rebate program and our actions to address onerous federal regulatory pressures. The Rebate program resulted in over 190 ratepayers upgrading to new efficient appliances and the installation of over 40 residential heat pump systems. Our efforts on the regulatory front have resulted in direct savings of over \$2.5M for our ratepayers.

The City is working very hard to address its energy needs through new generation, energy efficiency programs, progressive electric rate structures, and regulatory relief. CBS urgently seeks the State's financial support as a full partner in the Blue Lake Expansion Project. This support will ensure successful completion of a critical energy project and position Sitka on a path to achieve energy and economic independence. Since this request was not funded for the current fiscal year and project construction is underway, the State's additional funding needs to apply to all construction costs of the Blue Lake Project, including those already incurred.

¹ Costs for a \$15M Solar Titan 130 diesel turbine was included in the overall project costs with Municipal Bonds funding \$7.875M and a FY2014 State Grant funding \$7.125M.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: MARINE SERVICE CENTER BULKHEAD EMERGENCY REPAIRS

Total Project Cost:	\$8,800,000	(100%)
FY2015 State Funding Request:	\$4,400,000	(50%)
Additional Funding Required:	\$4,400,000 CBS	(50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka (CBS) requests \$4,400,000 (50% of estimated project costs) for the State of Alaska to partner with CBS to complete emergency repairs to the Marine Service Center Bulkhead. CBS will provide matching funds for this critical infrastructure upgrade.

The existing bulkhead could fail at any time. A 2011 condition assessment of the facility noted considerable corrosion and steel material loss, particularly on the steel tie rods which support the bulkhead. It is critical that this facility be reconstructed before any of the tie rod supports fail, potentially undermining the cold storage building and rendering the site unsafe for its current use.

The Sitka Marine Service Center Bulkhead is a steel sheet pile structure, which was originally installed in 1976. Located along Katlian Street, the facility is bounded to the east by the Seafood Producers Cooperative (SPC) Dock and fish processing facility and to the west by the Petro Marine fuel dock. The bulkhead is 36 feet high by 356 feet long and is a traditional vertical wall design comprised of driven sheet piles. The sheet piles are restrained by two layers of tie rods which extend shoreward to a sheet pile anchor wall located 70-feet behind the face of the bulkhead. The bulkhead is the only facility in Sitka with a hoist capable of loading/unloading large fishing vessels and also presently experiences use as a transient berthing facility for fishing vessels. Overflow moorage use from vessels visiting the adjacent SPC dock is common along the eastern portions of the bulkhead. The facility also serves as a dock for small cruise vessels visiting Sitka a few times each year during the summer months.

A large cold storage building (140 feet long by 150 feet wide) is located 30 feet behind the face of the bulkhead and directly above the anchor wall/tie rod supports. CBS owns the cold storage building. Two local seafood processors lease space in this building to store frozen fish product. **It is estimated that 5,500 tons of fish product move through the facility each year at an estimated value of \$32 million. This facility is a critical piece of infrastructure to Southeast Alaska’s fishing industry.**

Understanding the need to maintain critical harbor infrastructure, CBS recently completed a Harbor System Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. The Marine Service Center Bulkhead is a high priority project in the CIP Plan. The Assembly recently passed the first year of a proposed 5-year moorage rate increases in order to assist with this and other critical infrastructure needs. However, even with very aggressive rate increases it is difficult to build up sufficient working capital to fund this project before it collapses.

Securing State cost share funding for this project will ensure that this critical piece of harbor infrastructure remains in service to help support a healthy and vibrant commercial fishing industry in Southeast Alaska. It should be noted that this facility is ineligible for funding under the Harbor Municipal Matching Grant Program as that funding specifically excludes bulkheads and sheet pile walls.

FY2015 CBS CAPITAL IMPROVEMENT PROJECTS STATE REQUEST

Project Title: SAWMILL COVE INDUSTRIAL PARK WATERFRONT DEVELOPMENT

Total Waterfront Development Project Cost:	\$ 7,100,000
FY2013 State Priority 1 Funding Request:	\$ 7,100,000
Previous Upland Development Funded:	\$ 9,850,000 (Federal)
	\$ 7,500,000 (State)
	\$ 2,500,000 (CBS)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests the State continue to partner with the CBS to develop the waterfront at the Sawmill Cove Industrial Park (SCIP) by providing \$7,100,000. The State recently included \$7.5 million dollars for construction of a bulkhead dock at the SCIP in the November 2012 General Obligation Transportation Project Bond. This central waterfront bulkhead project funding will allow for the construction of a bulkhead dock, fender system, uplands improvements, and other infrastructure improvements to allow barge freight to come over the dock. The CBS is requesting further assistance to construct additional waterfront infrastructure needed to accommodate bulk water tankers and other larger ocean going vessels and continue to complete the multi-purpose docking facility.

In 1993 the Alaska Pulp Corporation mill operation shut down, resulting in the loss of over 400 jobs in the community of Sitka. The City and Borough of Sitka took over the former Alaska Pulp Corporation mill site in 1999. Over \$11,000,000 of Federal, State and CBS funds have been used to complete upland utilities, system upgrades, and paving. The State contributed \$1 million toward a raw water line to allow for bulk water export. The Industrial Park is operational with multiple tenants. Total private investment into the Industrial Park is over \$20,000,000. Development at the Industrial Park has created 60 full time jobs and seasonal employment for over 320 people.

The CBS has plans to develop a marine services industry at the Industrial Park and are currently under contract with Northern Economics to perform feasibility studies to determine the viability. Additionally, the CBS is currently involved in a public-private partnership to complete shoreline stabilization, which will provide much needed shoreline protection, help provide the base for future development, and provide a cost savings to the CBS.

The Waterfront Development total project cost is \$7,100,000. The Sawmill Cove Industrial Park has not reached its full potential due to the lack of infrastructure to access the ocean and water based commerce. **Priority 1 includes additional uplands development, breasting/mooring dolphins, and catwalks.** This priority is the second phase to the central waterfront development allowing marine access to the Industrial Park and is critical to future development.

Past public investments into the Sawmill Cove Industrial Park have resulted in private investment, job creation, and a sustainable tax base for the CBS. The former Pulp Mill deep water dock formerly served ocean going container ships transiting across the Pacific Ocean. Sitka is closer to open ocean than any other Southeast port yet has no ability to function as a deep water port. The Waterfront Development Project at Sawmill Cove Park is the key to enabling Sitka to develop an economically viable deep water port intermodal facility once again.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: COMMERCIAL PASSENGER VESSEL VISITOR IMPROVEMENTS

Estimated Total Project Cost:	\$ 14,640,000 (100%)
Total State Funding Received:	\$ 10,230,000 (70%)
FY 2015 State Funding Request:	\$ 4,410,000 (30%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$4,410,000 funding from the State of Alaska to complete capital projects to enhance commercial passenger vessel services, enhance passenger safety, and support cruise ship visitor activities. In the past, Sitka has received up to 280,000 cruise ship visitors annually and needs to upgrade its municipal facilities. CBS appreciates the \$8,200,000 from the State Commercial Passenger Vessel Tax Account to rehabilitate the interior and exterior of Centennial Hall received in FY 2010, 2011, 2012, and 2013. This Hall is Sitka's primary public facility for cruise ship visitors and functions both as a gateway and hub to downtown as visitors disembark from lightering boats and access buses. Centennial Hall is also the designated emergency shelter for cruise ship passengers.

FY 2015 Project: Centennial Hall Visitor Facilities Improvements

This \$4,410,000 funding is requested to construct additional building support facilities for cruise ship passengers within Centennial Hall. The project development for the upgrades to Centennial Hall project has continued to move forward with preliminary design of the project floor plan. However the needs list developed at the beginning of the design effort have identified unmet needs for support space for the cruise ship passengers. The needs identified have a budget range of \$14.6 to \$15.2 million. The available funding for the project is \$10,230,000 which has led the design effort to phase the project into two phases. The first phase will address all of the needs within the existing building and add some additional area for cruise ship passenger lobby, visitor desk and the first phase of the Museum.

One of the major needs not totally covered by the existing funding for the Centennial Hall upgrade is the Sitka Historical Museum. The Museum applied for the Foraker Group Pre-Development Program which was funded by Rasmuson Foundation and completed in 2011. The final Foraker Report recommended a 5,800 SF museum for the model to be a sustainable size.

The Museum has enjoyed a 47-year partnership with the City and the present space the Museum occupies in the building is 2,150 SF with extremely limited exhibit area. The Museum's collection is stored at three separate locations, none of which have appropriate environmental controls. The Museum is a heavily visited attraction by the cruise ship visitors as it provides a history and cultural experience to the visitors as they tour Sitka. The Sitka Historical Society museum is the only museum in Sitka to focus specifically on Sitka's unique history, especially as it tells the stories of the early interactions between the Russians and local Tlingit Natives and the transfer of Alaska to the U.S.

Completion of phase 2 of the project will:

- Provide the full 5,800 square feet of needed Museum space and storage to be the showcase destination to view Sitka's rich history,
- Support community history and art programs and be a safe repository for the community's archives and collections,
- Facilitate the maximizing of revenue for sustainability. As part of Centennial Hall, this new Museum will provide Sitka with an attractive, durable and long lived community asset.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WASTEWATER TREATMENT PLANT EFFLUENT HEAT PUMP SYSTEM

Total Project Cost:	\$ 991,038 (100%)
AEA Grant Funding Already Secured:	\$ 20,377 (2%)
Sitka FY 13 & 14 Funding	\$ 113,000 (11%)
FY 2015 State Funding Request:	\$ 857,661 (87%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$857,661 from the State of Alaska to complete a Capital Project to upgrade the heating and ventilating system in the City owned and maintained Waste Water Treatment Plant (WWTP).

In a study completed in July of 2012 by Alaska Energy Engineering, it was determined that an Effluent Heat Pump System would be environmentally and economically beneficial for City and Borough of Sitka to install. Alaska Energy Engineering's study projected an operational energy savings of \$53,000 per year, a total of \$1.59 million over a 30-year period. The City and Borough of Sitka realizes the overwhelming cost savings of a project of this magnitude but does not have the capital resources to afford the upfront costs.

The WWTP is currently utilizing fuel oil for its heating needs. With rising fuel costs and the uncertainty of how high the fuel oil costs will rise, looking at renewable alternative energy sources becomes important in a municipal government. The plant effluent can be easily tapped as an energy source using existing pipelines and pumps. The heating and ventilating systems at the WWTP have reached the end of their service lives, and replacement is planned. The 2012 feasibility analysis evaluated whether the building should be converted to renewable energy heat pumps as part of the replacement project. The proposed replacement of the heating and ventilating systems provides an excellent opportunity to convert the building to heat pump technologies.

With the Blue Lake Dam Hydroelectric Project gearing up to be constructed, it becomes evident that changing to electric heating alternatives makes sense, both economically and environmentally. From an economic standpoint, electricity from a hydroelectric plant would cost less than fuel oil, the cost of which continues to increase.

The economic comparison of the systems shows that the effluent heat pump has a much lower life cycle cost than the baseline system. The effluent heat pump system produces significant energy savings which more than offsets its higher construction and maintenance costs. For investment in a heat pump system to be preferred over the relatively lower construction cost of the traditional baseline systems—likely siphoning dollars from other priorities—the system should overwhelmingly have a lower life cycle cost. This is the case with the effluent heat pump system. The proposed upgrade of the heating and ventilating systems also reduces the cost of converting to a low-temperature heating system.

The City and Borough of Sitka will be submitting an application for an Alaska Energy Authority (AEA) grant in the next round of applications for this project.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA SWAN LAKE RECOVERY AND IMPROVEMENTS

Total Project Cost:	\$ 5,065,236(100%)
CBS Funding - Work Previously Completed:	\$ 554,000 (11%)
Funding Already Secured (CIAP Legislative Grant):	\$ 771,236 (15%)
FY 2015 State Funding Request:	\$ 3,740,000 (74%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$3,740,000 State funds to partner with CBS to continue the major long-term recovery and preservation of Swan Lake. Once completed, Swan Lake will provide its historical, environmental and recreational richness for locals and visitors alike well into the future.

Swan Lake, “Sitka’s Central Park”, is a eutrophic dying lake. For decades, CBS has been improving Swan Lake’s water quality and recreational opportunities. Dredging Swan Lake is not “just a nice thing to do” but is necessary to retain Swan Lake; an integral part of Sitka’s past and future. Swan Lake is a park used year-round. In the spring and summer, parents and children fish and boat on the lake; in summer, cruise ship visitors visit the lake to recreate, hike and learn about its history; in the winter, Swan Lake is the only location in town for ice skating. The public/ADA accessible fishing dock with benches was installed in 2013; they are very popular for residents and visitors alike.

Swan Lake has a very special place in Alaska history. It was created in 1851 when the Russian occupants of New Archangel connected and deepened a series of ponds by dredging, rerouting a creek and building a log dam at the outlet. The newly formed lake was created so that ice could be harvested for shipment to California. This was a successful business venture for the Russian occupants which received special compensation during the purchase of Alaska by the United States, solidifying its place in Alaska history.

An active multi-year water body recovery project began in the 1990’s. The guide for these efforts has been the Swan Lake Watershed Recovery Strategy and Total Maximum Daily Load Report, which was completed in 2000. In 1981, Swan Lake was named an Area Meriting Special Attention (AMSA) under the Sitka Coastal Management Program. This included water quality and watershed protection policies. In 1985, to respond to citizen concerns about the eutrophication of the lake, the CBS commissioned the Swan Lake Recreational Improvements Geotechnical Assessment and Construction Analysis, which recorded depth and bottom substrate measurements throughout the lake. The lake averages less than seven feet in depth, and the study recommended dredging the majority of the lake to increase overall depth.

Three small strategic dredging projects with broad public support have been completed in Swan Lake since 2001. These were funded by a combination of Coastal Impact Assistance Program (CIAP), DEC ACWA/EPA 319 grants and municipal matching funds totaling approximately \$450,000. These projects were successful in improving water flow in and out of the lake, increasing access for recreational activities and improving water quality and winter fish habitat. Small dredging projects, however, are not cost effective. Mobilization costs are high and consumed up to 35% of the project budgets. Larger projects are much more cost effective because the mobilization costs are nearly fixed and not proportional to the volume of material dredged. The 2009 Legislature provided Visitor Excise Tax funding for this upgrade project, but the funds were vetoed.

CBS requests \$3,740,000 in State funds to complete this major improvement. State FY 2015 funds will provide ‘more bang for the buck’ when combined with the \$771,236 of designated Coastal Impact Assistance Program funds (CIAP) which CBS has secured. This dredging project bid has been awarded; work is planned for summer 2014 and 2015. The high mobilization costs will be paid by the current project so any State funds received in FY 2015 would equate directly to additional removal of nuisance aquatic plants and lake sediment. This State funding will permit substantial completion of the high priority areas for rehabilitation of Swan Lake.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

**Project Title: MUNICIPAL HARBOR MATCHING GRANT PROGRAM:
SITKA TRANSIENT FLOAT REPLACEMENT (TIER I) AND
ELIASON HARBOR FLOATATION UPGRADES (TIER II)**

Total Project Cost:	\$6,040,000	(100%)
FY 2015 State Funding Request:	\$3,020,000 Municipal Harbor Grant	(50%)
Additional Funding Required:	\$3,020,000 CBS	(50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka (CBS) requests that the State cost share in the reconstruction of the Sitka Transient Float (Tier I) and the Eliason Harbor Floatation Upgrades (Tier II) under the Harbor 50/50 Matching Grant Program legislated by SB 291. Despite best efforts to keep these facilities maintained and functional, both facilities require immediate upgrades to ensure that the float systems can remain in service and a part of a vibrant harbor system.

Sitka Transient Float Replacement (Tier I - \$5,400,000): The Sitka Transient Float (formerly known as Thomsen Harbor Floating Breakwater) sees heavy use as Sitka’s primary transient moorage facility. It was originally **designed and constructed by the ADOT&PF in 1973.** After construction of the rubble mound breakwater in 1994, the float was reoriented and repurposed in 1996 during construction of Eliason Harbor. This facility was deeded to the City and Borough of Sitka along with Crescent Harbor, Sealing Cove Harbor, and Thomsen Harbor in 2004. A recent dive inspection indicated **significant corrosion and failure of structural components** which has only heightened the concern for this aging facility. CBS completed emergency repairs to the float system in 2011 and 2012; however the facility has exceeded its useful life and must be replaced in its entirety.

Eliason Harbor Floatation Upgrades (Tier II - \$640,000): Eliason Harbor, once referred to as New Thomsen Harbor, was **designed by ADOT&PF** and constructed in two phases with the final phase of construction completed in 1999. While the floats have only been in service for approximately 14 to 15 years, loss of freeboard has become a major issue at the facility. **The floatation billets have become saturated and structural timbers and fasteners are now submerged.** This will hasten deterioration of the facility if not addressed immediately. The billets will be replaced with floatation tubs with this project, thereby regaining lost freeboard and extending the service life of the floats.

Understanding the need to maintain critical harbor infrastructure, the City of Sitka recently completed a Harbor System Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. The Master Plan also recommends a moorage rate structure to provide the necessary capital funding to implement the CIP Plan. The Sitka Port and Harbors Commission unanimously supported the rate increases recommended in the Master Plan. The Sitka Assembly also unanimously approved adopting the recommended rate increases for FY2013 effective October 1, 2012 and will take up the next rate increase in late 2013.

CBS has committed \$3,020,000 to these critical harbor projects. The State of Alaska is encouraged to fully fund the FY2015 Harbor Matching Grant Program at \$8.3M to provide matching funds for the Sitka Transient Float Replacement and Eliason Harbor Floatation Upgrades and other Statewide projects. These matching grants will help the City and Borough of Sitka recapitalize important harbor infrastructure and further the sustainability of Alaska’s public harbor system.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ADEC MUNICIPAL MATCHING GRANT (MMG) REQUESTS

<u>Project Title:</u>	<u>MMGrant Request</u> (70%)	<u>CBS Match</u> (30%)
Upgrade Four WW Lift Stations	\$1,344,000	\$ 576,000
Hollywood Way/New Archangel Water/Sewer	\$ 552,300	\$ 263,300
Monastery & Baranof Water/Sewer	\$ 763,000	\$ 327,000
DeGross Street Water/Sewer Improvements	\$1,314,250	\$ 563,250
Jeff Davis Street Water/Sewer Improvements	\$ 644,000	\$ 276,000
Cathodic Protection for Six Major WW Lift Stations	\$ 264,600	\$ 113,400

The City and Borough of Sitka (CBS) extensively utilizes the ADEC MMG program to replace its failing infrastructure with the matching funds coming from CBS Water and Wastewater Enterprise Funds. CBS has submitted ADEC grant applications for the following seven water and sewer infrastructure projects:

Replace Four Sewage Lift Stations: Monastery Street, Lake Street, Channel and Landfill: This project will replace the oldest lift stations in our system (40+ years) with state of the art submersible lift stations of similar design and components to the six lift stations that were replaced in 2012. Two of these lift stations are so old replacement parts cannot be purchased. Landfill lift station pumps leachate from the closed Kimsham landfill to the wastewater treatment plant. Leachate is particularly corrosive so as well as replacing the lift station and controls the force main will also be replaced. This force main has had five leaks over the past ~15 years with two in 2013.

Replace Hollywood Way Water & Sewer/New Archangel Sewer: This project will replace short sections of problematic sewers that require routine cleaning to avoid backups. Both have caused sewer to backup into residences in the past. The project includes replacing the section of substandard 4" water line in Hollywood Way with 8" HDPE the same length as the sewer main to save on future street paving costs.

Replace Water & Sewer on Monastery and Baranof Streets between SMC Road & DeGross Street: This project connects with new systems installed over the last few years in this very old section of town where new water, sewer and storm lines have replaced old problematic/undersized mains. Water mains are being upsized to provide improved ability to move water through town. This project will connect the 16" main artery in SMC Road with the 10" main in DeGross Street with larger mains providing eight times the capacity of current connections; resulting in a much more reliable water system for the community. The sewer lines in these blocks are old with bad joints and leaky connections. There are currently no storm drains in portions of this area; this project will improve drainage by providing storm drains.

DeGross Street Water & Sewer Improvements: This project will replace and aged/failing water, sewer and storm systems on DeGross Street between SMC Road and Lake Street. The 40+ year old asbestos cement sewer main is in poor condition with many bellies and leaky services requiring routine maintenance to keep it flowing. Required ADEC separation distances between water and sewer will be achieved. The old small diameter water main will be replaced with a new 12" HDPE main which will greatly improve the ability to provide water to the north side of town if the old 16" cast iron main in SMC Road were to fail or be out of service for repairs. Storm drainage in this old residential neighborhood will be replaced and improved with this project.

Replace Jeff Davis Street Water & Minor Sewer Upgrade: Sitka currently has funds set aside to repave Jeff Davis Street. This project would capitalize on the funded paving project by replacing the ~ 47 year old 8” water main with a new 16” HDPE main prior to repaving the road. Currently if the SMC Road 16” main is not in service we cannot supply enough water through the smaller residential lines to keep downtown and Japonski Island supplied with adequate water. This project is the second of three phases to connect the water transmission main from Blue Lake to downtown; by passing the old 16” cast iron main on SMC Road. This project will also upgrade a short section of parallel sewer that connects four houses to the sewer main via a 60+ year old wood stave line. This wood stave line has collapsed twice in the past 10 years causing sewage to backup into residences.

Cathodic Protection for Six Major Lift Stations: This project will install impressed current cathodic protection systems on six of the largest most critical sewage lift stations to prevent corrosion of the 28+ year old steel pump structures that are buried in tidally influenced salt water fill. The original anode corrosion protection systems have reached the end of their useful life and the steel structures are beginning to corrode. This is a preventative action that will protect these valuable assets for many years. Total replacement cost for these six large lift stations is estimated to be \$8-10 million.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: NEW SECONDARY POTABLE WATER SUPPLY

Total Project Cost:	\$ 8,657,000 (100%)
FY 2015 State Funding Request:	\$ 5,000,000 (58%)
CBS Expenditures to Date:	\$ 644,300 (7%)
CBS Additional Funding:	\$ 3,012,700 (35%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka requests \$5,000,000 in FY2015 State funds to help develop a new long-term approved secondary potable water source. CBS must develop a DEC-approved alternate source for drinking water for the future and preferably before the Blue Lake Dam expansion requires the Blue Lake water supply to be off line in excess of 60 days in the fall of 2014. That shutdown will be covered by leasing temporary membrane filtration units for 3 months and installing them at the Indian River Water Treatment Plant at a cost of around \$3,000,000. **However, a new long-term secondary potable water supply is required to avoid crippling the local economy every time the Blue Lake supply must be turned off for maintenance or due to high source water turbidity issues.**

Recent changes in the way the Alaska Department of Environmental Conservation (DEC) Drinking Water Program classifies Sitka's alternate/emergency water source and treatment system at Indian River will require that Sitka issue a community-wide boil water notice if City and Borough of Sitka provides water from the existing Indian River Water Treatment Plant. This occurs any time the Blue Lake supply is off line. Historically, the Blue Lake Penstock is isolated and drained for inspection for a 1 – 3 week period every 5 to 10 years. During these periods, Indian River Water Treatment Plant has provided water to the community. Indian River Water Treatment Plant was the major potable water source prior to Blue Lake coming on line in 1986 and has been used three times during the past 25 years when the Blue Lake system was out of service. Additionally, new federal regulations (LT2) will require increased treatment to provide inactivation of the protozoa *Cryptosporidium* by October 2014. This treatment is not available at Indian River Water Treatment Plant.

The ramifications of a community-wide boil water notice are wide reaching and unacceptable. Aside from inconveniencing residential customers, those with compromised immune systems or on dialysis are put at significant health risk when inadequately disinfected water is provided to their homes. The impact to commercial entities is significant. Restaurants, if they did not close altogether, would not be able to wash dishes with tap water and would need to provide boiled/treated water for employee hand washing, etc. Fish processors would not be able to rinse fish or provide ice to fisherman with water that has not met DEC drinking water standards, effectively shutting down their operations. Hospitals, doctor and dentist offices would find it exceedingly difficult to operate. The list of undesirable consequences is seemingly endless.

Multiple options for providing a cost-effective alternate potable water source for Sitka are currently being studied. They include: drilling wells and installing the pumping and disinfection capacity to provide the needed 3000-4000 gallons per minute, a separate raw water supply line from Blue Lake to the Blue Lake Water Treatment Plant, and temporary filtration units that could be located at Indian River and/or Sawmill Creek or other surface water sources within the existing infrastructure system of Sitka. **Regardless of which alternative(s) is selected, the DEC mandate to provide an alternate potable water source requires that the City and Borough of Sitka act now to develop this critical infrastructure need to provide residents, institutions, and businesses in Sitka with safe, adequate potable water supplies from both primary and secondary/emergency sources.** CBS has also applied for a DEC matching grant to partially fund this project due to the urgent need to adequately fund development of this new water source.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA ENERGY EFFICIENCY IMPROVEMENTS FOR CENTENNIAL HALL, KETTLESON LIBRARY AND OTHER FACILITIES

Total Project Cost:	\$ 4,625,788 (100%)
AEA Grant Funding Already Secured:	\$ 34,626 (1%)
Energy-Related Improvements Under Design:	\$ 1,664,057 (36%)
FY 2015 State Funding Request:	\$ 2,927,105 (63%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests \$2,927,105 funding from the State of Alaska to (1) complete a capital project for the installation of heat pump systems at Harrigan Centennial Hall and Kettleison Memorial Library, part of a larger project to increase the energy efficiency at those buildings; and (2) for the completion of a heating master plan for other municipal infrastructure.

FY 2015 Project: Centennial Hall Building and Kettleison Library Upgrades (\$2,827,105)

The City and Borough of Sitka (CBS) seeks to increase the energy efficiency at Centennial Hall and Kettleison Library. Already under design is energy efficiency improvements at both buildings, including insulation of roofing and exterior walls, work estimated at \$1,664,057 that will be completed by CBS. This request is for the replacement of the buildings' existing heating systems with heat pumps. The economic comparison of the systems shows that the heat pump options require a significant investment that factors greatly into overall life cycle cost. A 2012 feasibility study estimated that the combined annual life cycle cost savings for the two buildings would be \$32,000 when compared to leaving the existing heating systems in place. If this request was granted, the capital costs would be removed from the life-cycle equation and would result in a \$120,000 annual cost savings. CBS supports the overwhelming cost savings of a project of this magnitude but does not have the capital funding to afford the upfront costs.

The Blue Lake Dam Hydroelectric Project will make it feasible to convert to electric heating alternatives, helping both economically and environmentally. From an economic standpoint, electricity from a hydroelectric plant would cost less than fuel oil. This heat source reduces greenhouse gas emissions when compared to fuel oil heated buildings. Heat pumps make efficient use of available hydroelectric resources, which meshes well with community sustainability goals to make efficient use of renewable energy.

FY 2015 Project: City Wide Alternate Heat Source Master Plan (\$100,000)

As the Blue Lake Hydroelectric Project moves forward, the City and Borough will be looking at ways to utilize the electricity from the increased hydroelectric capacity. Currently, the City is responsible for 19 city buildings of which 17 buildings utilize fuel oil as their heating source. City Hall and the Senior Center use inefficient electric baseboard (radiant) heating. Providing a comprehensive study of the City's infrastructure with the concept of utilizing the new hydroelectric plant would be environmentally and economically beneficial to CBS.

The CBS will also be submitting an application for an Alaska Energy Authority (AEA) grant in the next round of applications for this project.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA HARBOR SYSTEM CAPITAL IMPROVEMENT PROJECTS

Total Project Cost:	\$ 9,750,000	(100%)
FY 2015 State Funding Request:	\$ 4,875,000	(50%)
Additional Funding Required:	\$ 4,875,000	CBS (50%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

The City and Borough of Sitka requests \$4,875,000 from the State of Alaska to partner in upgrading City owned and maintained harbor infrastructure. The City and Borough of Sitka recently completed a Harbor Master Plan which provides an engineering assessment of the existing condition of all Sitka harbor infrastructure, provides budgetary cost estimates for the necessary improvements, and organizes the projects into a Capital Improvement Projects (CIP) Plan. **The CIP Plan identifies \$118,000,000 of harbor system infrastructure needs over the next 50 years (in 2012 dollars). Recognizing the magnitude of the necessary improvements, the City and Borough of Sitka instituted a 39 percent increase in moorage rates effective October 1, 2012 with future increases anticipated.** However, even with these significant rate increases, the City and Borough of Sitka cannot fund the projects within the first 5 years of the CIP plan with the projected CBS reserve working capital in the Harbor Enterprise Fund.

The majority of Sitka's harbor infrastructure was originally designed and constructed by the Alaska Department of Transportation and Public Facilities (ADOT&PF). This infrastructure was subsequently deeded to the CBS when ADOT&PF was divesting itself of harbor assets. Since that time, limited funding has been available to maintain or repair them. **It should be noted that a significant percentage of the critical infrastructure needs identified within the CIP Plan are not eligible for funding under the Municipal Harbor Facility Grant Program.** Given the extent of the overall needs for harbor improvements, CBS FY2015 request is focused on the following top priority projects:

1. Crescent Harbor – (\$6,620,000): Crescent Harbor was **designed and constructed by the State of Alaska** in several phases beginning in 1965. The general condition of the harbor is poor. Timber elements are submerged and are beginning to show advanced stages of rot. Spalling and hairline cracks in the surface of concrete deck are evident throughout the harbor. About half of the finger floats are severely twisted and are listing from side to side. Large sections of concrete finger floats have spilled off. Timber piling are worn due to mechanical abrasion against the steel pile hoops. The 1965 era portions of Crescent Harbor have exceeded their remaining safe and useable life and must be replaced.

2. Eliason Harbor Electrical Replacement (\$2,450,000): Eliason Harbor, once referred to as New Thomsen Harbor, was **designed and constructed by the State of Alaska** in two phases, with the final phase completed in 1999. The Eliason Harbor Electrical systems are approximately 15 years old and suffer mechanical abuse due to storms and waves through the harbor, particularly on the north end. As a result, the power and lighting systems require substantial rehabilitation.

3. Thomsen Harbor Upland Access and Parking (\$680,000): Thomsen Harbor was **originally designed and constructed by the State of Alaska** in 1976. The uplands access and parking associated with Thomsen Harbor were constructed on an old dump site consisting of logs, stumps, old vehicles, etc. The condition of the upland access and parking is poor and must be upgraded as soon as funds are available. Uplands access and parking are ineligible for funding under the Municipal Harbor Facility Grant Program.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: ROAD TO RESOURCES – GRANITE CREEK TO STARRIGAVAN

Total Project Cost:	\$ 6,000,000	(100%)
FY 2015 State Funding Request:	\$ 4,800,000	(80%)
Additional Funding Required:	\$ 1,200,000	CBS (20%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

City and Borough of Sitka requests State assistance of \$4,800,000 to provide a “road to resources” to access additional rock for State, City, and private Sitka projects within Granite Creek valley. The project also includes access to Starrigavan Valley as an alternate potable water source.

Both City and Borough of Sitka (CBS) and privately owned rock quarries in Sitka are near the end of their productive lives. There do not appear to be any good candidates for additional private quarries, leaving the City and Borough as the primary source of construction rock products in Sitka.

The existing CBS quarries within the Granite Creek area are being used for the Airport and Breakwater projects which has nearly exhausted the available rock for future projects including the State’s. The Harbor Breakwater upgrade is being constructed by the Corp of Engineers in 2013-14 also. With Sawmill Creek Road and Halibut Point Road currently under construction, the gravel required for sub-grade and pavement may be in short supply from Sitka sources. If the quarries are not developed, the gravel for these projects may need to come from outside of Sitka.

The CBS owns a large tract (Lot 1 Remainder of USS 3670) of approximately 1,200 acres. Some of the parcel is currently used by the active quarries; however the majority of the tract is undeveloped. The tract includes both wetlands and uplands. Some of the wetlands are high value, and others are wetlands forested on the sides of the mountains which have high quality rock underneath the surface layers. The forested wetlands on the mountainsides would require mitigation which would be provided by the high value wetlands within the tract. However the mitigation will require a wetlands determination, functional analysis, and survey of the lands to be put into the mitigation bank.

The City and Borough has identified additional quarry sites within the Granite Creek Industrial Site. Sites have been created by a formal subdivision process, which included platting of two separate access rights of way. This project would include design and construction of an access road to the additional quarry sites within the newly platted rights of way, from the existing operating portions of the Granite Creek Industrial Site. In addition the access road will provide access to the full length of the Granite Creek valley to access other potential quarry and overburden sites. Access road design and construction would include a 24 foot wide traveled way with two foot wide shoulders. This project will also include permitting, wetlands determination and mitigation, and runoff monitoring and reporting. Sitka’s local match would be provided from the City and Borough of Sitka General Fund. To date Sitka has provided a budget of \$100,000 to develop the quarries.

The access to the Starrigavan Valley would also provide a utility corridor to permit future development. This could include access to already tested and proven ground water to provide an alternate source for drinking water for Sitka. This road could also facilitate providing water and communications to the Forest Service campground and the State Public Safety Academy and municipal shooting ranges.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: TONY HREBAR SHOOTING RANGE IMPROVEMENTS

Total Project Cost:	\$139,000 (100%)
State Funding Already Secured:	\$ 50,000 (36%)
Funding Already Secured: (State, CBS, NRA)	\$ 29,000 (21%)
FY 2015 State Funding Request:	\$ 60,000 (43%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests \$60,000 from the State of Alaska to continue to partner with CBS to rehabilitate and upgrade the Tony Hrebar Shooting Range. Identified projects will improve access, safe use, and overall condition of the range. A combination of State, City and NRA funds has been used to upgrade the shooting range. Projects completed include the installation of a vaulted toilet, range distance markers, range re-surfacing, and repainting shooting shelters. Additional funds will be used to complete improvements to drainage and re-build range berms.

Funds will be spent to re-surface and improve range drainage. Inadequate drainage has caused washouts of surfacing material and rutting. The uneven surfaces are dangerous. Installing a properly sized drainage system will help preserve gravel surfacing but also keep the range surface even and hazard free thereby reducing tripping hazards.

Raising the height of berms will significantly improve range safety. Range berms have sloughed and settled and are no longer the standard height. The backstop berms are critical to prevent bullets from travelling downrange, beyond the shooter's target. The interior berms restrict bullets from traveling to adjacent ranges.

Other projects that improve safe use of the shooting range include the following: The shooting tables have deteriorated and need replacement. These tables are extensively used and allow for safe gun handling practices. Construction of gun racks to hold rifles that aren't being immediately used will reduce the potential for accidents and encourage the public to utilize safe practices. Construction of spent brass collection bins will reduce maintenance, improve the facility's appearance and encourage recycling. Users identified the need to a non-potable water faucet to use if accidents occur for eye-washing. Installation of a security camera at the range is another item which has been requested by users to help reduce vandalism and misuse of the shooting range. A two-way communications system is also urgently needed.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA MULTI-PURPOSE TRACK AND FIELD IMPROVEMENTS

Total Project Cost:	\$ 6,500,000 (100%)
American Legion Funding Secured:	\$ 100,000 (1%)
FY 2015 State Funding Request:	\$ 6,400,000 (99%)
Other Funding Requests:	\$ 0
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests \$6,400,000 to develop an all-weather turf Multi-Purpose Track and Field Complex for year-round use. This project will provide a complete accessible facility for Sitka's youth and a safer facility with lower maintenance costs. The project will have great economies of scale with cost efficiencies in both design and construction.

The original construction of Sitka's Track and Field located at Lower Moller Park was reported to have started in August 1974 by O'Leary Construction. A cleared area and gravel access road existed on the site prior to field construction in 1974. The field was built in a swampy area and continues to settle. Track width varies between 26' and 30' and is wide enough to accommodate six (6) track lanes. During periods of heavy rain small pot holes will develop requiring continual maintenance. There is no straightway or chute extensions for the sprinting events. The south end of the field is used as a discus and shot put pad area. The existing field surface is approximately 160' x 360' in size. It is composed of a silt surfacing cap that during rain events becomes quite soft resulting in unsafe, slippery conditions which cause ankle and leg injuries. A grass surface exists around the field perimeter and on each end of the field. In 2001 grass was removed from the main playing field for safety and drainage reasons.

The existing track and field location lacks many of the amenities required for hosting track meets; particularly regional or state level meets. There are no public restrooms or concession facilities located directly at the field level. Concession stand and restrooms are located on the Upper Moller field. Storage of track, field and football equipment is limited, inadequately sized, and has no power. Spectator seating is limited to one metal bleacher section on each side of the field, parking is limited and there is no accessible access route to the field.

FY 13 State funding of \$100,000 will be administered by the Alliance for Alaska American Legion and will be utilized for a feasibility study of installing Sitka Multi-purpose Track and Field Improvements. One possible location for the Multi-Purpose Track and Field would be to utilize newly named Krueger Field at the Kimsham Sports Complex. The Kimsham Sports Complex has three softball fields and a multi-purpose field. The multi-purpose field is in need of replacement. It is a grass field that is not establishing very well as it was installed on a rock type sub-grade and it will not sustain grass and is an uneven surface. The City and Borough of Sitka is going to have to replace the grass with some sort of all weather turf to make it sustainable in the Southeast climate. It has access to restrooms, concession facility, and parking located in the Sports Complex.

The new track/football/soccer multi-purpose fields with all-weather year-round surfaces would permit Sitka's schools to host track (running and jumping) and field (shot-put, discus, high jump and long jump) events, and permit Sitka's youth, as well as adults, to use regulation track, football, and soccer facilities safely throughout the entire year.

FY2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: WHITCOMB HEIGHTS SUBDIVISION UTILITY IMPROVEMENTS

Total Project Cost:	\$ 4,700,000	(100%)
FY 2015 State Funding Request:	\$ 4,230,000	(90%)
Additional Funding Required:	\$ 470,000 CBS	(10%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

City and Borough of Sitka requests \$4,230,000 to assist in the extension of the water main “trunk line” on Kramer Avenue and construct a parallel sewer main to enable development of the Whitcomb Heights Subdivision “Benchlands” for residential use.

The Benchlands is City-owned land that is planned for Sitka’s future residential growth. The land was purchased from University of Alaska in 2007 for \$3,300,000. The City received a \$5,000,000 grant and a \$3,170,000 DEC loan for the construction of utilities and a water tank to service the project area. Most recently additional utility work was completed and nine residential building lots were put on the market of which three have been sold. In addition to the building lots, additional development tracts were provided water and sewer service to provide for future development. The City also advertised a Request for Proposal from developers to develop three tracts within the Benchlands for mixed density housing. The proposal was well received by the Assembly and a sales agreement is being drafted which will allow the lots to hit the market as early as summer 2014.

Kramer Avenue parallels the State-owned Highway Halibut Point Road, through the southern portion of the City and Borough of Sitka owned “Benchlands” properties. Kramer Avenue is the arterial street of the Whitcomb Heights Subdivision in the Benchlands. The proposed project would extend the water main “trunk line” in the southern portion of Kramer Avenue to the north as well as construct a parallel sewer main along the same alignment. Miscellaneous associated road and drainage improvements would also be constructed.

Construction of these water and sewer main lines within the Kramer Avenue right-of-way will provide a backbone upon which the neighborhoods of the subdivision can be served. The Benchlands is the only property in the City and Borough of Sitka that is both accessible and of suitable terrain to support much needed public or private development of residential units, including sorely needed affordable housing. The Kramer Avenue water main will also provide a supply loop in parallel with the Halibut Point Road water main, ensuring that the added system water storage capacity provided by the Whitcomb Heights water tank can be distributed to all areas of the community water system.

Additional local match would be provided in the form of funding for construction of Whitcomb Heights Subdivision neighborhood water and sewer mains, and individual service connections.

FY 2015 CBS LEGISLATIVE CAPITAL PROJECT REQUEST

Project Title: SITKA COMMUNITY PLAYGROUND

Total Project Cost:	\$ 400,000 (100%)
Funding Already Secured: (Municipal/Private/In-Kind)	\$ 4,000 (1%)
Other Funding (Pending):	\$ 45,000 (11%)
FY2015 State Funding Request:	\$ 351,000 (88%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests \$351,000 from the State of Alaska to replace CBS playgrounds with a single, ADA compliant playground that excites and engages Sitka’s children in active and imaginative play. Sitka has City-owned playgrounds at two park sites. All playgrounds have identified constraints and limitations and are not ADA compliant. A recent Certified Playground Inspector’s audit revealed that the City and Borough of Sitka playgrounds do not comply with current playground standards for equipment spacing and surfacing.

In June 2011, a group of Sitka volunteers and parents came together with a goal of upgrading and consolidating the City and Borough’s existing playgrounds by creating a single Community playground. The Sitka 2011 Health Summit attendees, recognizing the value of the playground, chose this project as one of its three top goals during their annual planning event in October. In the fall of 2011, a playground design, a \$2,400 in-kind donation, was completed with over 200 youngsters providing input to the designer.

The construction of the Community playground will help the City and Borough of Sitka achieve the community goal of providing safe, accessible, year-round, healthy activities for Sitka’s youth. The project goals are to improve daily physical activity and to promote lifelong healthy lifestyles. Access to the playground will allow Sitka’s nine licensed daycares, various home daycare facilities and Sitka’s private and public schools to expand physical fitness program capacity and improve activity levels of Sitka’s children. The play opportunities in a “21st Century” playground will improve children’s strength, endurance and balance as well as physical, social and cognitive skills.

The playground will be located on City and Borough park lands. One site being considered is to replace the centrally-located Crescent Harbor Park playground. By replacing and consolidating City playgrounds with a single, safe facility that is compliant with current playground requirements and built with sustainable materials, the City will significantly reduce required maintenance and eliminate potential liability. This project will also be funded with cash and in-kind donations, and grants.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: PURCHASE MOBILE TEMPORARY DRINKING WATER MEMBRANE FILTRATION EQUIPMENT

Total Equipment Cost:	\$5,898,500
CBS Funds Expended to Date:	\$ 53,500
CBS FY 2014 Funds Anticipated:	\$ 200,000
FY 2015 State Funding Request:	\$5,645,000
City and Borough of Sitka Federal Tax ID Number:	92-0041163

The City and Borough of Sitka (CBS) requests that the State of Alaska partner with CBS to purchase temporary drinking water membrane filtration equipment for future emergency use throughout Alaska. Purchase cost is estimated to be \$5,645,000. This equipment would be a tremendous resource for State emergency response to loss of community drinking water due to flooding or other natural disasters or failures to existing drinking water treatment plants.

ADEC Regulations will force CBS to have ADEC approved temporary filtration equipment in the summer/fall of 2014 when the Blue Lake primary municipal potable water source is out of service for tunnel work associated with the Blue Lake Hydroelectric Expansion Project and the Sitka community is provided water from Indian River – the primary source prior to 1986 when Blue Lake came on line.

CBS has been working with consultant CH2MHill and the ADEC Drinking Water Program to engineer and select mobile equipment that will produce water meeting the current drinking water regulations. CBS is ready to advertise a request for proposals to rent/lease four membrane trailers and five trailer tanks to achieve the required chlorine contact time. Each individual trailer is capable of producing approximately 1 million gallons of filtered water per day. CBS's four month equipment rental costs, which include purchase of pumps and piping that are not feasible to rent, are estimated at \$1,555,000 compared to purchase cost of \$5,645,000. The total cost estimate for Sitka's four month use, including water quality testing and operational costs, is \$3,000,000 or \$750,000 per month.

If the State of Alaska were to purchase this equipment, taking advantage of several hundred thousand dollars of engineering work, testing and actual operation that CBS will have invested, it would save Sitka's rate payers around \$1.5 million and the State would own four independent membrane filtration mobile units and associated required tankage, piping and pumps that would each produce about 1 million gallons of potable water per day. These versatile, state-of-the-art units will produce water meeting DEC's drinking water requirements. To date CBS has invested over \$53,000 and anticipates spending another \$200,000 before the units are operational in Sitka. There are many possibilities to utilize mobile/emergency drinking water equipment in rural Alaska communities or other filtration avoidance systems: Kodiak, Cordova, Ketchikan, Juneau for example.

This equipment will be very flexible with the ability to split into four separate units or any combination and produce up to 4 million gallons per day, enough to fully supply Sitka or Ketchikan. The system could then be kept ready to enable emergency potable water response throughout Alaska – from small rural communities requiring only 100,000 gallons per day (GPD) to as large as Ketchikan, requiring 4 million GPD. The individual membrane units and tanks will be trailer mounted so they could be trucked to road system communities or loaded and flown to remote areas with C130 aircraft. They could also be loaded on barges and moved up the river systems in Western Alaska to help produce potable water during the summer months for 'fill and draw' systems whose water treatment plants are not fully functional.

This system would be a valuable resource to add to the State Emergency Services water treatment equipment supply for immediate response to any community which loses its potable water system due to flooding, earthquake or other emergency. After the fall of 2014, CBS will have trained operators who could provide assistance to Emergency Services or other state agencies that might use the systems. CBS could store the equipment in Sitka, or it could be shipped and stored elsewhere.

FY2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: REPLACE FAILING WATER SUPPLY LINE TO JAPONSKI ISLAND

Total Channel Crossing Water Mainline Project Cost:	\$ 2,271,000 (100%)
CBS Water Fund FY 2014:	\$ 75,000 (3%)
FY 2015 State Funding Request:	\$ 693,000 (31%)
Other Funding Requests: DEC Grant/Loan:	\$ 1,503,000 (66%)
City and Borough of Sitka Federal Tax ID Number:	92-0041163

City and Borough of Sitka requests the State contribute \$693,000 to partner with the \$75,000 Municipal Water Department seed funds to accomplish Phase 1 of this important project. The leaking 12-inch concrete-lined steel water pipe suspended under the O’Connell Bridge needs replacement. This is a phased project Phase 1 includes: identifying the replacement location (submerged or on the bridge), installing connections to facilitate removing the existing leaking line from service and connecting a future line, bid-ready design plans and permitting. Completing Phase 1 will greatly improve CBS’s ability to be awarded DEC municipal matching grant (MMG) funds for Phase 2, the actual construction of the line. This waterline serves several State institutions located on Japonski Island, so the State has a major interest in upgrading this failing water system.

This is one of the final projects remaining from the 2003 Japonski Island Infrastructure Master Plan “Island Water Supply Improvements”. The existing 12-inch line was constructed by the Bureau of Indian Affairs (BIA). No agencies claim ownership of this waterline which serves residences and municipal, State and Federal institutions. A leak was discovered in 2010 and a section of insulation and lagging fell off the line above the lightering facility, temporarily closing this cruise ship passenger facility, last summer. Replacing this line will greatly improve fire flow capacity, pressure and reliability for the island’s water system. **CBS is committed to ownership and maintenance of the new waterline.**

Sitka supplies potable and fire protection water to State, Federal and municipal facilities and residents on Japonski Island across the 900 foot wide Sitka Channel. Japonski Island is the site of the Sitka Rocky Gutierrez Airport, Southeast Alaska Regional Health Consortium and Hospital, Mt. Edgecumbe High School (State Department of Education boarding school), University of Alaska Sitka Campus, U.S. Coast Guard (USCG) Air Base, USCG Buoy Tender Base, USCG and other residential housing, daycare facilities, municipal wastewater treatment plant and Sealing Cove Boat Harbor.

CBS has sought funding in previous years for this project through the DEC low interest loan/stimulus programs. The project has not scored high enough to be funded. Municipal matching grants (MMG) are much more competitive; so this funding source probability is very low. CBS believes if Phase 1 were completed, Phase 2, the physical construction of this project, will be competitive with other MMG utility projects statewide.

CBS will continue efforts to secure the additional Federal and State funding towards completion of the remainder of the Japonski Island utility upgrades which include: the Japonski Island utility corridor relocation, \$2,208,000; Water Tank Demolition, \$500,000; and U.S. Coast Guard Housing Water Improvements, \$750,000. In 2010, CBS wastewater enterprise fund replaced six wastewater lift stations serving the various state and federal institutions on Japonski Island at a cost of \$1,567,000.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: SITKA AIRPORT INFRASTRUCTURE UPGRADES

Total Project Cost:	\$2,208,000 (100%)
FY 2015 State Funding Request:	\$2,208,000 (100%)

The City and Borough of Sitka requests the State of Alaska provide \$2,208,000 to Department of Transportation and Public Facilities to relocate Department of Transportation and City and Borough Sitka utilities located on Japonski Island along the old access road to the Airport and within the Airport property. This upgrade will enable the Sitka Airport to be safe and more fully utilized and is long overdue.

The Japonski Island Infrastructure projects remain one of Sitka’s highest priorities, ever since completion of the Japonski Island Infrastructure Master Plan in 2003. The Plan has detailed preliminary budgets for a total of ten projects. The purpose of the Plan is to upgrade the deteriorating road and utility infrastructure on Japonski Island, some of which date from World War II when the island was a military Naval base. These projects are bringing the roads and utilities up to specifications to provide safe transportation and utility services to all Japonski Island institutions including Sitka Airport, Southeast Alaska Regional Health Consortium (SEARHC), Mt. Edgecumbe Hospital, University of Alaska Southeast Sitka Campus, Mt. Edgecumbe State Boarding High School, U.S. Coast Guard Air Station and U.S. Coast Guard Buoy Tender Base, and Shee Atika Native Corporation. Once upgraded, CBS is taking over ownership and maintenance of these roads and utilities.

The Channel Waterline Project, which is half of the Plan’s Project 3 “Island Water Supply Improvements” was completed in 2008. The DOT/PF Airport Road Realignment, a portion of Project 7 “DOT Airport Expansion and Utility Improvements”, provides space on the Airport for additional lease lots. This airport road realignment was put into service in 2008 and was fully completed in 2009.

However the most important project included in the Japonski Island Infrastructure Master Plan of 2003 that is uncompleted is DOT **Airport Expansion and Utility improvements Project 7**. This project included relocating water and sewer to the new access road alignment. DOT funded the road improvements. However, DOT did not move the Water and Sewer lines which now are under Airport Lease Lots.

These improvements include approximately 4500 feet of water main, 3000 feet of gravity sewer and 800 feet of sewer force main. The relocation of a sewer lift station is also required. The cost estimates were published at \$946,848 in 2003 dollars. The current project cost in 2013 dollars is **\$2,208,000**.

In addition to the Sitka Airport Infrastructure Upgrades, the City and Borough of Sitka is continuing its efforts to secure the additional Federal and State funding to permit Water Tank Demolition, \$500,000; U.S. Coast Guard Housing Water Improvements, \$770,000; and O’Connell Bridge waterline replacement (Waterline Loop System to Japonski Island), \$2,315,000, the final remaining projects from the Japonski Island Master Plan, to be completed.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: SITKA/MT. EDGE CUMBE OLYMPIC-SIZED POOL

City and Borough of Sitka supports fully funding the pool facility which could serve a very large institutional and individual user base in Sitka and throughout the State of Alaska. This project will result in a swimming pool which will be owned and operated by the State of Alaska and primarily serve the statewide boarding school in Sitka, Mt. Edgecumbe High School. In addition, the pool could provide many benefits to Sitka and the State beyond the direct benefits to Mt. Edgecumbe students.

The preferred option for the Mt. Edgecumbe Pool Project is a 50 foot Olympic-sized pool. This would be a 46,818 square foot pool measuring 25 meters wide by 50 meters length composed of eight or more lanes, and 25 feet of pool length at 3.5 feet depth or less for education of non-swimmers. This sized pool would dramatically increase the utility of the pool for many other user groups not only in Sitka but throughout the State.

The institutions which could share operational costs of the pool include the U.S. Coast Guard units (Sitka Air Station, Aids-to-Navigation buoy tender, and others); Statewide Public Safety Training Academy (which trains State Troopers and other law enforcement personnel for duty stations throughout Alaska); U.S. Forest Service personnel; Southeast Alaska Regional Health Consortium and Sitka Community Hospital (which could use the pool for therapy), and City and Borough of Sitka and Sitka School District for community-sponsored swimming and meets. The Coast Guard personnel and families, SEARHC/Mt. Edgecumbe Hospital, and University of Alaska are all based on Japonski Island within walking distance of the pool site.

Sitka has an extremely active swimming community. Instead of Sitka swim teams having to travel elsewhere for meets using Olympic competition pools, some of those meets could take place in Sitka. There would be major economic benefits to these large meets and training programs being held in Sitka similar to the many new and expanded local and statewide activities now occurring at the new Moller Baseball Field. Since the installation of the synthetic surface and lights, an increasing number of out-of-town teams from all over Alaska are coming to Sitka and providing much larger economic and cultural benefits to both Sitka and its guests than had been anticipated. These same greatly expanded impacts to Sitka could be felt with Sitka having an Olympic size pool.

The second scenario for the pool would be a high school competition pool of 28,258 square feet, 60 feet wide by 25 meters length with eight lanes, an instructional tank, and 25 feet of pool length at 3.5 feet depth or less for education of non-swimmers. This reduced-size facility could accommodate Mt. Edgecumbe student use but would be inadequate for most of the institutional uses listed above and not be able to accommodate multi-community swim meets. This reduced size would greatly limit sharing operations costs with other users and reduce other benefits to the institutions and various swim teams to a minimum. A legislative appropriation of \$20 million has been allocated for this project, but additional funds may be required to construct the preferred option.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: CO-FUNDING FOR CITY/STATE/TRIBAL JUSTICE CENTER DESIGN STUDY

Total Project Cost:	\$150,000	(100%)
Funding Already Secured:	\$ 75,000 CBS Municipal	(50%)
FY2015 State Funding Request:	\$ 75,000 State	(50%)
Additional Funding Required/Outstanding:	\$ 0	
City and Borough of Sitka Federal Tax ID Number:	92-0041163	

State and Municipal justice facilities in Sitka are antiquated and inadequate to serve current needs. Most are housed in the 38 year-old State/City Building. The City and Borough of Sitka and Sitka Tribe of Alaska are collaborating with other key stakeholders, including State agencies, to plan a “one stop shopping center” housing a broad range of justice-related services.

The new facility could potentially house the offices of Sitka Police Department and Community Jail and Sitka Tribe of Alaska Social Services, plus several State facilities: Alaska Assistant District Attorney, Alaska Children’s Services, Alaska Department of Corrections/Division of Probation and Parole, Alaska Division of Juvenile Justice, and Alaska District Court, none of which have adequate or secure facilities.

The Design Study will result in a concept plan, including cost estimates, feasibility and design study. The new multi-use State/City facility could include a new larger and longer-term Community Jail to ease the overall stress on the Department of Corrections Lemon Creek Facility in Juneau. It may also be possible to initiate and implement an electronic monitoring program for the region.

The City has dedicated \$75,000 to partially fund this study and is asking the State to match this amount. A match from the state would fully fund the Design Study for this collaborative multi-use facility project.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: STATE PUBLIC SAFETY ACADEMY DRIVER TRAINING FACILITY

Total Project Cost:	\$ 7,000,000 (100%)
State Funding Already Secured:	\$ 1,000,000 (14%)
FY 2015 State Dept. of Public Safety Request:	\$ 6,000,000 (86%)

The City and Borough of Sitka continues to support the State of Alaska fully funding the State of Alaska Department of Public Safety’s project to construct the Sitka Public Safety Academy Driver Training Facility Upgrade to permit design and construction of this urgent safety and educational upgrade in 2013 and 2014.

The State’s Public Safety Training Academy in Sitka, which trains State Troopers, Village Safety Officers (VPSO’s), Fish and Wildlife Protection Officers, and local Police force recruits for statewide positions, has been a primary resource for the State of Alaska in law enforcement and public safety training since 1968. It has always been extremely important to Sitka, providing direct employment, major economic benefits, and substantial sharing of resources for law enforcement training with Sitka agencies as well as the University of Alaska Sitka Campus (UAS). The City and Borough of Sitka (CBS) has supported Academy upgrades including a female cadet living quarters, shooting range upgrade, cafeteria, and other completed improvements and is grateful for these important improvements.

The largest and by far most important upgrade that has not been accomplished is the construction of a safe, secure driver training facility. City and Borough of Sitka appreciates the State of Alaska funding \$1,000,000 for this driver training facility and the Alaska Department of Transportation and Public Facilities for working on this project. The Sitka Driver Training Facility is a very high priority of the Department of Public Safety. CBS requests the State budget construction as soon as possible for completion by 2015. With the steep rise in construction costs, the estimate for development of the Public Safety Academy property and additional land, rock and paving development costs, as well as road easements and construction, the total project is projected to cost around \$7,000,000.

A professional driver training facility is a major safety need and essential component of continued viability of the Sitka Public Safety Academy whose program includes 60 hours of training devoted to emergency vehicle operations. The current facility borrows the parking lot between UAS, Mt. Edgecumbe High Boarding School, and Sitka Channel used by many students. It has always been woefully inadequate to provide security and safety necessary for driver training and has proved unsafe for participants and the public. Vehicles have spun out and ended up in Sitka Channel. Police and other emergency first responders deserve the best driver training available to cope with the diverse weather and road conditions in Alaska. A public parking lot cannot provide this.

The new driver training facility will be located on the Academy’s property separate from any public use. It will provide the Southeast Region and the State with multiple emergency vehicles operations and training for emergency response professionals in law enforcement, fire and emergency medical services throughout the State.

The Sitka Assembly unanimously approved Resolution 2008-16 on May 27, 2008, “A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING THE PUBLIC SAFETY ACADEMY DRIVING RANGE AND FACILITIES UPGRADE”. CBS continues to be willing to partner with the DPS to complete this upgrade.

FY 2015 CBS REQUEST FOR STATE FUNDING FOR STATE FACILITIES

Project Title: EQUITABLE SITKA ALASKA MARINE HIGHWAY SERVICE

Sitka's summer ferry service has generally improved with the Fast Vehicle Ferry (FVF) Fairweather's six-day-per-week Juneau to Sitka to Juneau service. However, this "Summer Schedule" does not begin until July, and Sitka's summer season begins in May. Throughout June, there is great Sitka use of the Marine Highway System, and the Sitka Summer Music Festival and Sitka Fine Arts Camp and other events bring hundreds of travelers to and from Sitka, many of whom prefer to ride on the Alaska Marine Highway (AMHS). As an example, the Sitka Coast Guard averages 60 families arriving at or leaving the Sitka duty station in May and June, and almost 100 percent of these personnel and families arrive and depart on the Alaska Marine Highway.

There is no justification to lay up the Fairweather three days per week in June when summer demand is at a peak. The Summer, 2014 schedule further reduces core service to Southeast Alaska by leaving the Taku off-line until July. The Taku provides essential summer service and should be in use by May. The AMHS should cut costs by other means than cancelling core service critical to SE Alaska's connectivity and regional and local economies. Cutting core service to Sitka during May and June will leave only one southbound ferry per week to Sitka and result in major lost revenues during two of the busiest months of the year and cause real economic harm to Sitka, Petersburg and others losing their primary ferry service. Other non-essential service such as the Kennicott runs could be reduced to two weeks on/two weeks off to save money if the budget is tight. The six-day-per-week Fairweather service in July and August is excellent for independent travelers from Juneau to come to/from Sitka.

Sitka's Winter Schedule continues to be very poor when the FVF is not running. During the last two weeks of September 2014, Sitka will get only one north and one south ship per week. For the last several years, for at least seven months during the Fall/Winter/Spring, Sitka receives only one northbound mainline per week – the Taku from Prince Rupert. Sitka needs a second mainline northbound (preferably the Columbia from Bellingham). This schedule needs to be increased to the same core service level as other mainline ports. Sitka passenger and freight traffic would increase enormously with a year-round, consistent, connective schedule. Sitka needs both north and south mainline connections to Petersburg, Ketchikan, Prince Rupert, and Bellingham for year-round passengers and freight including container vans.

City and Borough of Sitka continues to request that DOTPF and AMHS complete the Sitka Access Study to evaluate the feasibility, benefits and costs of developing a road connection to Chatham Strait, potentially in cooperation with the proposed Takatz Hydroelectric Project. Without this assessment to identify the best road corridor to the eastern side of Baranof Island, where a new terminal would be built, how the new system would operate including the distance and time to commute to and from the terminal, and the conceptual costs and benefits of such a project and impacts to ferry service to Sitka, it is impossible to evaluate whether the Baranof Road or other road connection to the mainline route makes practical sense and is worth the additional cost and time required to access the AMHS. Whatever is developed must provide consistent, connective Marine Highway service between Sitka and the rest of the Marine Highway System so critical to Sitka's and the region's economic future.



Legislation Details

File #: RES 13-15 **Version:** 1 **Name:**

Type: Resolution **Status:** AGENDA READY

File created: 9/4/2013 **In control:** City and Borough Assembly

On agenda: 9/10/2013 **Final action:**

Title: Approving the City and Borough of Sitka submit an Alaska Energy Authority Renewable Energy Grant for Heat Pump Projects at the Wastewater Treatment Plant, Harrigan Centennial Hall and the Kettleston Memorial Library

Sponsors:

Indexes:

Code sections:

Attachments: [RES 2013-15 Heat Pump Grant App.](#)

Date	Ver.	Action By	Action	Result
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MEMORANDUM

To: Mayor McConnell and Members of the Assembly
Jay Sweeney, Interim Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *MH*
David Longtin, P.E., Senior Engineer *DL*

Reviewed: Mellissa Cervera-Bean, Contract Coordinator *MC*

CC: Mike Middleton, Deputy Finance Director

Date: September 4, 2013

Subject: AEA Application for Heat Pumps – Assembly support

Background:

The Alaska Energy Authority (AEA) is soliciting applications for grant funding made available through the Renewable Energy Program, Round VII. The Engineering Division would like to pursue design and construction grant funding for the installation of heat pumps at Centennial Hall, the Library and the Wastewater Treatment Plant. The application would benefit from a resolution from the Assembly expressing its support for the projects.

Analysis:

We are requesting a resolution from the Assembly expressing its support for the projects. A resolution is attached. The application deadline is September 24, 2013.

The three heat pump grants under consideration are described here. Heat pumps utilize thermodynamic principles to convert ambient heat sources (i.e., outside air or wastewater) to building heat.

1. Wastewater treatment plant: This heat pump project would utilize WWTP effluent as its heat source. A fuel oil boiler would be used to provide redundancy and supplemental heat during cold weather. Design and construction costs are estimated at \$860,000. Estimated life cycle costs of the existing system are \$980,000 greater than estimated life cycle costs for the heat pump system, or an average of \$33,000 per year over a 30-year period. If the grant is funded and the design and construction costs are backed out of this analysis, annual life cycle cost savings are \$60,000.
2. Harrigan Centennial Hall: This heat pump project would utilize outside air as its heat source. Electric heating coils would supply backup heat. Seawater wells were considered,

but the subsurface conditions proved not to be conducive to this. Design and construction costs are estimated at \$2,230,000. Estimated life cycle costs of the existing system are \$660,000 greater than estimated life cycle costs for the heat pump system, or an average of \$22,000 per year over a 30-year period. If the grant is funded and the design and construction costs are backed out of this analysis, annual life cycle cost savings are \$92,000.

3. Kettleson Memorial Library: This heat pump project would utilize outside air as its heat source. Electric heating coils would supply backup heat. Seawater wells were considered, but the subsurface conditions proved not to be conducive to this. Design and construction costs are estimated at \$590,000. Estimated life cycle costs of the existing system are \$290,000 greater than estimated life cycle costs for the heat pump system, or an average of \$10,000 per year over a 30-year period. If the grant is funded and the design and construction costs are backed out of this analysis, annual life cycle cost savings are \$28,000.

This is the same grant program the Sitka Sound Science Center is seeking a grant from. The Assembly approved a non-monetary sponsorship for their application at the August 27, 2013, meeting.

Fiscal Note:

The CBS would not incur O&M cost increases if these heat pumps are installed. Additional staff maintenance costs of the mechanical equipment were accounted for in the feasibility studies prepared for these projects. The decrease in operational costs is significantly larger than the increase in maintenance costs, as reflected in the estimates above. The grant does require an annual report on the performance of the units and cost savings achieved for the 10 years following the grant award. The costs associated with this small report are not reflected in the annual savings projections cited above.

The grant application allows the applicant to consider energy-related improvements completed in the previous 5 years or planned in the near term as a match. Building envelope (insulation) projects for which funding is already in place at the Centennial Hall and Kettleson Library will be offered as a match to the funding requested. This match will not decrease the amount of funding we would receive for the heat pump projects, yet will make our application more competitive.

Recommendation:

Approve the attached resolution expressing Assembly support for the three heat pump projects.

Sponsor: Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2013-15

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA, APPROVING CBS TO SUBMIT AN ALASKA ENERGY AUTHORITY RENEWABLE ENERGY GRANT FOR HEAT PUMP PROJECTS AT THE WASTEWATER TREATMENT PLANT, HARRIGAN CENTENNIAL HALL AND THE KETTLESON MEMORIAL LIBRARY

WHEREAS, heat pump technology has improved to the point where it can be reliably expected to save significant amounts of money over the life cycle of the pumps; and

WHEREAS, the City and Borough of Sitka seeks to obtain financial assistance to design and construct building heat improvements; and

WHEREAS, the State of Alaska, Alaska Energy Authority (the Authority) is offering funding through the Renewable Energy Fund.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, by this resolution, affirms and supports the request to submit an AEA Renewable Energy Grant Application for the design and construction of heat pump projects at the Wastewater Treatment Plant, Harrigan Centennial Hall and the Kettleson Memorial Library utilizing already committed funding as the match.

FURTHER BE IT RESOLVED, the Municipal Administrator or his designee is authorized to execute the grant application and the grant agreement with the Authority on behalf of the City and Borough of Sitka.

PASSED AND APPROVED by the Assembly of the City and Borough of Sitka, Alaska on this 10th day of September 2013.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 13-37 **Version:** 1 **Name:**
Type: Ordinance **Status:** AGENDA READY
File created: 9/3/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Adjusting the FY13 and FY14 Budgets
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-37 Fourth Quarter](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-37

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY13 AND FY14 BUDGETS FOR CHANGES IDENTIFIED DURING THE
FOURTH QUARTER FY13 FORMAL BUDGET EXECUTION REVIEW**

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 provision 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 adjust the FY13 AND FY14 budgets for changes identified during the Fourth Quarter, FY13 Formal Budget Execution Review.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY13 and FY14 Budgets for changes identified during the Fourth Quarter, FY13 Formal Budget Execution Review. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2012 and ending June 30, 2013 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2013 EXPENDITURE BUDGETS</u>			
GENERAL FUND			
Administrator/Assembly – Personnel:			
100-500-001-5110.001	Wages	\$43,651	
100-500-001-5110.003	Sick Leave	\$541	
100-500-001-5120.001	Annual Leave	\$28,552	
100-500-001-5120.002	SBS	\$4,459	
100-500-001-5120.003	Medicare	\$1,055	
100-500-001-5120.004	PERS (IRA)	\$9,603	
100-500-001-5120.007	Workmen’s Comp	\$393	
Severance pay for City Administrator.			
ENTERPRISE AND INTERNAL SERVICE FUNDS			
Electric Fund – Fixed Assets:			
200-600-670-7106.000	Fixed Assets/Equipment	\$720	
To cover overage.			

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
ENTERPRISE AND INTERNAL SERVICE FUNDS (cont.)			
Water Fund – Operations:			
210-600-601-5290.000	Other Expense	\$279,883	
To cover overage.			
Wastewater Fund – Travel & Training:			
220-600-607-5201.000	Travel & Training	\$3,991	
To cover overage.			
Solid Waste Fund – Operations:			
230-600-601-5212.000	Contracted/Purchased Services	\$137,727	
230-600-622-5212.000	Contracted/Purchased Services	\$60,273	
To cover overage.			
Harbor Fund – Fixed Assets:			
240-600-670-7106.000	Fixed Assets/Equipment	\$720	
To cover overage.			
Sawmill Cove Industrial Complex – Operations:			
270-600-680-7200.000	Interfund Transfers	\$146,205	
To cover overage.			
Sawmill Cove Industrial Complex:			
270-600-650-5295.000	Interest Expense	\$14,562	
270-600-650-7301.000	Note Principal Payment	\$49,783	
Adjustment to cover SCIP Paving project loan.			
CAPITAL PROJECT			
Spruce Street Drainage Project #80293:			
100-530-033-812-5212.000	Contracted/Purchase Services		\$30,000
100-600-680-7200.000	Interfund Transfers	\$30,000	
700-300-370-3701.000	Interfund Billing	\$30,000	
700-600-630-5212.000	Contracted/Purchased Services	\$30,000	
Transfer from Street Department to Spruce Street Drainage Project #80293.			

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
CAPITAL PROJECTS			
City Hall – Window Replacement 3rd Floor Project #90749:			
320-600-680-7200.000	Interfund Transfers	\$5,000	
700-300-370-3701.320	Interfund Billing	\$5,000	
700-600-630-5212.000	Contracted/Purchased Services	\$5,000	
Transfer from Building Maintenance Fund to cover the City Hall Window Replacement Project.			

In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2012 and ending June 30, 2013 is hereby adjusted as follows for the purchase orders open as of June 30, 2013.

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2013 EXPENDITURE BUDGETS</u>			
General Fund		\$84,037	
Homeland Security Grant		\$6,780	
SMC Contingency		\$301	
CPET		\$10,835	
Electric		\$58,597	
Water		\$14,760	
Wastewater		\$6,401	
Solid Waste		\$7,965	
Harbor		\$70,317	
SMCIP		\$419	
Central Garage		\$34,968	
Building Maintenance		\$27,914	
General Fund Capital		\$4,436,241	
2008 School Bonds		\$1,092,694	
Pacific High Renovation		\$515,651	
Electric Capital		\$13,287,505	
Water Capital		\$1,604,454	
Wastewater Capital		\$33,212	
Harbor Capital		\$143,215	
Marine Service Center Capital		\$2,106	
SCIP Capital		\$7,604	

In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2013 and ending June 30, 2014 is hereby adjusted as follows:

Account Number	Account	Increase	Decrease
FISCAL YEAR 2014 EXPENDITURE BUDGET			
GENERAL FUND			
General Fund – Personnel:			
100-500-002-5110.001	Wages	\$9,612	
100-500-004-5110.001	Wages	\$16,746	
100-500-005-5110.001	Wages	\$2,089	
100-520-022-800-5110.001	Wages	\$15,905	
100-530-032-800-5110.001	Wages	\$33,466	
100-530-033-800-5110.001	Wages	\$9,638	
100-530-034-800-5110.001	Wages	\$4,591	
100-530-035-800-5110.001	Wages	\$6,500	
100-540-041-5110.001	Wages	\$14,189	
100-540-043-5110.001	Wages	\$5,884	
Alaska State Employees (ASEA) Collective Bargaining Agreement.			
Police Department – Personnel:			
100-520-021-803-5110.001	Wages	\$121,990	
Public Safety Employees Association (PSEA) Collective Bargaining Agreement.			
ENTERPRISE AND INTERNAL SERVICE FUNDS			
Enterprise/Internal Service Funds – Personnel:			
210-600-605-5110.001	Wages	\$8,272	
220-600-601-5110.001	Wages	\$22,958	
230-600-622-5110.001	Wages	\$4,109	
240-600-630-5110.001	Wages	\$16,516	
300-600-630-5110.001	Wages	\$2,245	
310-600-630-5110.001	Wages	\$6,099	
320-600-630-5110.001	Wages	\$6,245	
Alaska State Employees (ASEA) Collective Bargaining Agreement.			

EXPLANATION

As part of the Fourth Quarter FY13 Formal Budget Execution Review, a number of necessary revisions in the FY13 and FY4 budgets were outlined. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A consolidated budget ordinance will normally follow each formal budget review session. A short explanation of each budget revision is included. The revisions for the Open Purchase orders have been rounded up to the nearest dollar.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th Day of September, 2013.

ATTEST:

Mim McConnell, Mayor

Colleen Ingman, MMC
Municipal Clerk

MEMORANDUM

To: Mayor and Assembly Members
Jay Sweeney, Interim Administrator

From: Janet Schwartz, Budget/Treasury Officer

Thru: Michael Middleton, Interim Finance Director *MM*

Date: September 4, 2013

Subject: Ordinance #2013-37 Budget Adjustments

The following is a brief explanation of Ordinance #2013-37.

The first section will adjust the Fiscal Year 2013 Budget:

The adjustments for the Severance pay of the Administrator that was brought before you on April 23, 2013 Assembly meeting;

The overages consisting in the Electric, Water, Wastewater, Solid Waste, Harbor and Sawmill Cove Industrial Complex funds;

The Public Works Director requesting to transfer \$30,000 from the Streets department to Capital to cover the cost of the Spruce Street Drainage repairs;

The Public Works Director requesting to transfer \$5,000 from the Building Maintenance Fund to cover additional expenses for the City Hall Window Replacement Project;

The last section will adjust the Fiscal Year 2014 Budget:

The re-appropriations of the open purchase orders;

The ASEA & PSEA Contracts.



Legislation Details

File #: ORD 13-33 **Version:** 1 **Name:**
Type: Ordinance **Status:** SECOND READING
File created: 8/7/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Reenacting SGC at Chapter 2.32 entitled Strategic Planning Commission
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-33 Stratigic Planning Commission](#)

Date	Ver.	Action By	Action	Result
8/27/2013	1	City and Borough Assembly		
8/13/2013	1	City and Borough Assembly	POSTPONED	Pass



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Memorandum

August 20, 2013

To: Mayor and Assemblymembers

From: Michelle Putz and Matt Hunter

Background:

Michelle Putz and Matt Hunter co-sponsored a proposal to reenact a "Long-Range Strategic Planning Commission," Ordinance No. 2013-33, at the August 13 Sitka Assembly meeting. After discussion with the assembly, a committee consisting of Matt, Michelle, and Thor Christianson was formed to adjust and further develop the proposal. This committee met by phone and, based on assembly input, wrote the following revised ordinance.

Several changes were made to the ordinance, including simplifying the name to the Strategic Planning Commission. One of the more significant changes in the ordinance is the addition of the duty stating that the commission shall, annually, draft its goals for the assembly to approve. Goals will be based on the annual assembly/commission joint meeting (see 2.32.060) or the assembly's recent visioning or strategic planning sessions. Initial goals might include:

- developing a community vetted priority list of facilities, road maintenance, and services,
- developing alternative means and methods for reviewing the City's commission framework and improving the effectiveness of City committees and commissions, and, at the direction of the assembly, assist the assembly in implementing the chosen alternative,
- providing a public forum for providing ideas of ways to increase revenue or reduce costs, and for other suggestions from the community, or
- assisting with implementation of any tasks directly assigned by the assembly related to strategic planning and visioning sessions,

We propose this commission as a means of allowing the Sitka Assembly to become more strategic and less reactive by assisting the assembly in developing, planning, and implementing strategic and long-range planning priorities as determined by the assembly.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-33

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REENACTING SITKA
GENERAL CODE AT CHAPTER 2.32 ENTITLED “ STRATEGIC PLANNING
COMMISSION”**

1. CLASSIFICATION. This Ordinance is of a permanent nature and is intended to become 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 circumstances shall not be affected.

3. PURPOSE. The Assembly has periodically established an economic development and planning commission over the past three decades (Ordinance No. 88-818, Ordinance No. 99-1538, Ordinance No. 01-1649, and dissolution by Ordinance No. 2011-05).

The purpose of this ordinance is to recreate SGC 2.32 to reenact this commission as the Sitka Strategic Planning Commission to assist the assembly in developing, planning, and implementing strategic and planning priorities as determined by the assembly. The newly formed commission will focus on strategic planning for the city rather than economic development. The Sitka Economic Development Association (SEDA), a non-profit organization established in 1997 by a committee of the Greater Sitka Chamber of Commerce, and other entities have taken on many of the economic development roles of the former Planning and Economic Development Commission.

4. ENACTMENT. **NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that the former repealed SGC 2.32 is now reenacted to form the Strategic Planning Commission as follows (new language underlined; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

- 2.04 City and Borough Assembly**
- 2.08 City and Borough Departments**
- 2.12 City and Borough of Sitka Hospital Board**
- 2.13 Health Needs and Human Services Commission**
- 2.14 Historic Trust Board**
- 2.16 Library Commission**
- 2.18 Planning Commission**
- 2.19 Police and Fire Commission**
- 2.20 Fire Department**

95 **2.32.050 Resignation.**

96 Should an officer resign from their position prior to expiration of their term, or otherwise is
97 unable or unwilling to perform duties as required of the office, the commission may elect an
98 officer to serve out the remainder of that term. In addition to the above officers, the
99 commission, by a majority vote of its members, may designate and elect or appoint such
100 other officers, assistant officers and agents as it deems necessary at such time, in such
101 manner, and upon and for such terms as it shall prescribe. All officers and agents shall serve
102 at the pleasure of the commission, whenever in its judgment the best interest of the
103 commission will be served.

104
105 **2.32.060 Meetings.**

106 A. Except during the summer, the commission shall meet at least quarterly.

107
108 B. Additional meetings may be held to provide a public forum for strategic planning
109 priorities.

110
111 C. Give reasonable public notice of its meetings and shall comply in all respects with the
112 Alaska Open Meetings Law.

113
114 D. At least once on an annual basis, the assembly and the commission shall meet jointly in a
115 special session to discuss strategic planning priorities (see 2.32.020).

116
117 E. At least twice annually, representatives of the commission will provide an update to the
118 assembly at a regular assembly meeting during “Special Reports” and will use assembly
119 feedback to adjust the activities and annual goals of the commission.

120
121 **2.32.070 Powers and duties.**

122 A. The commission shall assist the assembly in developing, planning, and implementing
123 strategic and planning priorities as determined through assembly visioning;

124
125 B. The commission shall, annually, draft its goals for the assembly to approve. These goals
126 shall be based on the annual assembly/commission joint meeting (see 2.32.060) or the
127 assembly’s recent visioning or strategic planning sessions. Specific issues the commission
128 may be directed to pursue include but are not limited to: sustainability of city infrastructure,
129 sustainability/efficiency of city services, targeted actions to improve quality of life, cost of
130 single family dwellings/affordable housing, tourism, etc.

131
132 C. The commission shall provide a public forum for strategic and community planning
133 discussions and proposals. In that role, the commission shall develop a process in which the
134 public can participate in setting goals for future use of publicly owned resources;

135
136 D. The commission shall, with the direction of the assembly, take specific action to facilitate
137 strategic and planning for the community;

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139

140 E. As determined by the assembly, the commission shall review and comment on all
141 referred issues for purposes of strategic planning;

142
143

* * *

144 **5. EFFECTIVE DATE.** This Ordinance shall become effective the day after the date
145 of its passage.

146
147 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
148 Sitka, Alaska this 10th day of September, 2013.

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Mim McConnell, Mayor

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154 ATTEST:

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Colleen Ingman, MMC
Municipal Clerk

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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 88-818

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
CREATING A SITKA ECONOMIC DEVELOPMENT COMMISSION

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 thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstance shall not be affected thereby.

3. PURPOSE. It is the responsibility of the municipality to provide realistic public services which will attract and sustain public and private businesses and industry; to remove any unnecessary public barriers to economic stability and development; and where appropriate, to take specific action to facilitate economic growth and development and sustain existing business and industry. With these goals in mind, it is the intent of the Assembly to create an Economic Development Commission to provide input and information regarding these matters and advise the Assembly as to future actions.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Chapter 2.32 of the Sitka General Code is hereby enacted as follows:

CHAPTER 2.32

SITKA ECONOMIC DEVELOPMENT COMMISSION

2.32.010 Establishment. There shall be a Sitka Economic Development Commission to maintain and collect current economic data and trends concerning community activities, to annually formulate an economic plan for local governmental purposes, to review past and proposed city ordinances, coastal management plans, economic grant proposals, etc., to identify unnecessary barriers, which would impede economic development.

2.32.020 Formation. The Economic Development Commission shall consist of 7 members active in roles of the major industries of Sitka; forest products, seafood, national interest, health care, tourism, education, and heavy construction; and 2 members from the community at large; and 1 Planning Commission member (ex-officio).

2.32.030 Organization. The Commission shall organize itself, naming a chairman and secretary, as well as any other officers it deems necessary. The Commission shall meet at least once a month.

2.32.040 Procedure. (A) The Commission shall develop a process in which the public can participate in setting goals for future economic development.

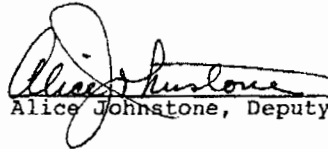
(B) The Commission shall review and comment on all referred issues for purposes of economic analysis.

(C) The Commission shall comply with all statutes, ordinances, and regulations regarding public meetings and notice to the public of such meetings.

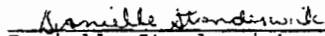
2.32.050 Term. The terms of the Commission members shall be 3 years, however the first Commission members shall be appointed to serve terms as follows: 3 members for terms of 3 years; 3 members for terms of 2 years; and 3 members for a term of 1 year. Members shall serve until their successors have been confirmed by the Assembly. There shall be no pay for Commission membership.

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

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 25th day of MAY, 1988.


Alice Johnstone, Deputy Mayor

ATTEST:


Danielle Standerwick
Acting Municipal Clerk

**CITY AND BOROUGH OF SITKA
ORDINANCE NO. 99-1538**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA REPEALING
AND REENACTING SITKA GENERAL CODE RELATING TO THE SITKA
LONG-RANGE PLANNING & ECONOMIC DEVELOPMENT COMMISSION**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision 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 repeal SGC Chapter 2.32 Sitka Economic Development Commission and enact SGC Chapter 2.32 Sitka Long-range Planning and Economic Development Commission for the creation of a long-range community planning & economic development commission. The concept was discussed in the development of the 1999 Sitka Comprehensive Plan.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 2.32 Sitka Economic Development Commission is repealed and reenacted as SGC Chapter 2.32 Sitka Long-range Planning and Economic Development Commission as stated below:

SITKA LONG-RANGE PLANNING & ECONOMIC DEVELOPMENT COMMISSION

2.32.010 Establishment

There shall be a Sitka long-range planning and economic development commission to undertake long-range community planning, to maintain and collect current economic data and trends concerning community activities, to annually, with concurrence of the assembly, formulate an economic plan for local governmental purposes, to annually review the Sitka Comprehensive Plan, to review past and proposed city ordinances, legislative priorities, and coastal management plans, to implement other programs including economic funding proposals, approved by the assembly, and to identify unnecessary barriers, which would impede economic development. (Ord. 93-1143§4 (part), 1993)

2.32.020 Formation

The long-range planning and economic development commission shall consist of nine members as follows: eight members active in roles of the major industries of Sitka: natural resources, seafood, national/state interest, health care, tourism, education, construction, and finance/real estate; and one member from the community at large. In the event that a qualified representative of an industry group is not available, a representative from the community at large may be appointed for the three-year term. Upon the completion of that term, every attempt shall be made to fill the position with an industry representative. Two alternates shall be appointed to the board by the Assembly who shall have the ability to participate and vote in the event regular board members are absent. The chair shall determine which alternate will participate if only one regular board member is not present. (Ord. 93-1143§4 (part), 1993)

2.32.030 Organization

The commission shall organize itself, naming a chairperson and vice chairperson, as well as any other officers it deems necessary. The commission shall meet at least once a month, or at the request of the assembly, except that the commission may vote to adjourn during the summer months, where attendance difficulties preclude a quorum. (Ord. 93-1143§4 (part), 1993)

2.32.040 Procedure

- A. The commission shall develop a process in which the public can participate in setting goals for future use of publicly owned resources and economic development.
- B. The commission shall, with the concurrence of the assembly, take specific action to facilitate long-range planning for the community.
- C. The commission shall, with the concurrence of the assembly, take specific action to facilitate economic growth and development.
- D. The commission shall review and comment on the Sitka Comprehensive Plan in an annual joint meeting with the Planning Commission.
- E. The commission shall review and comment on all referred issues for purposes of economic analysis.
- F. The commission shall, at the request of the assembly, review and provide recommendations concerning loan programs and foundation funding strategies.
- G. The commission shall comply with all statutes, ordinances, and regulations regarding public meetings and notice to the public of such meetings. (Ord. 93-1143§4 (part), 1993)

2.32.050 Term

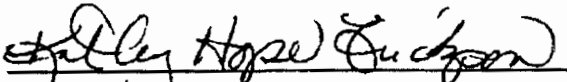
The terms of the commission members shall be three years. Members of the existing Economic Development Commission shall serve their terms as already set. Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for commission membership. (Ord. 93-1143§4 (part), 1993.)

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 22nd day of June 1999.


Stan J. Filler, Mayor

ATTEST:


Kathy Hope Erickson
Municipal Clerk

CITY AND BOROUGH OF SITKA**ORDINANCE NO. 01-1649****AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA REPEALING AND REENACTING SITKA GENERAL CODE CHAPTER 2.32 RELATING TO THE SITKA LONG-RANGE PLANNING & ECONOMIC DEVELOPMENT COMMISSION**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision 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 repeal SGC Chapter 2.32 Sitka Economic Commission and enact SGC Chapter 2.32 Sitka Long-range Planning and Economic Development Commission for the creation of a long-range community planning & economic development commission. The board has historically had nine members and there have been substantial difficulties filling all the seats and obtaining meeting quorums.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 2.32 Sitka Economic Development Commission is repealed and reenacted as SGC Chapter 2.32 Sitka Long-range Planning and Economic Development Commission as stated below. This ordinance, prepared in consultation with long standing board members, reduces the board membership to seven members and increases the percentage of at large members so the board can quickly return to full strength and can quickly pursue important tasks.

SITKA LONG-RANGE PLANNING & ECONOMIC DEVELOPMENT COMMISSION**2.32.010 Establishment**

There shall be a Sitka long-range planning and economic development commission to undertake long-range community planning, to maintain and collect current economic data and trends concerning community activities, to annually formulate an economic plan for local governmental purposes, to annually review the Sitka Comprehensive Plan, to review past and proposed city ordinances, [LEGISLATIVE PRIORITIES,] and coastal management plans, to implement other programs including economic funding proposals, approved by the assembly, and to identify unnecessary barriers, which would impede economic development. (Ord. 93-1143§4 (part), 1993)

2.32.020 Formation

The long-range planning and economic development commission shall consist of ~~seven~~ [NINE] members as follows: ~~four~~ [EIGHT] members active in roles of the major industries of Sitka: [NATURAL RESOURCES,] ~~seafood~~, [NATIONAL/STATE INTEREST,] health care, tourism, education, [CONSTRUCTION, AND FINANCE/REAL ESTATE]; and ~~three~~ [ONE] members from the community at large. In the event that a qualified representative of an industry group is not

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Ordinance 01-1649
Page 2

available, a representative from the community at large shall [MAY] be appointed for the three-year term. Upon the completion of that term, every attempt shall be made to fill the position with an industry representative. [TWO ALTERNATES SHALL BE APPOINTED TO THE BOARD BY THE ASSEMBLY WHO SHALL HAVE THE ABILITY TO PARTICIPATE AND VOTE IN THE EVENT REGULAR BOARD MEMBERS ARE ABSENT. THE CHAIR SHALL DETERMINE WHICH ALTERNATE WILL PARTICIPATE IF ONLY ONE REGULAR BOARD MEMBER IS NOT PRESENT.] (Ord. 93-1143§4 (part), 1993)

2.32.030 Organization

The commission shall organize itself, naming a chairperson and vice chairperson, as well as any other officers it deems necessary. Except during the summer, the commission shall meet at least once a month. (Ord. 93-1143§4 (part), 1993)

2.32.040 Procedure

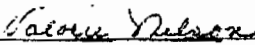
- A. The commission shall develop a process in which the public can participate in setting goals for future use of publicly owned resources and economic development.
- B. The commission shall, with the concurrence of the assembly, take specific action to facilitate long-range planning for the community.
- C. The commission shall, with the concurrence of the assembly, take specific action to facilitate economic growth and development.
- D. The commission shall review and comment on the Sitka Comprehensive Plan [IN AN ANNUAL JOINT MEETING] with the Planning Commission.
- E. The commission shall review and comment on all referred issues for purposes of economic analysis.
- F. The commission shall implement loan programs and foundation funding strategies.
- G. The commission shall comply with all statutes, ordinances, and regulations regarding public meetings and notice to the public of such meetings. (Ord. 93-1143§4 (part), 1993)

2.32.050 Term

The terms of the commission members shall be three years. Members of the existing commission shall serve their terms as already set. Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for commission membership. (Ord. 93-1143§4 (part), 1993)

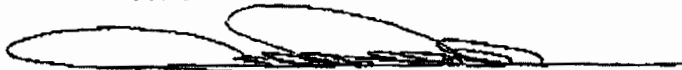
5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 20th, day of November 2001.



Valorie Nelson, Mayor

ATTEST:



Colleen Pellett, CMC
Municipal Clerk

**CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2011-05**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REPEALING
SITKA GENERAL CODE AT CHAPTER 2.32 ENTITLED "SITKA LONG-
RANGE PLANNING AND ECONOMIC DEVELOPMENT COMMISSION"**

1. **CLASSIFICATION.** This Ordinance is of a permanent nature and is intended to become 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 circumstances shall not be affected.
3. **PURPOSE.** This Ordinance repeals SGC at Chapter 2.32 entitled "Sitka Long-Range Planning and Economic Development Commission." The Assembly has determined that the Sitka Long-Range Planning and Economic Development Commission ("Commission") is no longer needed, having fulfilled its mission, or its duties are better addressed by the Assembly or other municipal boards, commissions, or committees. This decision was reached by the Assembly after meeting with Commission members and receiving their recommendations about dissolving the Commission.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 2.32 *et seq.* entitled "Sitka Long-Range Planning and Economic Development Commission" is repealed to read as follows (new language underlined; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

- 2.04 City and Borough Assembly**
- 2.08 City and Borough Departments**
- 2.12 City and Borough of Sitka Hospital Board**
- 2.14 Historic Trust Board**
- 2.16 Library Commission**
- 2.18 Planning Commission**
- 2.19 Police and Fire Commission**
- 2.20 Fire Department**
- 2.25 Sitka Police Department**
- ~~**2.32 Sitka Long Range Planning and Economic Development Commission**~~
- 2.34 Sitka Convention and Visitors' Bureau**

- 2.36 Public Notice of Meetings
- 2.38 Sawmill Cove Industrial Site
- 2.40 Elections
- 2.44 Municipal Court
- 2.46 Municipal Correctional Officers
- 2.47 Steps for Disaster Preparedness
- 2.48 District Civil Defense Council
- 2.52 Parks and Playgrounds
- 2.54 Sitka Tree and Landscape Committee
- 2.56 Parks and Recreation Committee
- 2.58 Sitka Historical Preservation Commission
- 2.60 Municipal Boards, Commissions and Committees
- 2.62 Sitka Investment Committee
- 2.64 Seafood Processing Economic Development Committee
- 2.66 Tourism Commission

* * *

Chapter 2.32

~~Sitka Long-Range Planning and Economic Development Commission~~

Sections:

- ~~2.32.010 Establishment.~~
- ~~2.32.020 Formation.~~
- ~~2.32.030 Organization.~~
- ~~2.32.040 Procedure.~~
- ~~2.32.050 Term.~~

~~2.32.010 Establishment.~~

~~There shall be a Sitka long range planning and economic development commission to undertake long range community planning, to maintain and collect current economic data and trends concerning community activities, to annually formulate an economic plan for local governmental purposes, to annually review the Sitka Comprehensive Plan, to review past and proposed city ordinances, and coastal management plans, to implement other programs including economic funding proposals, approved by the assembly, and to identify unnecessary barriers which would impede economic development.~~

~~2.32.020 Formation.~~

~~The long range planning and economic development commission shall consist of seven members as follows: four members active in roles of the major industries of Sitka: seafood, health care, tourism, education; and three members from the community at large. In the event that a qualified representative of an industry group is not available, a representative from the community at large shall be appointed for the three year term. Upon the completion of that term, every attempt shall be made to fill the position with an industry representative.~~

~~2.32.030 Organization.~~

~~The commission shall organize itself, naming a chairperson and vice chairperson, as well as any other officers it deems necessary. Except during the summer, the commission shall meet at least once a month.~~

~~2.32.040 Procedure.~~

~~A.—The commission shall develop a process in which the public can participate in setting goals for future use of publicly owned resources and economic development.~~

~~B.—The commission shall, with the concurrence of the assembly, take specific action to facilitate long range planning for the community.~~

~~C.—The commission shall, with the concurrence of the assembly, take specific action to facilitate economic growth and development.~~

~~D.—The commission shall review and comment on the Sitka Comprehensive Plan with the planning commission.~~

~~E.—The commission shall review and comment on all referred issues for purposes of economic analysis.~~

~~F.—The commission shall implement loan programs and foundation funding strategies.~~

~~G.—The commission shall comply with all statutes, ordinances and regulations regarding public meetings and notice to the public of such meetings.~~

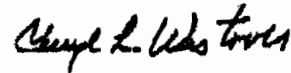
~~2.32.050 Term.~~

~~The terms of the commission members shall be three years. Members of the existing commission shall serve their terms as already set. Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for commission membership.~~

* * *

5. **EFFECTIVE DATE.** This Ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 22nd day of February, 2011.



Cheryl Westover, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 13-34 **Version:** 1 **Name:**
Type: Ordinance **Status:** SECOND READING
File created: 8/21/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Amending SGC Title 22 Zoning to revise SGC 22.20.038 Residential Demolition Guarantee
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-34](#)

Date	Ver.	Action By	Action	Result
8/27/2013	1	City and Borough Assembly		



Legislation Details

File #: ORD 13-35 **Version:** 1 **Name:**
Type: Ordinance **Status:** SECOND READING
File created: 8/21/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Authorizing the sale of municipal benchland property identified as Tract A14-III in Whitcomb Heights III and Tracts A13, A12-III and Blocks 8 and 9 in Whitcomb Heights Subdivision - passage will include approval of associated Purchase Agreement and Warranty Deeds
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-35 \(wo\)](#)

Date	Ver.	Action By	Action	Result
8/27/2013	1	City and Borough Assembly		

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-35

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE SALE OF MUNICIPAL BENCHLAND PROPERTY IDENTIFIED AS TRACT A14-III IN WHITCOMB HEIGHTS III AND TRACTS A13, A12-III AND BLOCKS 8 AND 9 IN WHITCOMB HEIGHTS SUBDIVISION

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

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

3. PURPOSE. The purpose of this ordinance is to authorize the sale of certain municipal benchland property known as Whitcomb Heights III and Whitcomb Heights Subdivisions to make land available for new development for residents of the City and Borough of Sitka ("CBS"). The Assembly finds that it is in the best public interest to make this land available for new development in accordance with the proposal submitted by Sound Development LLC in response to the South Benchland Request for Proposal ("RFP") issued by CBS on December 4, 2012.

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

- A. The sale of Tracts A14-III and Tract A12-III in Whitcomb Heights III Subdivision and Tract A13 and Blocks 8 and 9 in Whitcomb Heights Subdivision is authorized for sale to Sound Development LLC;
B. The Assembly finds the above described property is of a value less than \$500,000, and that there is no requirement that the sale of such property be ratified by the voters;
C. The Assembly further finds that the lands to be disposed of are not required for other public purposes;
D. Finally, the Assembly finds that the lands exceed municipal needs; and
E. The Interim Municipal Administrator is authorized to execute the attached Purchase Agreement for Sale of Land and Warranty Deeds associated with this sale.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th of September, 2013.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

**PURCHASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND SOUND DEVELOPMENT LLC**

This Purchase Agreement Between City and Borough of Sitka and Sound Development LLC (“Agreement”) is made between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 (“CBS” or “Seller”) and Sound Development LLC, PO Box 1401, Sitka, Alaska 99835 (“SDL” or “Buyer”). “Parties” refer to both the Buyer and the Seller.

OFFER AND ACCEPTANCE: CBS agrees to sell and SDL agrees to purchase the following real property (land), in fee simple together with all improvements, fixtures, and equipments, attached to or situated thereon, on the terms and subject to the conditions specified in this agreement and subject to any reservation, restriction and rights of way of record:

Parcels A, B, C & D (SDL response to Benchland Request for Proposal (“RFP”) issued December 4, 2012):

- Parcel A - TR A14 – III, Whitcomb Heights III Subdivision, Plat 2011-15
- Parcel B - TRACT A 13, Whitcomb Heights Subdivision, Plat 83-17
- Parcel C - TRACT A 12-III, Whitcomb Heights III Subdivision, Plat 2011-15
- Parcel D - Block 8, Whitcomb Heights Subdivision, Plat 83-17
- Parcel D - Block 9, Whitcomb Heights Subdivision, Plat 83-17

1. **Purchase Price:** SDL agrees to pay a total purchase price of Three hundred forty-four thousand, three hundred one dollars and seventy eight cents (\$344,301.78), the money to be paid by cashier check.

2. **Possession:** Possession shall be given to buyers upon execution of this agreement.

3. **Buyer’s Cost:** SDL agrees to pay the following costs:

- a. Any taxes and assessments on the property occurring after the date of this agreement;
- b. Any recording fees associated with the recording of this contract or the deed from CBS to SDL;
- c. Recording Fee; and
- d. Escrow Closing Fee.

4. **Binding On Successor:** The parties agree that the terms of this contract will apply to and bind their heirs, executors, administrators, assigns, or any successor in interest of the parties. If the buyer is more than one person, all obligations, promises, conditions, covenants and warranties are joint and several.

5. **Deed:** CBS shall convey to SDL a Warranty Deed in fee simple to the property described above upon the purchase described in paragraph one.

6. **Waiver:** Waiver by CBS of any default in the performance by SDL of any of the terms covenants, or conditions contained in this agreement, shall not be deemed a continuing

waiver of the same or any subsequent default. Any waiver of rights accruing under this agreement to the CBS or SDL shall be in writing.

7. **Notices:** Any notices which are required of this agreement, or which either CBS or SDL may serve upon the other, shall be in writing and shall be deemed served when delivered personally or when deposited in the United States mail, postage prepaid, return receipt requested addressed to SDL at P.O. Box 1401, Sitka, Alaska 99835 or addressed to CBS at 100 Lincoln Street, Sitka, AK 99835, attention Municipal Clerk.

8. **Utilities.** SDL is prohibited from selling any lots in Block 8 and 9 of Whitcomb Heights Subdivision prior to the installation of all electrical, sewer and water utilities and the acceptance of them by CBS. The Emmons and Cushing Street right of way shall also be constructed and accepted by CBS for maintenance prior to any sale. SDL may, with approval of CBS sell multiple lots, in aggregate, if a bond or any other financial guarantee is provided prior to the installation and acceptance of roads and utilities. CBS will not arbitrarily withhold acceptance of road and utilities for maintenance.

9. **Permits.** SDL accepts responsibility for complying with U.S. Army Corps of Engineers permit No. POA -2008-1351, Sitka Sound, issued May 27, 2009.

10. **Access Trail.** Parcels A and B contain a developed trail that is an access to the Sitka Cross Trail Network. The location of the trail can be relocated, as noted in the RFP of December 4, 2012 and as agreed to in the Response by Sound Development LLC, dated April 30, 2013, at the expense of SDL and with prior approval by CBS. CBS agrees to not arbitrarily withhold approval of such plan to relocate the access trail.

11. **Provision for Parcel C.** SDL commits to a work session with the Assembly prior to the submission of the conceptual subdivision plat for Parcel C to the Planning Commission.

12. **Time of Performance.** Per the RFP on December 4, 2012 and Response by SDL on April 30, 2013, development must occur in a timely manner with total build out of the project expected within 10 years from the date of purchase.

13. **Integrated Agreement:** This Agreement, in conjunction and reliance with the Proposal submitted by SDL, as signed by the parties constitutes the entire agreement between them. Any modification or alteration of this Agreement shall not be valid unless evidenced by a duly signed writing supported by consideration additional and independent from the consideration for this Agreement.

14. **No Warranties:** This property is sold “as-is” “where is” and SDL has fully inspected the property. SDL has been advised to investigate and inspect the parcels to determine regulations, restrictions and potential defects. Costs to remedy defects or comply with restrictions will be borne by SDL.

15. **Neutral Authorship of Document:** Each provision of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties herein. No presumption or other rules of constructions which would interpret the provisions of this

Agreement in favor of or against the parties preparing this Agreement shall be applicable in connection with the interpretation of any provision. Both parties have had the opportunity to seek legal counsel before signing this Agreement.

16. **Authorization:** This Agreement is entered into by CBS pursuant to authority granted by Ordinance 2013-____, passed and approved by the Assembly for the City and Borough of Sitka on the ____ day of _____, 2013.

**BUYERS:
SOUND DEVELOPMENT LLC.**

Jeremy Twaddle, Member

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, personally appeared before me Jeremy Twaddle, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, he has the authority to sign this Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

SOUND DEVELOPMENT LLC.

Todd Fleming, Member

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, personally appeared before me Todd Fleming, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, he has the authority to sign this Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

SOUND DEVELOPMENT LLC.

Brandi Fleming, Member

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, personally appeared before me Brandi Fleming, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, she has the authority to sign this Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

SOUND DEVELOPMENT LLC.

Diana Twaddle, Member

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, personally appeared before me Diana Twaddle, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, she has the authority to sign this Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

**SELLER:
CITY AND BOROUGH OF SITKA**

John P. Sweeney, III
Interim Municipal Administrator

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, personally appeared before me John P. Sweeney, III, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document that he has the authority as Interim Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

AFTER RECORDING, RETURN TO:
Sound Development LLC
PO Box 1401
Sitka, Alaska 99835

WARRANTY DEED

Grantor, CITY AND BOROUGH OF SITKA, 100 Lincoln Street, Sitka, Alaska, 99835, for and in consideration of the sum of \$156,185.28, conveys and warrants to Grantee, Sound Development LLC, PO Box 1104, Sitka, Alaska 99835, property described as Benchland property Emmons/Cushing Loop, and more particularly described as follows:

All of Block 8 and Block 9, Whitcomb Heights Subdivision, according to the official plat thereof, filed under Plat Number 83-17, Records of the Sitka Recording District, First Judicial District, State of Alaska.

This conveyance is based on Ordinance 2013-35 and by motion passed by City and Borough of Sitka Assembly on September 10, 2013.

DATED this _____ day of _____, 2013 at Sitka, Alaska.

John P. Sweeney, III
Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this _____ day of _____, 2013, before me, a Notary Public in and for the State of Alaska, personally appeared John P. Sweeney, III, Interim Municipal Administrator of the City and Borough of Sitka, a municipal corporation organized under the laws of the State of Alaska, confirming by signing this document, that he has been authorized by the Assembly for the City and Borough of Sitka to execute this deed on its behalf, and he does so freely and voluntarily.

Notary Public for the State of Alaska
My commission Expires: _____

Motion passed by the Assembly on 8-13-13

I MOVE TO sell Parcels A, B, C, & D of the South Benchlands property to Sound Development, LLC, for the price as described in Sound Development, LLC's proposal in response to the RFP issued on December 4, 2012, by the City and Borough of Sitka. I further move to direct the Municipal Attorney, in conjunction with the Administrator and developer, to draft a sales agreement as described in this motion, and execute the sales agreement forthwith with final review by the Assembly.



Legislation Details

File #: ORD 13-38 **Version:** 1 **Name:**

Type: Ordinance **Status:** AGENDA READY

File created: 9/3/2013 **In control:** City and Borough Assembly

On agenda: 9/10/2013 **Final action:**

Title: Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$50,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2013-38 Electrical Bonds](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA, ALASKA
JUNIOR LIEN ELECTRIC REVENUE BONDS

ORDINANCE NO. 2013-38

AN ORDINANCE of the City and Borough of Sitka authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed [\$50,000,000] to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank.

PASSED: September 24, 2013

Prepared by:

K&L GATES LLP
Seattle, Washington

CITY AND BOROUGH OF SITKA, ALASKA

ORDINANCE NO. 2013-38

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EXHIBIT A Form of Bond Bank Loan Agreement	

* Neither this table of contents nor the preceding cover page is a part of this ordinance.

Sponsor: Administrator

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-38

AN ORDINANCE of the City and Borough of Sitka authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed [\$50,000,000] to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank.

WHEREAS, the City and Borough of Sitka, Alaska (the "City"), owns and operates electric generation and transmission facilities (the "Electric System"); and

WHEREAS, the City has undertaken an expansion of the Blue Lake hydroelectric project (as further described herein, the "Project"), which is a component of the Electric System; and

WHEREAS, to pay a portion of the cost of the Project, the City has received grants from the State of Alaska and issued and sold to the Alaska Municipal Bond Bank (the "Bond Bank") the City's Electric Revenue Bonds, 2010, Series B and Series C, in the aggregate principal amount of \$22,820,000 (together with the City's Electric Revenue Refunding Bond, 2010 Series A, the "2010 Bonds") and the City's Junior Lien Electric Revenue Bond, 2013, in the principal amount of \$35,530,000 (the "2013 Bond"); and

WHEREAS, the City anticipates paying the rest of the cost of the Project from the issuance of up to [\$50,000,000] of additional electric revenue bonds of the City, with a first series of such bonds to be issued before the end of 2013 and a second series of such bonds to be issued in 2014; and

WHEREAS, the City may receive additional grant funds from the State, which may reduce or eliminate the second series of bonds in 2014; and

WHEREAS, the Assembly has determined that it is in the best interest of the City to delegate to the City's Finance Director authority to sell the bonds in one or two series, as authorized by this ordinance, so long as the aggregate principal amount of such bonds does not exceed [\$50,000,000]; and

WHEREAS, the Assembly finds that it is in the best interest of the City and ratepayers of the Electric System to issue these bonds through the Bond Bank, on the terms and conditions set forth in this ordinance and in loan agreements authorized by this ordinance to be entered into with the Bond Bank; and

WHEREAS, the City learned after the issuance of the 2013 Bond that the Bond Bank does not require certain provisions relating to the value of investments in the Reserve Account and now wishes to amend Ordinance No. 2013-02 by deleting those provisions;

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

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

Section 2. Definitions. As used in this ordinance, the following words have the following meanings, unless a different meaning clearly appears from the context:

“Annual Debt Service” means the total amount of Debt Service for any bonds or other evidences of indebtedness payable from Revenue of the System in any fiscal year.

“Assembly” means the Assembly of the City and Borough of Sitka, Alaska, the general legislative authority of the City, as duly constituted from time to time, or any successor body.

“Balloon Maturity Bonds” means any bonds or other evidences of indebtedness of the City payable from Revenue of the System that are so designated in the ordinance pursuant to which such bonds are issued or such indebtedness is incurred.

“Base Period” means any consecutive 12-month period selected by the City out of the 36-month period next preceding the date of issuance of a series of Future Parity Bonds.

“Bond Bank” means the Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended.

“Bonds” means the Junior Lien Electric Revenue Bonds authorized to be issued in a principal amount not to exceed [\$50,000,000] pursuant to this ordinance, which may be issued in one or more series as the Finance Director determines, as provided herein..

“Bond Bank Bonds” means bonds to be issued by the Bond Bank to provide funds to be loaned to the City pursuant to each Loan Agreement.

“Bond Fund” means the “City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund,” created pursuant to Ordinance No. 2013-02 and continued by this ordinance to pay and secure the payment of Parity Bonds.

“Bond Register” means the registration books for the Bonds maintained by the Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the names and addresses of all Registered Owners of Bonds.

“City” means the City and Borough of Sitka, Alaska, a home rule municipal corporation duly organized and existing under the Constitution and laws of the State of Alaska and its Charter.

“Code” means the federal Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds or any Future Parity Bonds.

“Consultant” means an independent municipal financial consultant, including but not limited to an independent accounting firm or engineer, having a favorable reputation for skill and experience with electric utilities comparable to the Electric System in such matters as are relevant to the purpose for which he or she is retained, appointed from time to time by the City to perform the duties of the Consultant as required by this ordinance.

“Covered Bonds” means the 2013 Bond, the Bonds and any Future Parity Bonds designated in the ordinance authorizing their issuance as Covered Bonds secured by the Reserve Account.

“Debt Service” means, for any period of time,

(a) for outstanding Fixed Rate Bonds, an amount equal to the sum of:

(1) all interest payable on such Fixed Rate Bonds during the period;

(2) the amount of principal of such Fixed Rate Bonds due or subject to mandatory redemption during such period and for which no Sinking Fund Requirement has been established, and

(3) the amount of the Sinking Fund Requirement for the period;

plus

(b) for outstanding Parity Bonds other than Fixed Rate Bonds, including but not limited to Balloon Maturity Bonds and Parity Bonds bearing variable rates of interest, an amount for the period equal to the amount that would have been payable for principal and interest on these Parity Bonds during that period computed on the assumption that the amount of Parity Bonds as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the ordinance authorizing the issuance of such Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance (ii) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the City) and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 11 hereof, then within ten days of such certificate, (iii) to provide for approximately level annual debt service of principal and interest over such period.

Debt Service shall be net of any capitalized interest funded out of bond proceeds and any Debt Service Offsets.

“Debt Service Offset” means receipts of the City, including but not limited to federal interest subsidy payments, designated as such by the City that are not included in Revenue of the System and are legally available to pay debt service on Parity Bonds.

“Electric System” means the electric utility properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the City and used or useful in the generation, transmission, distribution and sale of electric energy and the business incidental thereto and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the City as additions, betterments, improvements or extensions to those electric utility properties, rights and assets, but shall not include any other generating, conservation, transmission or distribution facilities that have been or may hereafter be acquired or constructed by the City as a utility system designated by the Assembly at the time of financing thereof to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand that separate utility system or are otherwise pledged to the payment of the bonds of another separate utility system of the City other than the Electric System. The Assembly may, by ordinance, elect to combine with and include as a part of the Electric System any other separate utility of the City, provided that full provision for the payment of any outstanding indebtedness of that separate system must first be paid or that indebtedness must be refunded with bonds issued in accordance with this ordinance.

“Event of Default” means any of those events described as such in Section 19 of this ordinance.

“Finance Director” means the Finance Director of the City or the successor to the duties of that office.

“Fitch” means Fitch, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Finance Director.

“Fixed Rate Bonds” means those Parity Bonds other than Balloon Maturity Bonds the rates of interest of which are fixed and determinable through their final maturity or for a specified period of time. If so provided in the ordinance authorizing their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

“Future Parity Bonds” means electric revenue bonds of the City issued after the date of issuance of the Bonds that have a lien on Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien on the Revenue of the System for the payment of the principal of and interest on the 2013 Bond and the Bonds.

“Government Obligations” means any bonds or other obligations that, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America.

“Loan Agreement” means each Loan Agreement by and between the City and the Bond Bank authorized to be entered into pursuant to Section 18 of this ordinance for the sale of the Bonds.

“Moody’s” means Moody’s Investors Service, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P and Fitch) designated by the Finance Director.

“Net Revenue” means, for any period, Revenue of the System less Operating Expenses for that period, excluding from the computation of Revenue of the System (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System, or resulting from the early extinguishment of debt; and (b) insurance proceeds other than proceeds to replace lost revenue.

“Operating Expenses” mean the City’s expenses for operating and maintaining the Electric System, and ordinary repairs, renewals, replacements and reconstruction of the Electric System, including all costs of delivering electric power and energy, and payments into reasonable reserves in the Revenue Fund for items of operation and maintenance the payment for which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power; costs of transmission and distribution operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Electric System; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization, non-cash losses or costs with respect to any real or personal property, investment or agreement that may be required to be recognized under generally accepted accounting principles, including but not limited to depreciation expense and unrealized mark-to-market losses.

“Parity Bonds” mean the 2013 Bond, the Bonds, and any Future Parity Bonds.

“Permitted Investments” means any of the following to the extent permitted by the laws of the State of Alaska:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- A. Farmers Home Administration: certificates of beneficial ownership;

- B. Federal Financing Bank;
- C. General Services Administration: participation certificates;
- D. Government National Mortgage Association (GNMA): GNMA-guaranteed mortgage-backed bonds and GNMA-guaranteed pass-through obligations;
- E. U.S. Maritime Administration: guaranteed Title XI financing; and
- F. U.S. Department of Housing and Urban Development: project notes; local authority bonds; U.S. government-guaranteed new communities debentures; U.S. government-guaranteed public housing notes and bonds.

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- A. Federal Home Loan Bank System: senior debt obligations;
- B. Federal Home Loan Mortgage Corporation (FHLMC): participation certificates and senior debt obligations rated AAA by S&P or Aaa by Moody's;
- C. Federal National Mortgage Association (FNMA): mortgage-backed securities and senior debt obligations rated AAA by S&P or Aaa by Moody's;
- D. Student Loan Marketing Association (SLMA): senior debt obligations;
- E. Resolution Funding Corp. (REFCORP): only the interest component of REFCORP strips that have been stripped by request to the Federal Reserve Bank of New York; and
- F. Farm Credit System: consolidated systemwide bonds and notes.

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G, AAAM or AAM or having a rating by Moody's of Aaa, Aa1 or Aa2.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated A-1+ or better by S&P and Prime-1 or better by Moody's. The collateral must be held by a third party and Bondowners must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by FDIC, including BIF and SAIF.

(7) Commercial paper rated, at the time of purchase, Prime-1 by Moody's and A-1 or better by S&P.

(8) Bonds or notes issued by any state or municipality rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(9) Federal funds or bankers acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of Prime-1 or A3 or better by Moody's and A-1 or A or better.

(10) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the City or its agent or trustee (buyer/lender), and the transfer of cash from the City or its agent or trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the City or its agent or trustee in exchange for the securities at a specified date. Repurchase Agreements for a term of 30 days or less must satisfy the following criteria:

- A. Repos must be between the City or its agent or trustee and a dealer bank or securities firm.
 - a. Primary dealers on the Federal Reserve reporting dealer list that fall under the jurisdiction of the SIPC and that are rated A or better by S&P and Moody's, or
 - b. Banks rated A or above by S&P and Moody's.
- B. The written repo contract must include the following:
 - a. Securities that are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC).
 - b. The term of the repo may be up to 30 days.
 - c. The collateral must be delivered to the City (if the City is not supplying the collateral) or to a third party acting as agent for the City (if the City is supplying the collateral) before or simultaneously with payment (perfection by possession of certificated securities).
 - d. The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the City or its agent or trustee to the dealer bank or securities firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

“Private Person” means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

“Private Person Use” means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

“Project” means the improvements to the Blue Lake hydroelectric facilities described in Section 3 of this ordinance.

“Project Fund” means the special funds for proceeds of the Bonds authorized to be created pursuant to Section 17 of this ordinance.

“Qualified Insurance” means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, are currently rated in one of the two highest Rating Categories by two Rating Agencies.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of registered owners of the applicable Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is currently rated in one of the two highest Rating Categories by any Rating Agency.

“Rate Stabilization Account” means the account of that name within the Revenue Fund.

“Rating Agency” means Moody’s, S&P or Fitch.

“Registrar” means the Finance Director, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, and paying principal and interest on the Bonds.

“Registered Owner” means the person in whose name the Bond is registered on the Bond Register.

“Reserve Account” means the Parity Bond Reserve Account created within the Bond Fund pursuant to Ordinance No. 2012-02 and continued by this ordinance.

“Reserve Requirement” means the amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds, as follows:

(a) For Covered Bonds, the Reserve Requirement is equal to the least of: (1) maximum Annual Debt Service for Covered Bonds, (2) 10% of the initial principal amount of each series of Covered Bonds, and (3) 125% of average Annual Debt Service for Covered Bonds; provided, however, that the amount required to be contributed, if any, as a result of the issuance of a series of Future Parity Bonds will not be greater than the Tax Maximum. If the amount required to be contributed at the time of issuance of a series exceeds the Tax Maximum, then the amount required to be contributed shall be equal to the Tax Maximum.

(b) For any Parity Bonds that are not designated as Covered Bonds, the Reserve Requirement will be the amount, if any, specified in the ordinance authorizing the issuance of those Parity Bonds.

The amount of the Reserve Requirement may be recalculated from time to time as principal of Parity Bonds is paid or Future Parity Bonds are issued.

“Revenue of the System” means all income and revenue derived by the City from the sale of electric energy and all other commodities, services and facilities sold, furnished or supplied by the City through the ownership or operation of the Electric System, together with the proceeds received by the City directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, any federal interest subsidy payments received in connection with Parity Bonds (to the extent such payments are not designated as Debt Service Offsets), and any investment income earned on money held in any fund or account of the City, including any bond redemption funds and the accounts therein, in connection with the ownership and operation of the Electric System (but excluding income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the City, such as bonds heretofore or hereafter refunded or defeased, investment income earned on money in any arbitrage rebate account, grants for capital purposes, and non-cash marked-to-market gains with respect to any real or personal property, investment or agreement that may be required to be recognized under generally accepted accounting principles).

“Revenue Fund” means the Electric Utility Revenue Fund heretofore established in the office of the Finance Director.

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“S&P” means Standard & Poor’s Ratings Services, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s and Fitch) designated by the Finance Director.

“Sinking Fund Requirement” means, for any fiscal year, the principal amount and premium, if any, of Term Bonds required to be purchased, redeemed or paid at maturity in that

fiscal year as established by the ordinance or other proceedings of the City authorizing the issuance of those Term Bonds.

“Subordinated Note” means the junior lien obligation of the City, dated August 24, 1982, and maturing on January 1, 2033, which evidences a loan to the City from the State of Alaska Department of Community and Regional Affairs under a loan agreement dated August 24, 1982.

“Tax Certificate” means the certificate with respect to federal tax matters relating to the Bonds authorized to be executed by the Finance Director pursuant to the provisions of Section 7 of this ordinance.

“Tax Maximum” means the maximum amount permitted by the Code to be allocated to a bond reserve account from bond proceeds without requiring a balance to be invested at a restricted yield.

“Term Bonds” means any Future Parity Bonds identified as such in the proceedings for the sale thereof, the payment of the principal of which is fully provided for by a Sinking Fund Requirement.

“2010 Bonds” means the City’s Electric Revenue and Refunding Bonds, 2010, issued in three series on December 9, 2010, in the initial aggregate principal amount of \$48,700,000, as authorized by Ordinance No. 2010-29.

“2013 Bond” means the City’s Junior Lien Electric Revenue Bond, 2013, issued on March 12, 2013, in the initial aggregate principal amount of \$35,530,000, as authorized by Ordinance No. 2013-02.

Rules of Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to sections and other subdivisions of this ordinance are to the sections and other subdivisions of this ordinance as originally adopted unless expressly stated to the contrary. The headings or titles of the sections hereof, and the table of contents appended hereto, are for convenience of reference only and shall not define or limit the provisions hereof.

Section 3. The Blue Lake Project; Findings.

(a) *The Project.* The Assembly hereby ratifies and confirms its findings, in Resolution Nos. 10-20 and 2013-02 and subsequent actions, that the public welfare and convenience require the City to make the following capital improvements to facilities of the Electric System: expansion of the Blue Lake hydroelectric project by constructing a new powerhouse with three new turbines, replacing the fish valve unit, adding or upgrading the diesel plant, raising the height of the Blue Lake dam, and making such other additions and improvements to the Blue Lake project as are described in the City’s licensing application to the Federal Energy Regulatory Commission (collectively, the “Project”). The Assembly further finds that it is in the best interest of the City and ratepayers of the Electric System that a portion of the cost of completing the Project be financed from proceeds of the Bonds.

Because the City may receive additional State grants or other money to pay a portion of the cost of the Project, the Assembly further finds that it is in the best interests of the City and ratepayers of the System that the City retain the flexibility to issue the Bonds in multiple series, to be determined by the Finance Director, as provided in Section 18.

(b) *Satisfaction of Party Conditions.* The City hereby finds that the conditions required for issuance of the Bonds as Parity Bonds have been or will be met. The City finds that: (1) There will be no deficiency in the Bond Fund or any of the accounts therein; (2) This ordinance contains the required covenants (provided in Section 10 hereof) and provides that the Reserve Requirement, if any, will be funded no later than the date of delivery of each series of the Bonds; and (3) the City will have on file a certificate (dated no earlier than the date that is 90 days prior to the date of issuance of the Bonds) relating to Net Revenue, as described in Section 11 (c) or (d) of Ordinance No. 2013-02, except as otherwise permitted under subsection (e) of Section 11 therein.

The cost of all necessary planning, legal, architectural, engineering, design and other consulting services, inspection and testing, administrative and relocation expenses, on- and off-site utilities, purchases of equipment, and other costs incurred in connection with the Project shall be deemed a part of the cost of the Project. The City will determine the extent and specifications for the Project.

The City will determine the application of available funds among the various components of the Project to accomplish, as nearly as may be, the entire Project. If proceeds of sale of the Bonds, plus any other money of the City legally available for such purpose, are insufficient to accomplish all of the Project, the City will use the available funds to accomplish those components of the Project that the Assembly deems most necessary and in the best interest of the City.

If the City determines that it has become impracticable to accomplish one or more components of the Project because of changed conditions, incompatible development or costs substantially in excess of those estimated, the City shall not be required to accomplish such component or components and may apply the Bond proceeds to other components of the Project.

If the entire Project has been constructed or duly provided for, or found to be impracticable, and Project Bond proceeds remain available, the Assembly may apply Bond proceeds to other capital repairs or improvements to the Electric System or to retiring the Bonds.

Section 4. Authorization of Bonds. The City shall now issue and sell not to exceed [\$50,000,000] principal amount of electric revenue bonds in multiple series to provide funds to pay a portion of the cost of the Project. Each series of the Bonds shall be issued to the Bond Bank as a single bond to be designated as "City and Borough of Sitka Junior Lien Electric Revenue Bond," with such year and series designation as may be appropriate. Each Bond shall be dated the date of its sale and delivery to the Bond Bank, in accordance with Section 18 hereof, shall be fully registered as to both principal and interest, shall be numbered in such manner and with any additional designation as the Registrar deems necessary for purposes of identification and control, shall bear interest at the rate or rates, shall mature on the date or dates and shall be paid in installments in the principal amounts and on the dates to be determined in accordance

with Section 18 hereof. Interest on the Bonds shall be calculated based on a 360-day year of twelve 30-day months.

The Bonds shall be obligations only of the Bond Fund and shall be payable and secured as provided herein. The Bonds do not constitute an indebtedness or general obligation of the City within the meaning of the constitutional provisions and limitations of the State of Alaska.

Section 5. Registration, Payment and Transfer. The Finance Director shall act as authenticating agent, transfer agent, paying agent and registrar for the Bonds (collectively, the "Registrar"). Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft of the Registrar mailed (on the date such interest is due) to the Registered Owner or nominee at the addresses appearing on the Bond Register on the fifteenth day of the month preceding each interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds to the Registrar by the Registered Owner or nominee at the office of the Registrar in Sitka, Alaska. Notwithstanding the foregoing, if the Bonds are sold to the Bond Bank pursuant to the provisions of Section 18 of this ordinance, and for so long as the Bond Bank is the owner of a Bond, payments of principal of and interest on that Bond shall be made to the Bond Bank in accordance with the applicable Loan Agreement.

The Bonds may be transferred only on the Bond Register maintained by the Registrar for that purpose upon the surrender thereof by the Registered Owner or nominee or his or her duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like, principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Upon surrender thereof to the Registrar, each Bond is interchangeable for a bond or bonds (in denominations of \$5,000 or any integral multiple thereof) of an equal aggregate principal amount and of the same series, interest rates and principal payment amounts as such Bond. Such transfer or exchange shall be without cost to the Registered Owner or transferee.

The City may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Bond and for any and all other purposes whatsoever.

Section 6. Prepayment. Provisions for the optional prepayment of some or all principal installments of the Bonds may be established pursuant to Section 18 and shall be set forth in each Loan Agreement. Portions of the principal amount of each Bond, in increments of \$5,000 or any integral multiple of \$5,000, may be prepaid.

So long as the Bond Bank is the owner of a Bond, notice of prepayment shall be given according to the terms of the applicable Loan Agreement. If the Bond Bank is not the owner of a Bond, notice of prepayment shall be given not less than 30 nor more than 60 days prior to the date fixed for prepayment by first class mail, postage prepaid, to the Registered Owner of the Bond at the address appearing on the Bond Register. The requirements of this section shall be deemed complied with when notice is mailed as herein provided, regardless of whether it is actually received by the owner of the Bond. Each official notice of prepayment shall be dated and shall state: (i) the prepayment date, (ii) the prepayment price or prepayment premium, if any,

payable upon such prepayment; (iii) if less than all of an installment of principal is to be prepaid, the principal amount to be prepaid (which must be an integral multiple of \$5,000); (iv) that the interest on the Bond, or on the principal amount thereof to be prepaid, designated for prepayment in such notice, shall cease to accrue from and after such prepayment date; and (v) that on such date there will become due and payable on the Bond the principal amount thereof to be prepaid and the interest accrued on such principal amount to the prepayment date.

Section 7. Revenue Fund.

(a) *Revenue Fund Established.* There has heretofore been established in the office of the Finance Director a separate enterprise fund of the City designated as the “City and Borough of Sitka Electric Utility Revenue Fund” (the “Revenue Fund”) All Revenue of the System shall be deposited in the Revenue Fund. Notwithstanding the foregoing, the Finance Director may maintain separate funds and accounts in such names and under such additional designations as may be required to comply with City practices and State law.

(b) *Priority of Application of Revenue of the System.* The Revenue Fund shall be held separate and apart from all other funds and accounts of the City and the Revenue of the System deposited in this fund shall be used only for the following purposes and in the following order of priority:

First, to pay the Operating Costs;

Second, to pay principal of and interest on the 2010 Bonds;

Third, to make all payments required to be made into the reserve account for the 2010 Bonds;

Fourth, to pay principal of and interest on any Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance secures the payment of debt service on Parity Bonds and the ordinance authorizing those Parity Bonds provides for such reimbursement;

Fifth, to make all payments required to be made into the Reserve Account for Covered Bonds and to any reserve account created in the future for the payment of debt service on Future Parity Bonds, including reimbursements to the issuer of a Qualified Letter of Credit or Qualified Insurance if the Qualified Letter of Credit or Qualified Insurance has been issued to fund the Reserve Requirement or the reserve requirement(s) for any Future Parity Bonds and the ordinance authorizing those Future Parity Bonds provides for such reimbursement;

Sixth, to pay principal of and interest on the Subordinated Note and to make all payments required to be made into any revenue bond redemption fund or revenue warrant redemption fund and debt service fund or reserve account created to pay and secure the payment of the principal of and interest on any other revenue bonds or revenue warrants of the City having a lien on Revenue of the System junior and inferior to the lien thereon to pay or secure the payment of Parity Bonds; and

Seventh, to retire by redemption or purchase any outstanding revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Electric System, to make deposits into the Rate Stabilization Account, or for any other lawful City purposes.

The City may transfer any money from any funds or accounts of the Electric System legally available therefor, except bond redemption funds, refunding escrow funds or defeasance funds, to meet the required payments to be made into the Bond Fund.

(c) *Rate Stabilization Account.* As authorized by Ordinance No. 2010-29, the Finance Director has established a Rate Stabilization Account within the Revenue Fund, which Account currently has on deposit therein approximately [\$751,000]. The City may make additional payments into the Rate Stabilization Account from the Revenue Fund at any time. Money in the Rate Stabilization Account may be withdrawn at any time for deposit into the Revenue Fund and used for the purposes for which Revenue of the System may be used. Amounts withdrawn from the Rate Stabilization Account and deposited into the Revenue Fund shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Revenue of the System for the period during which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within that fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Revenue Fund.

Section 8. Bond Fund. A special fund of the City known as the “City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund” (the “Bond Fund”) has heretofore been created in the office of the Finance Director, with the Debt Service Account and Reserve Account established therein, and that Fund and the Accounts therein are hereby authorized to be continued so long as the Bonds are outstanding. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the 2013 Bond, the Bonds and any Future Parity Bonds.

(a) *Payments into Debt Service Account.* As long as any Parity Bond remains outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay into the Debt Service Account out of money in the Revenue Fund, on or before the date due as provided in the Loan Agreement, the amounts necessary, together with money already in the Debt Service Account, to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable.

If there is a deficiency in the Debt Service Account for such purpose, the City shall make up the deficiency from the Reserve Account by the withdrawal of cash therefrom for that purpose, and, if necessary, by sale or redemption of any authorized investments in the amount that will provide cash in the Reserve Account sufficient to make up any such deficiency.

Whenever and so long as the assets of the Debt Service Account are sufficient to provide money to pay when due a principal installment on the Bonds in full, including such interest as may be due thereon, no payments need be made into the Debt Service Account pursuant to this ordinance.

Money in the Debt Service Account shall be held for the benefit of the owners of all Parity Bonds then outstanding and payable equally and ratably and without preference or distinction as between different series, installments or maturities.

(b) *The Reserve Account.* The Reserve Account shall be maintained as a common reserve, securing the payment of the principal of and interest on the Bonds and any Future Parity Bonds that are designated as Covered Bonds in the ordinance authorizing their issuance (inclusively, "Covered Bonds"). Prior to or upon the issuance of the Bonds, the City will deposit into the Reserve Account funds sufficient to satisfy the Reserve Requirement for the Bonds. The City covenants and agrees that from and after the closing and delivery of the Bonds, it will at all times maintain an amount in the Reserve Account at least equal to the Reserve Requirement, except for withdrawals therefrom authorized by this ordinance, so long as any Covered Bonds remain outstanding. The Reserve Requirement may be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. All amounts other than a Qualified Letter of Credit or Qualified Insurance held in the Reserve Account shall be invested solely in Permitted Investments. In computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other Reserve Account investments shall be valued as provided in (d) below. As used herein, the term "cash" includes U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check. The deposit to the Reserve Account may be satisfied initially by the transfer of qualified investments to that account.

If the balances on hand in the Reserve Account are sufficient to satisfy the Reserve Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Bond Fund, including the Reserve Account to pay the principal of and interest on all outstanding Covered Bonds, the money in the Reserve Account may be used to pay such principal and interest. As long as the money left remaining on deposit in the Reserve Account is equal to the Reserve Requirement, money in the Reserve Account may be transferred to the Bond Fund and used to pay the principal of and interest on Covered Bonds as the same become due and payable. The City also may transfer out of the Reserve Account any money required in order to prevent any Parity Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Bond Fund for the payment of debt service on Covered Bonds occurs, the deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to Covered Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit or Qualified Insurance for Covered Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance provides.

In making the payments and credits to the Reserve Account required by this Section 8(b), to the extent that the City has obtained Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this section to be paid out of the Reserve Account such

amounts so covered by Qualified Insurance or a Qualified Letter of Credit will be credited against the amounts required to be maintained in the Reserve Account by this Section 8(b) to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution.

Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up within one year of the date of withdrawal from Net Revenue (or out of any other money on hand legally available for such purpose) after making necessary provision for the payments required to be made by paragraphs First through Fourth in Section 7 of this ordinance.

Any Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than 30 days' notice to the City. In the event of any cancellation, the Reserve Account shall be funded as if the Covered Bonds that remain outstanding had been issued on the date of such notice of cancellation.

If the City elects to meet the Reserve Requirement by using a Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device, the City may contract with the entity providing such Qualified Letter of Credit, Qualified Insurance or other equivalent credit enhancement device that the City's reimbursement obligation, if any, to such entity shall be made from payments of principal and interest on Covered Bonds from the City subject only to the prior lien thereon for the payments required hereunder to be made to registered owners of Parity Bonds.

(c) *Priority of Lien of Payments into Bond Fund and Reserve Account.* The amounts so pledged to be paid into the Bond Fund and the accounts therein from the Revenue Fund are hereby declared to be a prior lien and charge on the Revenue of the System superior to all other charges of any kind or nature whatsoever except the Operating Costs and payments required to be made to pay and secure the payment of the 2010 Bonds, and equal in rank to the lien and charge on Revenue of the System to pay and secure the payment of any Future Parity Bonds.

(d) *Application and Investment of Money in the Bond Fund.* Money in the Bond Fund may be kept in cash or Permitted Investments. Investments in the Debt Service Account shall mature prior to the date on which such money is needed for required interest or principal payments or having a guaranteed redemption price prior to maturity. Investments in the Reserve Account shall mature not later than the last maturity of any then outstanding Parity Bonds.

(e) *Sufficiency of Revenues.* The Assembly hereby finds that in fixing the amounts to be paid into the Bond Fund and the accounts therein out of Revenue of the System, it has exercised due regard for the Operating Costs and has not obligated the City to set aside and pay into the Bond Fund and the accounts therein a greater amount of such Revenue than in its judgment will be available over and above the Operating Costs and costs of paying debt service on the 2010 Bonds.

Section 9. Defeasance. If money and/or Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds or a portion thereof in accordance with its terms, are set aside in a special account to effect such prepayment and retirement, and such money and the principal of and interest on such

obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds or portion thereof so provided for, and such Bonds or portion thereof shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds or portion thereof shall be deemed not to be outstanding hereunder.

Section 10. Specific Covenants.

(a) *Rate Covenant.* The City will establish, maintain and collect rates and charges for service of the Electric System for so long as the Bonds are outstanding that will provide in any fiscal year hereafter Net Revenue, taking into account transfers from the Rate Stabilization Account in accordance with Section 7(c), in an amount equal to at least 125% of the Debt Service required to be paid in that fiscal year on the outstanding 2010 Bonds and Parity Bonds.

The City shall cause the rate coverage calculation described in this Section 10(a) to be made no later than 90 days following the end of each fiscal year. Failure to collect Revenue of the System in any fiscal year sufficient to comply with the rate covenant set forth in this Section 10(a) will not constitute an Event of Default under this ordinance if, before the 180th day of the following fiscal year, the City:

(1) employs a Consultant to recommend changes in the Electric System rates that are estimated to produce Revenue of the System sufficient to satisfy the rate covenant set forth in this Section 10(a); and

(2) imposes Electric System rates at least as high as those recommended by the Consultant that will become effective at the time or times so recommended.

(b) *Electric System Maintenance.* The City will at all times maintain and keep the Electric System in good repair, working order and condition, and also will at all times operate the Electric System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Disposal of Properties.* The City will not mortgage, sell, lease, or in any manner encumber or dispose of all or substantially all the property of the Electric System (voluntarily or involuntarily), unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, nor will it mortgage, sell, lease, or in any manner encumber or dispose of (including but not limited to a disposition by transfer to another public or private organization) voluntarily or involuntarily any part of the Electric System that is used, useful and material to the operation of the Electric System unless:

(1) the City certifies, based upon reasonable expectations, that the remaining assets of the Electric System will be sufficient to continue regular operations of the City on a financially sound basis for a period of at least five years and

(2) provision is made for replacement thereof or for payment into the Bond Fund of the total amount of revenue received, which shall not be less than an amount that bears the same ratio to the amount of outstanding Parity Bonds as the greatest of

(A) the Net Revenue available for Debt Service for such outstanding Parity Bonds for the 12 months preceding such sale, lease, encumbrance or disposal from the portion of the Electric System sold, leased, encumbered or disposed of bears to the Net Revenue available for Debt Service for such Parity Bonds from the entire Electric System for the same period;

(B) the Revenue of the System for the 12 months preceding such sale, lease, encumbrance or disposal from the portion of the Electric System sold, leased, encumbered or disposed of bears to the Revenue of the System for the same period;

(C) the proportion of assets (on a depreciated basis) allocable to the assets being sold, leased, encumbered or disposed of bears to the total assets of the Electric System; or

(D) the ratio of the number of customers of the City allocable to the assets being sold, leased, encumbered or disposed of to the total number of customers of the Electric System,

except that the City may dispose of any portion of the facilities of the Electric System up to an aggregate of 5% of the book value of the total assets of the Electric System without the requirement for any deposit to the Bond Fund as hereinabove provided.

Any such money so paid into the Bond Fund must be used to retire such outstanding Parity Bonds at the earliest possible date. Any money received by the City as condemnation awards, insurance proceeds or the proceeds of sale, if not deposited to the Bond Fund, shall be used for the replacement of facilities of the Electric System.

(d) *Books and Records.* The City will, while the Bonds remain outstanding, keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Electric System, and it will furnish the registered owner of the Bonds, at the written request of the owner, complete operating and income statements of the Electric System in reasonable detail covering any fiscal year, showing compliance with the terms and conditions of this ordinance, not more than 150 days after the close of such fiscal year, and it will grant the owner of the Bonds the right at all reasonable times to inspect the entire Electric System and all records, accounts and data of the City relating thereto. Upon request of the owner of the Bonds, it will also furnish to the owner a copy of the most recently completed audit of the City's accounts by an independent certified public accountant.

(e) *No Free Service.* The City will not furnish any commodity or service of the Electric System to any customer whatsoever free of charge (except as permitted by law to aid the poor, to provide for resource conservation or to provide for the proper handling of hazardous materials) and will promptly take legal action to enforce collection of all delinquent accounts.

(f) *Insurance.* The City will either self-insure or, as needed, and to the extent insurance coverage is available at reasonable cost with responsible insurers, keep, or cause to be kept, the Electric System and the operation thereof insured, with policies payable to the City, against the risks of direct physical loss, damage to or destruction of the Electric System, or any part thereof, and against accidents, casualties or negligence, including liability insurance and

employer's liability, at least to the extent that similar insurance is usually carried by municipalities operating like utilities. If insurance policies to provide coverage required by this subsection are not obtainable at reasonable cost with responsible insurers, the City shall, prior to the lapse of such policies, deliver an opinion to that effect to the Registered Owner of the Bonds.

Section 11. Issuing Future Parity Bonds.

(a) *No Senior Lien Bonds.* The City hereby covenants and agrees with the owner of the Bonds that the City will hereafter issue no bonds with a lien on Revenue of the System superior to the lien thereon of the Bonds, and by this covenant and agreement the City expressly waives its rights under Ordinance No. 2010-29 to issue additional bonds on a parity of lien with the 2010 Bonds.

(b) *Conditions for Issuing Future Parity Bonds.* Except as provided in subsections (e) and (f) below, the City will issue Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Net Revenue (*i.e.*, on a parity of lien with the Bonds and any other Parity Bonds at the time outstanding) only in compliance with the following conditions:

(1) At the time of the issuance of any Future Parity Bonds, there is no deficiency in the Bond Fund or any of the accounts therein;

(2) The ordinance authorizing the issuance of Future Parity Bonds will include the covenants provided in Section 10 hereof and provide that the Reserve Requirement, if any, will be funded no later than the date of delivery of the Future Parity Bonds; and

(3) the City will have on file a certificate (dated no earlier than the date that is 90 days prior to the date of issuance of the Future Parity Bonds) relating to Net Revenue, as described in subsection (c) or (d) below, except as otherwise permitted under subsection (e) below.

(c) *Certificate of the City Without A Consultant.* If required pursuant to subsection (b)(3) above, a certificate may be delivered by the City, executed by the Finance Director without a Consultant, showing that Net Revenue (which may be based on unaudited financial statements of the City if the audit has not yet been completed) for the Base Period equals at least 125% of the maximum Annual Debt Service for all 2010 Bonds and Parity Bonds then outstanding plus the proposed Future Parity Bonds.

(d) *Certificate of a Consultant.* If required pursuant to subsection (b)(3) above, a certificate of a Consultant may be delivered by the City showing that Net Revenue for the Base Period equals at least 125% of the maximum Annual Debt Service for all 2010 Bonds and Parity Bonds then outstanding plus the proposed Future Parity Bonds. In computing Net Revenue for the purpose of this certificate, the Consultant shall use as a basis the Net Revenue (which may be based on unaudited financial statements of the City if the audit has not yet been completed) for the Base Period. Such Net Revenue may be adjusted to take into consideration changes in Net Revenue estimated to occur under one or more of the following conditions after delivery of the proposed Future Parity Bonds:

(1) any increase or decrease in Net Revenue projected to result from changes in rates and charges (A) adopted prior to the date of the certificate but after the beginning of the Base Period and (B) effective at any time prior to the date needed for payment of Debt Service on Parity Bonds;

(2) any increase or decrease in Net Revenue estimated by such engineer or accountant to result from any additions, betterments and improvements to and extensions of any facilities of the Electric System that (A) became fully operational after the beginning of the Base Period, (B) were under construction at the time of such certificate, or (c) will be constructed from the proceeds of the Future Parity Bonds to be issued;

(3) the additional Net Revenue that would have been received if any customers added to the Electric System after the beginning of the Base Period had been customers for the entire period.

The Consultant shall base the certification upon, and the certificate shall have attached thereto, financial statements of the Electric System, certified by the Finance Director, showing income and expenses for the Base Period.

(e) *No Certificate Required.* The certificate described in subsection (b)(3) and subsections (c) or (d) above is not be required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds being issued are for the purpose of refunding outstanding Parity Bonds; or

(2) if the Future Parity Bonds are being issued to pay costs of construction of facilities of the Electric System for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Finance Director, and there is delivered a certificate of the Municipal Administrator stating that the nature and purpose of such facilities has not materially changed.

(f) *Refunding Obligations.* Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 12. Junior Lien Bonds. Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Revenue of the System junior or inferior to the payments required by this ordinance to be made out of such Revenue to pay and secure the payment of any outstanding Parity Bonds. Except for the Subordinated Note, such junior or subordinate obligations may not be subject to acceleration. This prohibition against acceleration does not prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

Section 13. Tax Covenants.

(a) *General.* The City covenants not to take any action, or knowingly to omit to take any action within its control, that if taken or omitted would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes.

(b) *Tax Certificate.* Upon the issuance of each Bond, the Finance Director is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the Bond, based on the facts and estimates known or reasonably expected on the date of their issuance, and make certain covenants with respect to the Bond as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds. The City covenants that it will comply with the Tax Certificate unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to that Bond.

(c) *Arbitrage Covenant.* The City covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Bonds or any other funds of the City that may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code that will cause the Bonds to be "arbitrage bonds" within the meaning of that term in Section 148 of the Code. The City will comply with the requirements of Section 148 of the Code throughout the term of the Bonds. The City represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon.

(d) *Private Person Use Limitation.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of each Bond to be used for any Private Person Use; and

(2) More than 10% of the principal or interest payments on each Bond in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than 5% of the Net Proceeds of a Bond are to be used for any Private Person Use; and

(4) More than 5% of the principal or interest payments on a Bond in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly:

(A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or

(B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the 5% limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bond used for the state or local governmental use portion of the project to which the Private Person Use of such portion of the Project relates. The City further covenants that it will comply with any limitations on the use of the Project by other than state and local governmental users that are necessary, in the opinion of its Bond Counsel, to preserve any benefits under the Code applicable to the Bonds. The covenants of this Section are specified solely to assure the continued benefits under the Code relating to the Bonds.

(f) *No Hedge Bond.* The City reasonably expects that at least 85% of the proceeds of each Bond will be spent within three years of the date that Bond is issued to carry out the governmental purposes of the Bonds.

Section 14. Form of the Bonds. The Bonds shall be in substantially the following form:

NO. _____ \$ _____

UNITED STATES OF AMERICA

STATE OF ALASKA

CITY AND BOROUGH OF SITKA

JUNIOR LIEN ELECTRIC REVENUE BOND, 20__ (_____ Series)

INTEREST RATE:

FINAL MATURITY DATE:

SEE BELOW

REGISTERED OWNER: ALASKA MUNICIPAL BOND BANK

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

The City and Borough of Sitka, Alaska (the "City"), a municipal corporation organized and existing under and by virtue of its charter and the laws and Constitution of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the principal amount specified above, in installments payable as set forth below, together with interest on such installments from the date hereof or the most recent date to which interest has been paid or duly provided for, at the interest rates set forth below, on _____ 1, 20__, and on each _____ 1 and _____ 1 thereafter until payment of the principal sum has been made or duly provided for.

Principal Installment Payment Year (_____ 1)	Principal Installment Amount	Interest Rate
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
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2047		
2048		

Both principal of and interest on this bond are payable solely from the special fund of the City known as the City and Borough of Sitka 2013 Electric Revenue Bond Redemption Fund (the "Bond Fund"). Payments of principal of and interest on this bond shall be made in lawful money of the United States of America. Installments of principal of and interest on this bond are payable by check or draft of the Finance Director of the City (the "Registrar") mailed on the date such interest is due to the Registered Owner at the address appearing on the Bond Register as of the fifteenth day of the month preceding the interest payment date. The final installment of

principal of and interest on this bond shall be paid to the Registered Owner upon presentation and surrender of this bond at the office of the Registrar. Notwithstanding the foregoing, so long as the Bond Bank is the Registered Owner of this bond, payments of principal of and interest on this bond shall be made to the Bond Bank in accordance with the Loan Agreement.

This bond is issued pursuant to Ordinance No. 2013-38, passed September 24, 2013 (the "Bond Ordinance"), to provide funds to finance the cost of capital improvements to facilities of the Electric System. Capitalized terms used in this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Ordinance.

Principal installments of this bond are subject to prepayment as provided in the Bond Ordinance and in the Loan Agreement.

The City does hereby pledge and bind itself to set aside from the Electric System Revenue Fund of the City created by the Bond Ordinance, and to pay into the Bond Fund and the Accounts therein, the various amounts required by the Bond Ordinance to be paid into and maintained in said Fund and Accounts, all within the times provided by the Bond Ordinance. The City has further pledged and bound itself to pay into the Revenue Fund as collected, all Revenue of the System.

The amounts so pledged to be paid out of the Revenue Fund into the Bond Fund and Accounts therein are hereby declared to be a prior lien and charge upon money in the Revenue Fund superior to all other charges of any kind or nature except Operating Costs and the costs of paying and securing payment of the 2010 Bonds and equal in rank to the lien and charge on the money in the Bond Fund to pay and secure the payment of Parity Bonds and any Future Parity Bonds.

The pledge of Revenue of the System for payment of principal of and interest on this bond may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance and Loan Agreement.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the charter, ordinances, and resolutions of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that this bond does not exceed any Constitutional or statutory limitations.

the within bond and all rights there under and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as agent to transfer said bond on the books kept by the Registrar for registration thereof, with full power of substitution in the premises.

DATED: _____, _____.

SIGNATURE GUARANTEED:

NOTE: The signature of this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 15. Execution of the Bonds. Each Bond shall be signed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the Clerk, and the seal of the City shall be impressed or imprinted thereon.

Only a Bond that bears thereon a Certificate of Authentication in the form set forth in Section 14 hereof, manually executed by the Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this ordinance.

In case any officer of the City who has signed, attested, authenticated, registered or sealed the Bond ceases to hold that office before the Bond so signed, attested, authenticated, registered or sealed has been actually issued and delivered, the Bond shall be valid nevertheless and may be issued by the City with the same effect as though the person who had signed, attested, authenticated, registered or sealed that Bond had not ceased to hold that office. Any Bond may also be signed, attested, authenticated, registered or sealed on behalf of the City by a person who, at the actual date of execution of the Bond is a proper officer of the City although at the original date of the Bond that person did not hold that office.

Section 16. Lost or Destroyed Bonds. If a Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like series, amount, date, and tenor to the Registered Owner upon such owner's paying the expenses and charges of the City in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City with indemnity satisfactory to the Registrar.

Section 17. Application of Bond Proceeds. Upon the issuance of each Bond authorized by this ordinance, a special fund of the City known as the "Blue Lake Project Fund," with such year and series designation as may be appropriate (the "Project Fund"), is hereby

authorized to be created in the office of the Finance Director. At the time of delivery of each Bond issued hereunder, proceeds of that Bond shall be deposited as follows:

(a) The accrued interest, if any, to the date of delivery shall be deposited in the Bond Fund and used to pay a portion of interest on the Bond on the first interest payment date;

(b) An amount shall be deposited in the Reserve Account that is sufficient, with other funds on deposit therein, to satisfy the Reserve Requirement for the Bond; and

(c) The remaining proceeds of the Bond shall be deposited in the appropriate Project Fund and used to pay costs of the Project and costs of issuance of the Bond.

Money remaining in each Project Fund after all such costs have been paid or reimbursed shall be applied to other capital improvements of the Electric System. Money in each Project Fund may be invested as permitted by law. All interest earned and profits derived from such investments shall be retained in and become a part of the applicable Project Fund.

Section 18. Sale of the Bonds. The Finance Director is authorized to determine whether the Bonds shall be sold in one or more series and to negotiate the sale of the Bonds to the Bond Bank on terms and conditions consistent with this ordinance and the Bond Bank's loan approval to be set forth in a Loan Agreement by and between the City and the Bond Bank (a sample of which is set forth on Exhibit A attached hereto). Each Loan Agreement will include the principal amounts, date, principal installment payment schedules, interest rates, and prepayment provisions for that series of Bonds (each issued as a single Bond), all as provided for in this ordinance, subject to the approval of the Municipal Administrator, which approval shall be evidenced by the Municipal Administrator's execution of the Loan Agreement. Following the execution of a Loan Agreement, the Finance Director shall provide a report to the Assembly, describing the final terms of the Bonds approved pursuant to the authority delegated by this ordinance.

The authority granted to the Finance Director by this section shall expire on December 31, 2014. If Loan Agreement(s) for the Bonds have not been executed by December 31, 2014, the authorization for the issuance of such Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance. The ordinance reauthorizing the issuance and sale of the Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part (only with respect to the Bonds not issued) or may be in the form of an amendatory ordinance approving a Loan Agreement or establishing terms and conditions for the authority delegated under this section.

The proper officials of the City and their agents and representatives are hereby authorized and directed to do everything necessary for the prompt execution and delivery of each Bond to the Bond Bank in accordance with the provisions of this ordinance and the applicable Loan Agreement.

Section 19. Events of Default.

To protect and safeguard the covenants and obligations undertaken by the City securing the Bonds, the City hereby covenants and agrees with the purchaser and owner from time to time of the Bonds that the following shall constitute "Events of Default":

(1) If default is made in the due and punctual payment of the principal of or premium, if any, on any of the Parity Bonds when the same become due and payable, either at maturity or by proceedings for redemption or otherwise;

(2) If default is made in the due and punctual payment of any installment of interest on any Parity Bond;

(3) If the City fails, by any Sinking Fund Requirement date, to have purchased or redeemed Term Bonds in a cumulative principal amount at least equal to the cumulative Sinking Fund Requirements at such Sinking Fund requirement date;

(4) If the City defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the City contained in this ordinance and such default or defaults continues for a period of 90 days after the City receives from a representative of (a) owners of not less than 66% in principal amount of the Parity Bonds then outstanding or (b) the Bond Bank, if the Bond Bank is then the Registered Owner of any of the Parity Bonds, a written notice specifying and demanding the cure of such default;

(5) If the City (except as herein permitted) sells, transfers, assigns or conveys any properties constituting the Electric System or interests therein, or makes any agreement for such sale or transfer (except as expressly authorized herein);

(6) If an order, judgment or decree is entered by any court of competent jurisdiction: (a) appointing a receiver, trustee or liquidator for the City or the whole or any substantial part of the Electric System; (b) approving a petition filed against the City seeking the bankruptcy, arrangement or reorganization of the City under any applicable law of the United States or the State of Alaska; or (c) assuming custody or control of the City or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree is not vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control is not otherwise terminated) within 90 days from the date of the entry of such order, judgment or decree; or

(7) If the City: (a) admits in writing its inability to pay its debts generally as they become due; (b) files a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (c) makes an assignment for the benefit of its creditors; (d) consents to the appointment of a receiver of the whole or any substantial part of the Electric System; or (e) consents to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the City or of the whole or any substantial part of the Electric System.

Section 20. Remedies Available for an Event of Default.

(a) *Waivers of Default.* No delay or omission of the owners of the Parity Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Section to the owners of Parity Bonds may be exercised from time to time and as often as may be deemed expedient by such owners.

The owners of not less than 66% in principal amount of the Parity Bonds at the time outstanding (the "Majority Bondowners"), or their attorneys-in-fact duly authorized, may on behalf of the owners of all of the Parity Bonds waive any past default under this ordinance and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any of the Parity Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(b) *Suits at Law or in Equity.* The Majority Bondowners may, upon the happening of an Event of Default, and during the continuance thereof, take such steps and institute such suits, actions or other proceedings all as may be deemed appropriate for the protection and enforcement of the rights of owners of the Parity Bonds to collect any amounts due and owing the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance, or in any of the Parity Bonds.

Any action, suit or other proceedings instituted by the Majority Bondowners hereunder shall be brought in its name on behalf of all owners of the Parity Bonds, and all such rights of action upon or under any of the Parity Bonds or the provisions of this ordinance may be enforced by the Majority Bondowners without the possession of any of said Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law, and the respective owners of said Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Majority Bondowners the true and lawful trustee of the respective owners of the Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of the Parity Bonds; to execute any paper or documents for the receipt of such money, and to do all acts with respect thereto that the owner of a Parity Bond might have done in person. Nothing herein contained shall be deemed to authorize or empower the Majority Bondowners to consent to accept or adopt, on behalf of any owner of any Parity Bond, any plan or reorganization or adjustment affecting the Parity Bonds or any right of any owner thereof, or to authorize or empower the Majority Bondowners to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City shall be a party.

Nothing contained in this ordinance shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on Parity Bonds outstanding, and the remedy of acceleration is expressly denied to the owners of Parity Bonds outstanding under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

(c) *Books of City Open to Inspection.* The City covenants that if an Event of Default occurs and is not remedied, the books of record and account of the City will at all reasonable times be subject to the inspection and use of the owners of any Parity Bonds.

The City covenants that if an Event of Default happens and is not remedied, the City will continue to account, as trustee of an express trust, for all Revenues of the System and other money, securities and funds pledged under this ordinance.

Section 21. Ongoing Disclosure. The City acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City may now or in the future be an “obligated person” with respect to the Bond Bank Bonds or other bonds issued by the Bond Bank. In accordance with the Rule and as the Bond Bank may require, the City shall undertake to provide certain annual financial information and operating as shall be set forth in the Loan Agreement.

Section 22. Amending Section 8(d) of Ordinance No. 2013-02. Section 8(d) of Ordinance No. 2013-02 is hereby amended, as follows (deletions are stricken):

(d) Application and Investment of Money in the Bond Fund. Money in the Bond Fund may be kept in cash or Permitted Investments. Investments in the Debt Service Account shall mature prior to the date on which such money is needed for required interest or principal payments or having a guaranteed redemption price prior to maturity. Investments in the Reserve Account shall mature not later than the last maturity of any then outstanding Parity Bonds. ~~For the purpose of determining the amount credited to the Reserve Account, investments in the Reserve Account shall be valued at the market value thereof. The term “market value” means, in the case of securities that are not then currently redeemable at the option of the owner, the current bid quotation for such securities, as reported to the City by such sources it selects, and the current redemption value in the case of securities that are then redeemable at the option of the owner. For obligations that mature within six months, the market value will be the par value thereof. The valuation of the amount in the Reserve Account shall be made by the City as of the close of business on each December 31 (or on the next preceding business day if December 31 does not fall on a business day) and on each June 30 (or on the next preceding business day if June 30 does not fall on a business day).~~

Section 23. General Authorization; Prior Acts. The Mayor, Municipal Administrator, Finance Director, Municipal Attorney and Clerk of the City and any other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 24. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City are declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 25. Effective Date. This ordinance shall be in full force and effect 30 days after its adoption by the Assembly.

READ FOR THE FIRST TIME at a regular meeting of the Assembly held on September 10, 2013.

PASSED AND APPROVED by the Assembly on September 24, 2013.

CITY AND BOROUGH OF SITKA,
ALASKA

By _____
Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

EXHIBIT A

[Attach here a sample of Bond Bank Loan Agreement]

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Clerk of the City and Borough of Sitka, Alaska (the "City") and keeper of the records of the Assembly, DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. 2013-38 of the City (the "Ordinance"), as finally passed at a regular meeting of the Assembly held on September 24, 2013, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2013.

Colleen Ingman, MMC
Municipal Clerk
City and Borough of Sitka



Legislation Details

File #: ORD 13-39 **Version:** 1 **Name:**
Type: Ordinance **Status:** AGENDA READY
File created: 9/3/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Amending Subsection 15.01.020 of the SGC Electrical rates by increasing rates for all customer classes to fund approved electrical utility capital projects including the Blue Lake hydroelectric expansion project - Effective July 2014
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-39 Electrical Rates July 2014](#)

Date	Ver.	Action By	Action	Result
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City & Borough of Sitka
Electric Department
105 Jarvis Street, Sitka A.K. 99835
Telephone: 907-747-4000 Fax: 907-747-3200



Memorandum

September 3, 2013

To: Assembly, City & Borough of Sitka
Via: Jay Sweeney, Interim Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Electric Rate Increase – July 1, 2014**

To ensure compliance with the rate covenants of the upcoming third (3rd) bond issuance for Blue Lake, an electric rate increase is necessary. The proposed rate increases per attached ordinance are adequate to meet these requirements and are simply a flat 10% increase of the existing energy charges only.

As you are aware, the rate structures were adjusted in July 2013 to reflect lower customer charges, elimination of the monthly minimum bill, and establishment of new general service rates. To date, I have not received complaints or questions relative to these changes.

We will continue to utilize the services of our rate consultant to evaluate our rate increases and utility financial objectives. We will do everything possible to keep rates as low as possible yet generate adequate revenue to meet department requirements.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-39

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SUBSECTION 15.01.020 OF THE SITKA GENERAL CODE ELECTRICAL RATES BY INCREASING RATES FOR ALL CUSTOMER CLASSES TO FUND APPROVED ELECTRICAL UTILITY CAPITAL PROJECTS INCLUDING THE BLUE LAKE HYDROELECTRIC EXPANSION PROJECT

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. This ordinance will increase the electrical rates for all consumer classes at SGC 15.01.020 and provide sufficient revenues to meet all fiscal requirements to complete approved capital projects, including the Blue Lake Hydroelectric Expansion Project. The ability to acquire reasonable cost financing for these projects require electric rate increases to meet financial margins and revenue bond covenants.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 15.01.020 is amended as follows (new language underlined; deleted language stricken):

Chapter 15.01
ELECTRIC UTILITY POLICIES

15.01.020 Electrical rates.

- B. Residential Services.
2. Energy Charges.

Table with 2 columns: kWh range and rate per kWh. Rows include: First 500 kWh's (\$0.0850 to \$0.0935), Next 1,000 kWh's (\$0.0990 to \$0.1089), Next 1,000 kWh's (\$0.1040 to \$0.1144), Next 1,000 kWh's (\$0.1350 to \$0.1485), Over 3,000 kWh's (\$0.1730 to \$0.1903), and Customer Charge is \$19.50 per month.

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C. General Service – Small
2. Energy Charges.

First 500 kWh	\$0.1610 <u>\$0.1771</u> per kWh
501 kWh to 10,000 kWh	\$0.1030 <u>\$0.1133</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1030 <u>\$0.1133</u> per kWh
Over 100,001 kWh	\$0.1030 <u>\$0.1133</u> per kWh
Customer charge is \$39.00 per month	

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D. General Service - Large.
2. Energy Charges.

First 500 kWh	\$0.1610 <u>\$0.1771</u> per kWh
501 kWh to 10,000 kWh	\$0.1025 <u>\$0.1128</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1025 <u>\$0.1128</u> per kWh
Over 100,001 kWh	\$0.1025 <u>\$0.1128</u> per kWh
Customer Charge is \$60.00 per month	

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E. General Service – Public Authority.
2. Energy Charges.

First 500 kWh	\$0.1610 <u>\$0.1771</u> per kWh
501 kWh to 10,000 kWh	\$0.1030 <u>\$0.1133</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1030 <u>\$0.1133</u> per kWh
Over 100,001 kWh	\$0.1030 <u>\$0.1133</u> per kWh
Customer Charge is \$45.00 per month	

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F. Boat Service.
2. Energy Charges.

First 150 kWh	\$0.1230 <u>\$0.1353</u> per kWh
All additional kWh	\$0.1230 <u>\$0.1353</u> per kWh
Customer Charge is \$8.75 per month	

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67 G. Street and Security Light Service.

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(0.482 kWh per lamp watt) times (the wattage of the lamp) = kWh per month.	
Example: 0.482 kWh x 100 Watt lamp = 48 kWh per month.	
Monthly energy rate is: kWh per month times \$0.1785 <u>\$0.1964</u> per kWh.	
48 kWh per month x \$0.1785 <u>\$0.1964</u> /kWh = \$8.57 <u>\$9.43</u> per month energy rate	
Typical lamp energy rates:	
70 Watt	\$6.02 <u>\$6.62</u> per month
100 Watt	\$8.56 <u>\$9.42</u> per month
150 Watt	\$12.84 <u>\$14.12</u> per month
175 Watt	\$15.00 <u>\$16.50</u> per month
250 Watt	\$21.42 <u>\$23.56</u> per month
400 Watt	\$34.44 <u>\$37.88</u> per month
1,000 Watt	\$86.03 <u>\$94.63</u> per month

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H. Interruptible Service – Large Customer.

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3. Rate per Month. Basic customer charge for each month or portion of a month: one hundred dollars.

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Energy Charge. The energy charge for all kilowatt-hours shall be 0.0317 times the city and borough’s price per gallon for number 2 heating oil, assuming an overall oil heating system efficiency of seventy percent and the use of the price paid by the city and borough of Sitka for all of the city and borough-owned buildings. The rate will vary monthly with the price paid by the city and borough of Sitka for number 2 heating oil for all city-owned buildings. The maximum energy charge for all kilowatt hours under this rate shall be ~~ten~~ eleven cents per kilowatt hour.

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

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PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of September, 2013.

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Mim McConnell, Mayor

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ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: ORD 13-36 **Version:** 1 **Name:**
Type: Ordinance **Status:** AGENDA READY
File created: 9/4/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Amending the official Sitka Zoning Map to rezone a portion of Lot 5C Department of Public Safety Subdivision U.S. Survey 407 Tract B from R-2 MHP Multifamily and Mobile Home to I Industrial
Sponsors:
Indexes:
Code sections:
Attachments: [ORD 2013-36 Zoning BIHA](#)

Date	Ver.	Action By	Action	Result
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MEMORANDUM

To: Jay Sweeney, Interim Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planner I MB

Subject: Ordinance 2013-36 Zoning Map Amendment for BIHA

Date: August 29, 2013

The Sitka Planning Commission is recommending approval of a zoning map amendment to rezone a Portion of Lot 5C, Department of Public Safety Subdivision, U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home to I industrial. The board's recommendation was made during their August 6, 2013 meeting on a 4-0 vote.

The parcel is located out Indian River Road at the end of Yaw Drive. The new Trooper Range will be adjacent to the property. BIHA, the State of Alaska, and the Alaska Mental Health Trust are the property owners in the immediate vicinity.

The rezoning would enlarge the existing industrial district from 18.8 to 36 acres. Since it is an expansion of an existing district, it is considered appropriate under the code.

Baranof Island Housing Authority is requesting the amendment in order to proceed with a new conditional use permit expanding the existing rock quarry. This parcel was originally owned and mined by Sheldon Jackson College. SJ sold to BIHA in 2005. BIHA has operated the rock quarry since then. Once quarry work is completed, BIHA plans to rezone the area back to R-2 MHP in order to provide additional housing opportunities.

The conditional use permit for the expanded quarry is scheduled for public hearing at the September 24th Assembly meeting. This timetable will allow the Assembly to consider the ordinance, on second reading, at the same meeting the quarry conditional use comes up.

There were public comments on the request, both in support and against.

RECOMMENDED ACTION: Approve the ordinance.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-36

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING THE OFFICIAL SITKA ZONING MAP TO REZONE A PORTION OF LOT 5C DEPARTMENT OF PUBLIC SAFETY SUBDIVISION U.S. SURVEY 407 TRACT B FROM R-2 MHP MULTIFAMILY AND MOBILE HOME TO I INDUSTRIAL

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

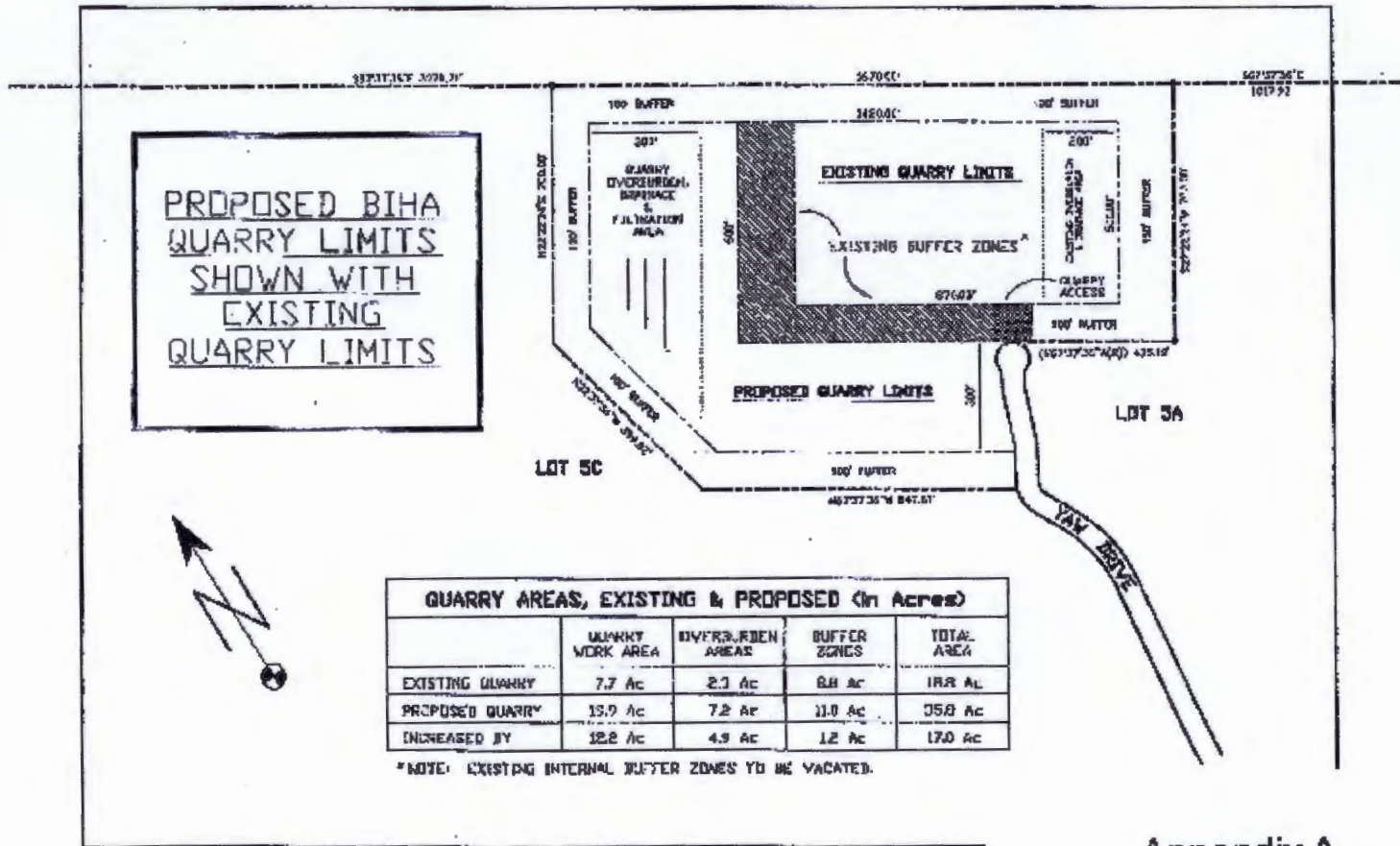
1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstances shall not be affected.
3. **PURPOSE.** The purpose of this ordinance is to expand an industrial zone at the end of Yaw Drive, allow for the consideration of a conditional use request for quarry expansion and facilitate the long term development of the Indian River Valley. The rezoning is consistent with the goals and policies of the 2007 Sitka Comprehensive Plan.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the official zoning map is amended to rezone a portion of Lot 5C Department of Public Safety Subdivision U.S. Survey 407 Tract B from R-2 MHP multifamily and mobile home to I industrial.
Appendix A is attached showcasing expanded map parcel.
5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of September, 2013.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk



Appendix A

Vicinity Map
Not to scale.



BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

Aerial Vicinity Map
Not to scale.



BIHA

Zoning Map Change

Portion of Lot 5C Dept of Public Safety Subdivision

CURRENT ZONING
18.8 ACRES | INDUSTRIAL



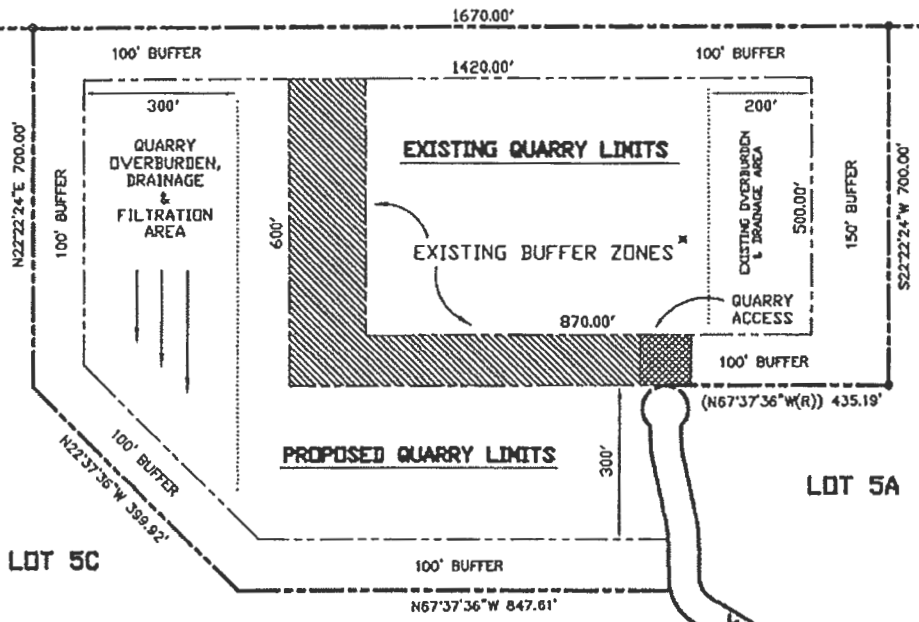
BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

PROPOSED ZONING 36 ACRES I INDUSTRIAL



BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

PROPOSED BIHA QUARRY LIMITS
SHOWN WITH
EXISTING QUARRY LIMITS



QUARRY AREAS, EXISTING & PROPOSED (In Acres)				
	QUARRY WORK AREA	OVERBURDEN AREAS	BUFFER ZONES	TOTAL AREA
EXISTING QUARRY	7.7 Ac	2.3 Ac	8.8 Ac	18.8 Ac
PROPOSED QUARRY	19.9 Ac	7.2 Ac	11.0 Ac	35.8 Ac
INCREASED BY	12.2 Ac	4.9 Ac	1.2 Ac	17.0 Ac

*NOTE: EXISTING INTERNAL BUFFER ZONES TO BE VACATED.



BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision



BIHA
Conditional Use Permit
Portion of Lot 5C Dept of Public Safety Subdivision



BIHA

Zoning Map Change

Portion of Lot 5C Dept of Public Safety Subdivision

BIHA

Conditional Use Permit

Portion of Lot 5C Dept of Public Safety Subdivision



BIHA

Zoning Map Change

Portion of Lot 5C Dept of Public Safety Subdivision

BIHA

Conditional Use Permit

Portion of Lot 5C Dept of Public Safety Subdivision

Maegen -

June 18, 2013

Dear Chairman Twaddle and Commission Members

Please correct one word in the first sentence of the Public Comment by me in the minutes of June 4, 2013.

The word "fantastic" referred to the MEETING, not the "Plan".

I was stunned that Mr. Wells was allowing THREE meetings for discussion. Not two quick ones before decision. I was indeed "happy" to hear Ms. Westover propose going out to see the site itself. Note my letter to the editor in November 2011 about my search for where the "minor subdivision" boundaries were located, and where the driving race track for the Police Academy was proposed.

For clarity, personally I find the quarry plan appalling, and the city's minor subdivision code faulty. But two weeks ago I chose to try to be positive about the Planning Commission and their responsibilities.

Thank you for changing the word "plan" to "meeting" in the Public Comment.

Nancy Yaw Davis

Nancy Yaw Davis

BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

BIHA
Conditional Use Permit
Portion of Lot 5C Dept of Public Safety Subdivision

Maegan Bosak

From: Hugh [kbdsitka@gmail.com]
Sent: Friday, June 07, 2013 4:12 PM
To: maegan@cityofsitka.com
Subject: BIHA quarry

BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

BIHA
Conditional Use Permit
Portion of Lot 5C Dept of Public Safety Subdivision

June 7, 2013

Hello Maegan,

Please include my comments in the Planning Commission packet and in the packet that eventually reaches the Assembly.

I have personal, on the ground experience, working in the BIHA Indian River quarry and I offer the following comments:

1. I support the quarry expansion because the mining work will remove a stand-alone rock knob. The final condition of the quarry will not leave a permanent scar on an otherwise green mountainside. When the rock knob is removed the resulting flat area will provide excellent opportunities for other beneficial uses.
2. The quarry expansion may very likely be essential to completion of the Trooper Academy automobile driving range. There are no other active rock quarries in Sitka that have the capacity to provide sufficient rock to construct the driving range. Completion of the driving range further anchors the Trooper Academy in Sitka at a time when other communities are trying politically to have the Academy moved to their town. Keeping the Trooper Academy in Sitka is an important economic issue for this town.
3. BIHA has responsibly operated its quarry in the past. BIHA has closely monitored requirements of all local, State and Federal permits required of the quarry and has insisted that contractors operating in its quarry adhere to those requirements.
4. The CBS Conditional Use Permit for the original quarry was detailed and specific. The Permit conditions struck a good balance between the needs of the landowner (SJC and then BIHA) and the residential areas below the quarry. I encourage the Planning Commission to extend those conditions to the quarry expansion.
5. BIHA has demonstrated its community spirit by accommodating a re-location of the Sitka Cross Trail across BIHA land.

For these reasons I ask the Planning Commission and the Sitka Assembly to approve the BIHA requests for quarry expansion and the associated zoning modifications.

Hugh Bevan P.E.

Maegan Bosak

From: RALPH JOHNSON [jillj@gci.net]
Sent: Friday, June 07, 2013 11:11 AM
To: maegan@cityofsitka.com
Subject: Rock Quarry Indian River Road

I do not feel it is right to take a already zoned residential area and change it to a industrial zoned area. People built homes there planing on raising their families or retiring in a quite safe neighbor hood. We are already having to many people leave Sitka. We need to people ahead of business we already have rock quarry out HPR do we need to really need to go into residential area and destroy it.

BIHA
Zoning Map Change
Portion of Lot 5C Dept of Public Safety Subdivision

BIHA
Conditional Use Permit
Lot 5C Dept. of Public Safety Subdivision

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
August 6, 2013**

Present: Richard Parmelee (Chair), Darrell Windsor (Member), Chris Spivey (Member), Debra Pohlman (Member), Wells Williams (Planning Director), Maegan Bosak (Planner I)

Members of the Public: Tom Heese (Sitka Setinel), Michael Tisher, Barnaby Dow, Evans and Kim Sparks, Pete Martin, Dan Tadic (CBS Senior Engineer)

Chair Parmelee called the meeting to order at 7:00 p.m.

Roll Call:

PRESENT: 4 – Parmelee, Windsor, Spivey, Pohlman

Consideration of the Minutes from the July 16, 2013 meeting:

MOTION: M/S SPIVEY/WINDSOR moved to approve the meeting minutes for July 16, 2013

ACTION: Motion **PASSED unanimously 4-0** on a voice vote.

The evening business:

**ZONING MAP AMENDMENT
A PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION U.S. SURVEY
407, TRACT B
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a proposed zoning map amendment to rezone a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority. The property is located at the end of Yaw Drive.

Planning Director Williams reviews process and request. He describes information turned in by BIHA and explains how BIHA acquired land. Process is two step; first the map amendment and then the conditional use permit to expand the quarry site. This is the third public meeting for the zoning map amendment and conditional use permit. Williams suggests the Commission takes public comment for the last time this evening. Commission should make a recommendation on the map amendment and then wait until the next meeting for a recommendation on the conditional use permit and findings.

APPLICANT: Executive Director Bart Meyer, calls in, says he has no additional changes or suggestions just here for the continuation of the public process.

PUBLIC COMMENT: No public comment.

COMMISSIONER DELIBERATION: Commissioners feel that all questions/concerns have been answered in prior meetings.

MOTION: M/S SPIVEY/WINDSOR recommends approval of the requested zoning map amendment filed by BIHA to rezone a portion of Lot 5C, Department of Public Safety U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district increasing in size from 18.8 acres to 36 acres.

ACTION: Motion **PASSED unanimously 4-0** on a voice vote.

Staff recommended the following findings in support of the approved request:

MOTION: M/S SPIVEY/WINDSOR moved to approve the following findings in support of the recommended approval:

1. That the granting of such zoning map amendment will not adversely affect the comprehensive plan. Consistent 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.
2. The zoning map change is consistent with the public purpose to facilitate expansion of rock sources.
3. No adverse effects on surrounding neighbors.

ACTION: Motion **PASSED unanimously 4-0** on a voice vote.

**CONDITIONAL USE PERMIT
A PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION U.S. SURVEY
407, TRACT B
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a conditional use permit request for natural resource extraction (rock quarry) & mining support facilities. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive including use of a rock crusher during permitted hours. The location area is 36 acres of land also known as a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority.

Planning Director again reviews permit and shows exhibit A1-A3 to highlight proposed benching of site. Williams reminds Commissioners of the amended request to add use of a rock crusher on site. This meeting will conclude the public comment period. Next meeting will be for a motion, conditions and findings.

APPLICANT: Executive Director Bart Meyer says he is available for any questions.

COMMISSIONER DELIBERATION: No deliberation.

PUBLIC COMMENT: No public comment.

Public comment period is closed.

**MINOR SUBDIVISION
LOT 13, U.S. SURVEY 3695
MICHAEL TISHER**

Public hearing and consideration of a concept plat for a minor subdivision at 205 Price Street. The request is filed by Michael Tisher. The property is also known as Lot 13, U.S. Survey 3695.

Planner Bosak reviewed the minor subdivision request and explained the layout of the lots. Staff has concerns over property lines not matching proposed property lines as well as metal tank storage incorporated into retaining wall.

COMMISSIONER DELIBERATION: Commissioners also questioned retaining walls and asked applicant to step forward.

APPLICANT: Applicant Michael "Mick" Tisher came forward to address Commissioners concern for retaining walls and property lines. Proposed property line was placed behind retaining walls so new owner could remove metal tank as well as provide enough room for benching if desired.

PUBLIC COMMENT: No public comment.

Applicant will come back before the Commission for review of the final plat.

**VARIANCE REQUEST
LOT 4, CASCADE SUBDIVISION, A SUBDIVISION OF LOT 6, U.S. SURVEY 2417
EVANS AND KIMBERLY SPARKS**

Public hearing and consideration of a variance request filed by Evans and Kimberly Sparks at 100 Donna Drive. The variance request is for a reduction in the front setback from 20 feet to 8 feet to allow for an addition of an attached garage. The property is also known as Lot 4, Cascade Subdivision, a subdivision of Lot 6, U.S. Survey 2417.

Planner I reviewed variance request explaining that the lot is disadvantaged due to two front setbacks, difficult grades and a small stream.

APPLICANT: Evans Sparks Sr. came forward to describe the hardships of the lot specifically the stream and sloping grade. Looking for more room for nets and fishing materials.

COMMISSIONER DELIBERATION: Questions regarding the proposed garage measurements. Multiple drawings showing different marks. Asks applicant. Applicant says they would prefer a 6 foot setback. Planning Director Williams informs the board that if the applicant is asking for something different than what was on the application, they would need to resubmit and start the public process over. Applicant responds that he would like to leave the request as is and will alter the drawings to fit.

PUBLIC COMMENT: No public comment.

MOTION: M/S SPIVEY/WINDSOR moved to approve the variance request filed by Evans and Kimberly Sparks at 100 Donna Drive. The variance request is for a reduction

in the front setback from 20 feet to 8 feet to allow for an addition of an attached garage. The property is also known as Lot 4, Cascade Subdivision, a subdivision of Lot 6, U.S. Survey 2417.

ACTION: Motion **PASSED unanimously 4-0** on a voice vote.

Staff recommended the following findings in support of the approved request:

MOTION: M/S WINDSOR/SPIVEY moved to approve the following findings in support of the recommended approval:

1. That there are special circumstances to the intended use that do not apply generally to the other properties. Specifically that this property has two front setbacks and steep topography.
2. The variance is necessary for the preservation and enjoyment of a substantial property right or use possessed by other properties but are denied to this parcel; Necessary to fully utilize the lot for a new addition.
3. That the granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels or public infrastructure;
4. That the granting of such a variance will not adversely affect the comprehensive plan. Consistent with Comprehensive Plan 2.4.1 To encourage diverse housing types and densities, assure decent housing in all income groups.

ACTION: Motion **PASSED unanimously 4-0** on a voice vote.

**ZONING TEXT AMENDMENT
SGC 22.20.038 ADDING SINGLE FAMILY ZONE AS CONDITIONAL USE TO THE
RESIDENTIAL DEMOLITION GUARANTEE
BARNABY DOW AND CHRISTINE MARIE**

Public hearing and consideration of a proposed zoning text amendment on residential demolition guarantee SGC 22.20.038 to allow the SF single family zone as a conditional use. Proposed by Barnaby Dow and Christine Marie.

Bosak reviews the residential demolition guarantee and encourages Commissioners to ask questions as this hasn't come before the Board before.

APPLICANT: Applicant Barnaby Dow stepped forward to share his plans with the commission. Currently, his home is small and old and he would like to replace it. The residential demolition guarantee would allow owners to stay in old house while building new. Only change on property would be that a small shed might have to be torn down. He has spoken with many neighbors and everyone was fine with the idea.

COMMISSIONER DELIBERATION: Pohlman asks if building materials will be left out on the property. Dow says he plans to keep them neatly stacked and organized as they will still be living there.

PUBLIC COMMENT: No public comment.

MOTION: M/S POHLMAN/SPIVEY moved to recommend approval of the proposed zoning text amendment on residential demolition guarantee SGC 22.20.038 to allow the

SF single family zone as a conditional use. Proposed by Barnaby Dow and Christine Marie.

ACTION: Motion PASSED unanimously 4-0 on a voice vote.

Staff recommended the following findings in support of the approved request:

MOTION: M/S WINDSOR/SPIVEY moved to approve the following findings in support of the recommended approval:

1. That the granting of such zoning text amendment will not adversely affect the comprehensive plan. Consistent with Comprehensive Plan 2.4.2 To encourage quality residential areas which function as integral neighborhood units with adequate public facilities, and to: A. Encourage formation of neighborhood associations to develop concise plans. B. Encourage new developments that provide quality design and amenities, preserve or create habitat, and maintain open space. C. Encourage planned unit developments. D. Provide an adequate amount of housing that meets the need of Sitka's elderly and handicapped.
2. The zoning text change is integral in facilitating affordable housing in the single family zone.
3. No adverse comments from surrounding neighbors were received.

ACTION: Motion PASSED unanimously 4-0 on a voice vote.

PLANNING DIRECTOR'S REPORT: Planning staff attended meeting with FEMA, reviewing floodplain maps which will be updated in the next 3 years. From this meeting, we anticipate getting quality GIS data including contours layer. On the next agenda will be Delta Western conditional use permit. Staff plans to take a thorough approach and make sure the request is fully vetted through the public process.

ADJOURNMENT:

MOTION: M/S SPIVEY/WINDSOR moved to adjourn at 7:45 pm.

ACTION: Motion PASSED unanimously 4-0 on a voice vote.

Richard Parmelee, Chair

Maegan Bosak, Secretary

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
June 18, 2013**

Present: Jeremy Twaddle (Chair), Darrell Windsor (Member), Cheryl Westover (Member), Chris Spivey (Member), Wells Williams (Planning Director), Maegan Bosak (Planner I)

Members of the Public: Stephen Weatherman (CBS Municipal Engineer), Bart Meyer (BIHA), Cliff Richter (BIHA), Shannon Haugland (Sitka Setinel), Betty Richter, Nancy Yaw Davis, Joy Davis, Nancy Leclerc-Davidson, Amy Zanuzoski

Chair Twaddle called the meeting to order at 7:03 p.m.

Roll Call:

PRESENT: 4 – Twaddle, Windsor, Westover, Spivey

Consideration of the Minutes from the June 4, 2013 meeting:

MOTION: M/S SPIVEY/WESTOVER moved to approve the meeting minutes for June 4, 2013

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

The evening business:

**ZONING MAP AMENDMENT
PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION USS 407, TRACT B
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a proposed zoning map amendment to rezone a portion of Lot 5C, Department of Public Safety Subdivision US Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority. The property is located at the end of Yaw Drive.

Planning Director Williams describes scope of the project and process of public hearings. Staff is encouraging the Commission to take as many meetings as possible to make sure public has the opportunity to respond. Williams suggests the final hearing be August 6th and the Commission come to a motion and findings on August 20th.

APPLICANT: Bart Meyer, Executive Director, and Cliff Richter, Development Coordinator, with BIHA come forward to report on project changes. No changes for zoning increase. Commissioner Westover, after visiting the quarry, thinks the applicant should ask for more quarry land as the need for rock is so high. Meyer doesn't anticipate a surplus of rock and thinks there is an opportunity for expansion. The proximity of quarry could be a cost advantage for a multitude of projects going on in community. Intention is to rezone the final quarry back to R-2 MHP. BIHA hasn't talked to staff regarding asking for more rezoning but wonders if it would be

easier to do it all at once. Williams advises that a motion could include possibility of expansion – that way no one would be surprised if additional expansion is requested.

Stephen Weatherman, Municipal Engineer, reviews the plan and comments on the reclamation plan. Weatherman states the expansion meets all the requirements.

PUBLIC COMMENT: Nancy Yaw Davis comes forward encouraging Commissioners to look beyond the rock. Davis expresses concerns over the public process. She does not approve of plans as they stand now and does not think it is the best use of the land.

**CONDITIONAL USE PERMIT FOR NATURAL RESOURCE EXTRACTION
PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION USS 407, TRACT
B**

BARANOF ISLAND HOUSING AUTHORITY

Public hearing and consideration of a conditional use permit request for natural resource extraction (rock quarry) & mining support facilities. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive. The location area is 36 acres of land also known as Lot 5C, Department of Public Safety Subdivision US Survey 407, Tract B. This request is filed by Baranof Island Housing Authority.

Planning Director Williams reviews permit request and informs Commission that he spoke with BIHA and explained that the current request does not include a rock crusher on site.

Planner Bosak read letter from BIHA amending Conditional Use Permit to include potential use of a rock crusher. The letter reflects limited hours of operation specific to the rock crusher: Monday through Friday 8 am to 5 pm.

Williams says that rock crusher request will now be included on agenda.

APPLICANT: Meyer and Richter come forward again to answer questions. Crusher will move backward in quarry as progression happens, gradually decreasing noise impact to surrounding property owners. Chair Twaddle confirms that rock crushing would not happen in buffer zone. BIHA plans buffer zone to be a screen and provide noise abatement. Commissioner Westover questions drainage runoff. Not a fixed standard.

Municipal Engineer Weatherman states that this plan meets all requirements and that a rock crusher is a typical request.

Chair Twaddle reads public comment included in Commissioners packets. 1 letter in support of rezone/expansion and 1 against

Commissioner Spivey asks for the distance from the quarry to an actual residence. Williams responds "at least a couple thousand feet."

PUBLIC COMMENT: No public comment.

Commissioners are happy new additions are being caught at early stage. Request will be back before the board on August 6th for an additional public comment opportunity.

**FINAL REPLAT
417 KATLIAN AVENUE**

SCOTT SALINE

Public hearing and consideration of a replat to combine Lot 31, Block 5, USS 2542 with adjacent deeded tidelands. The property is also known as 417 Katlian Avenue. The owner of record is Scott Saline.

Planner Bosak reviewed the history of the final plat. Plat combines deeded tidelands and recently purchased property into one lot. Williams adds leased tidelands not included in plat as Saline testified that he is not going to proceed with that aspect of the project.

APPLICANT: No applicant present.

PUBLIC COMMENT: No public comment.

MOTION: M/S SPIVEY/WESTOVER moved to approve the public hearing and consideration of a replat to combine Lot 31, Block 5, USS 2542 with adjacent deeded tidelands. The property is also known as 417 Katlian Avenue. The owner of record is Scott Saline.

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

**CONDITIONAL USE PERMIT FOR QUASI INSTITUTIONAL USE
701 INDIAN RIVER ROAD
SITKA COUNSELING AND PREVENTION SERVICES**

Public hearing and consideration of a conditional use permit for a quasi institutional use by Sitka Counseling and Prevention Services Inc. The conditional use permit would allow for the expansion of services by turning the 1st floor from office space to residential space and increase the maximum number of residents from eight to sixteen at 701 Indian River Road. The location area is Lot 8 Sheldon Jackson Subdivision and a Portion of Lot 2 USS 3695. The owner is Baranof Island Housing Authority and City and Borough of Sitka.

Planning Director describes split property pointing out that BIHA owns Lease Tract 1 and CBS owns Lease Tract 2. Both lease to SCPS. Building will not be changed. Current conditional use permit is for Men’s program on the 2nd floor and office space on the 1st floor. Use is changing therefore a new conditional use permit is required. SCPS will convert the 1st floor office space into residential use for a women’s program. Total number of patients will expand from 8 to 16.

APPLICANT: Amy Zanuzoski, Executive Director and Nancy Leclerc-Davidson, Controller, come forward to address request. Leclerc-Davidson points out that this request will reduce impact on the surrounding community as there will be less traffic. There will be staff on both floors at all times. A change from outpatient to residential care as patients may stay for extended months. BIHA is agreeable with request.

COMMISSIONER DELIBERATION: Westover states that the community has a huge need for these services since Bill Brady Healing House closed. Concern over males and females cohabiting in same building. SCPS reminds the Commission that staff will be present at all times.

PUBLIC COMMENT: No public comment.

MOTION: M/S WESTOVER/SPIVEY moved to recommend to the Assembly a motion to approve the conditional use permit provided an interior site plan is included prior to Assembly review.

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

Staff recommended the following findings in support of the approved request:

MOTION: M/S WESTOVER/SPIVEY moved to approve the following findings in support of the recommended approval:

1. That the conditional use permit will not be detrimental to public health, safety, and general welfare;
2. That the facility will not adversely affect the established character of the surrounding vicinity;
3. Nor be injurious to the uses, properties, or improvements adjacent to the operation;
4. That the granting of the proposed conditional use permit is consistent with Comprehensive Plan policies 2.3.4 To minimize and resolve conflicts, between residential, commercial, recreational and industrial land uses;
5. The Planning Commission finds that all conditions necessary to lessen the impact of the proposed use can be monitored and enforced;
6. That the proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties in the vicinity and public health, safety, and welfare of the community;
7. That the conditional use permit is supported and will not adversely affect adequate public facilities and services and that conditions have been imposed to lessen any impact on any such facilities;
8. The applicant has met the burden of proof;
9. The Planning Commission has determined that the project can be supported by the site topography and there are no geophysical hazards present;
10. That the project is adequately served by utilities, fire protection and access to electrical power;
11. That the lot characteristics are adequate to support the proposed conditional use permit;
12. That the Planning Commission has evaluated the conditional use permit with regards to impact on adjacent uses and districts and has evaluated it with regard to hours of operation, numbers of clients, and off street parking;
13. That the Planning Commission has reviewed the presence of landscaping and buffers;
14. The Planning Commission has evaluated the proposed use in relationship to the amount of vehicular traffic to be generated and impacts on the adjacent properties and has not made any determination that traffic is an issue;
15. The Planning Commission has evaluated the conditional use permit with regards to noise and has not made any determination that noise is an issue;
16. The Planning Commission has determined that odors are not an issue and has not been raised as such during public testimony;

17. The Planning Commission through the conditions specific to hours of operation have evaluated and not made any determination that hours of operation are an issue as the facility will be staffed at all times;
18. The facility is along two major collector streets;
19. The uses for a cut through street traffic are considered not applicable as there is no access on substandard streets;
20. The Planning Commission has evaluated the conditional use permit with regards to vehicular and pedestrian safety and has not made any determination that vehicular and pedestrian safety effects are an issue;
21. There is adequate opportunity for police, fire, and EMS personnel to respond to emergency calls;
22. The Planning Commission has evaluated the conditional use permit with regards to internal traffic layout and has not made any determination that internal traffic layout is an issue as it is not changing;
23. The effects of signs on nearby uses is not considered an issue as signage is covered elsewhere in the Sitka General Code and signage is not proposed for the use;
24. Buffers to adjacent property owner(s) have been evaluated only in so far as necessary with regards to the buffer along the rear of site in the large trees;
25. The relationship to the comprehensive plan has been evaluated and referenced; and
26. The Planning Commission has evaluated and made conditions in response to public comments that have surfaced through the course of the extensive review of this process.

ACTION: Motion PASSED unanimously on a voice vote.

PLANNING DIRECTOR'S REPORT: July 2nd meeting is cancelled. South Benchlands RFP worksession, next Tuesday at 5 pm, featuring Adhoc group recommendations and Sound Development, LLC. representatives. Discussion regarding naming of Mountain View Subdivision right of way after Officer Barber. Barber was only officer in Sitka's history to be killed in the line of duty. Officer Barber naming will be recommended to Historic Preservation Commission for review. Vote on new Planning Commission Chair. Vice chair will be organized at next meeting.

MOTION: M/S WINDSOR/SPIVEY moved to appoint Richard Parmelee as chair of Planning Commission.

ACTION: Motion PASSED unanimously on a voice vote.

ADJOURNMENT:

MOTION: M/S SPIVEY/WESTOVER moved to adjourn at 8:34 pm.

ACTION: Motion PASSED unanimously on a voice vote.

Jeremy Twaddle, Chair

Maegan Bosak, Secretary

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
June 4, 2013**

Present: Jeremy Twaddle (Chair), Darrell Windsor (Member), Cheryl Westover (Member), Chris Spivey (Member), Richard Parmelee (Member) Wells Williams (Planning Director), Maegan Bosak (Planner I)

Members of the Public: Dan Tadic (CBS Employee), Nancy Yaw Davis, Bart Meyer (BIHA) Cliff Richter (BIHA)

Chair Twaddle called the meeting to order at 7:01 p.m.

Consideration of the Minutes from the May 21, 2013 meeting:

MOTION: M/S SPIVEY/PARMELEE moved to approve the meeting minutes for May 21, 2013

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

The evening business:

**FINAL PLAT FOR LAND ACQUISITION
200 BARANOF STREET
CITY AND BOROUGH OF SITKA**

Public hearing and consideration of a final plat for a land acquisition of Oja Street right of way. The property is located at the corner of Oja Street and Baranof Street. The request is filed by the City and Borough of Sitka. The property is also known as Lot 1, Block 15 Sitka Townsite.

Planner I, Maegan Bosak updated the Commission on the final plat review. Having already raised concerns and questions at the concept plat stage, tonight is the last opportunity to address any other issues. All parties are in agreement.

APPLICANT: Dan Tadic, Senior Engineer, stepped forward to inform the board that there were no changes from the concept plat. Project has started on Baranof Street. Project should be complete by the time school starts.

PUBLIC COMMENT: No public comment.

MOTION: M/S SPIVEY/WESTOVER moved to approve the final plat for the corner of Baranof and Oja Street.

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

**FINAL PLAT FOR LAND ACQUISITION
603 LINCOLN STREET
CITY AND BOROUGH OF SITKA**

Public hearing and consideration of a final plat for a land acquisition of Etolin Street right of way. The property is located at the corner of Etolin Street and Baranof Street. The request is filed by City and Borough of Sitka. The property is also known as Lot 1 Gregory Subdivision.

Planner I Bosak reviews the final plat with the Commission, pointing out that this is the last opportunity to raise questions or concerns. Nothing has changed since the concept plat.

APPLICANT: Dan Tadic, Senior Engineer, comes forward without any project changes. As mentioned earlier, the Baranof Water and Sewer Phase II project is in the beginning stages.

PUBLIC COMMENT: No public comment.

MOTION: M/S PARMELEE/SPIVEY moved to approve the final plat for a land acquisition of Etolin Street right of way. The property is located at the corner of Etolin Street and Baranof Street. The request is filed by the City and Borough of Sitka. The property is also known as Lot 1 Gregory Subdivision.

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

**VARIANCE REQUESTS
2406 HALIBUT POINT ROAD
JOEL AND ELLEN LUEDERS**

Public hearing and consideration of a variance request filed by A.Joel and Ellen Lueders at 2406 Halibut Point Road. This is for a reduction in the front setback from 10 feet to 2 feet and a reduction in the rear setback from 10 feet to 2 feet for an addition to the existing structure. The property is also known as Lot C-7 Kuhnle Subdivision. Owner of record is Odis and Sandra Hurst.

Planner I Bosak reviewed the 2 variance requests before the board. The uniqueness of the lot was described as the there are two fronts and two rears. Also the adjacent right of way is over 80 feet so the front HPR setback is reduced from 20 feet to 10 feet. The applicants plan to add on to the existing structure. After a site visit a number of hardships were noted, such as a year round stream and steep grade.

APPLICANT: Scott McArthur came forward to represent the owner. They are looking to add onto the house but not looking to extend any further into the front setback as it currently sits. The property is narrow and limits opportunities for expansion. McArthur feels this is a fair request.

COMMISSIONER DELIBERATION: Westover comments on the current speed limits on Halibut Point Road and the difficulty of maneuvering vehicles. She is happy that they are not requesting to go any further towards the front property line than what currently sits.

Windsor asks if the footprint painted on the ground will be the actual footprint of the addition. McArthur confirms. He also points out the utilities on the property and that there is a fire hydrant close to the driveway accessing Halibut Point Road. No concern with utilities.

Planning Director Williams adds that there is plenty of room between the residence and Halibut Point Road. The structure is well back from the road. Williams outlines proposed addition on aerial photo for commissioners.

PUBLIC COMMENT: No public comment.

Commissioner Twaddle brings up the requirement of two parking spaces. The addition of the garage will satisfy this.

Williams reviews memo from Building Official William Stortz regarding stricter building requirements due to the proximity to the property line.

MOTION: M/S PARMELEE/WESTOVER moved to approve a variance request filed by Joel and Ellen Lueders at 2406 Halibut Point Road. This is for a reduction in the front setback from 10 feet to 2 feet and a reduction in the rear setback from 10 feet to 2 feet for an addition to the existing structure. The property is also known as Lot C-7 Kuhnle Subdivision. Owner of record is Odis and Sandra Hurst.

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

Staff recommended the following findings in support of the approved request.

MOTION: M/S SPIVEY/WINDSOR moved to approve the following findings in support of the approved request.

1. There are special circumstances for the intended use that do not generally apply to other properties specifically the steep grade, two front setbacks and the width of Halibut Point Road;
2. The variance is necessary for the preservation of a substantial property right or use possessed by other properties but are denied to this parcel;
3. The granting of such a variance will not be materially detrimental to the public welfare or injurious to the property, nearby parcels or public infrastructure, specially Halibut Point Road right of way; and
4. That the granting of the variance will not adversely affect the Comprehensive Plan and supports 2.1.1 Contribute to a stable, long-term, local economic base.

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

ZONING MAP AMENDMENT

**PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION USS 407, TRACT B
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a proposed zoning map amendment to rezone a portion of Lot 5C, Department of Public Safety Subdivision US Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority. The property is located at the end of Yaw Drive.

Planning Director Williams reviewed how items are listed on agenda and process moving forward. Williams went over technical aspects and public interest in quarries. BIHA is requesting an expansion of the quarry at the end of Yaw Drive. Expansion involves enlarging industrial district or map amendment and the conditional use permit being processed together. Williams suggests bringing up BIHA to walk us through the details. Items should be handled concurrently. Commission should take a minimum of three meetings on this. Introduction tonight, review and

ask questions at next meeting and motion/make recommendations to the Assembly at third meeting.

Twaddle asks Williams to clarify maps of current and proposed quarry. Maps are vicinity maps and used to give an idea of the location. Cross trail and new trooper driving range are in the area.

Commissioners would like to visit the site to get a better idea of the area. Planner I will arrange a visit.

APPLICANT: BIHA Executive Director Bart Meyer and Cliff Richter stepped forward to review details of the quarry. They expressed a need for a larger site for more rock production and eventually additional housing opportunities. Conditional use permit granted in 2005 and 2010 for quarry activity. Intention is to develop housing in the area over the long term. The existing plan for the final development of the pit is incompatible for the surrounding neighborhood. Pit floor will be for development activity. BIHA is not looking to sell the pit. Applicant feels this expansion request is an amendment to the original conditional use. Back wall of pit is approximately 140 feet tall. BIHA is concerned about safety and vegetation growth on benches. They hope to create a sloped wall face with greater benching. Buffers will still remain around the perimeters of the quarry site. Current development would create rock wall on three sides and be more suitable for housing. Existing plan not suitable for compatible use. Overburden site is not currently adequate; new overburden site would be in the northwestern corner. All buffers will be included in the industrial zone. The Commissioners could ask that a description of activities allowed in the buffer zone should be included in the conditional use permit. Overburden materials would be used in benching for landscaping and final pit flooring – overburden site will be kept fairly clean so it can be reused. Chair Twaddle points out that residential homes cannot be in an industrial zone. BIHA would reapply for a zoning map amendment, at the end of the quarry project, to rezone the area back to R-2 MHP making it more compatible with housing already in Indian River Valley. Planning Director Williams speaks to Planning Office's future concept of high density housing in the area. Condos or duplexes within the hillside would make good use of the view. BIHA turning this area into residential opportunities, would grant the ability to pay for the utility infrastructure going up Yaw Drive. This area will be offered to the community rather than only BIHA eligible. Buffer is and will continue to be an undisturbed natural vegetation area.

PUBLIC COMMENT: Nancy Yaw Davis came forward to say that plan is "fantastic". She is happy that commissioners are going to go and look at the "spectacular" land. Davis is concerned the maps do not showcase actual proposed acres. Ms. Davis is happy that parties are looking over the land longterm and broadly. She suggests that Commissioners contact information be available at the meeting. Planning Director Williams reminds her that information is available online. Ms. Davis shakes commissioners hands and reminds them that public doesn't know about the issues and don't know the Commissioners. The area is not flagged, the boundaries should be clear as a courtesy to neighbors. More "courteous" information is important.

Commissioners feel that they should get together and visit the site. Commissioners ask that comparison map be included in the next packets. Westover points out that Planning Commission Agenda is advertised many times prior to the meeting.

CONDITIONAL USE PERMIT FOR NATURAL RESOURCE EXTRACTION PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION USS 407, TRACT B

BARANOF ISLAND HOUSING AUTHORITY

Public hearing and consideration of a conditional use permit request for natural resource extraction (rock quarry) & mining support facilities. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive. The location area is 36 acres of land also known as Lot 5C, Department of Public Safety Subdivision US Survey 407, Tract B. This request is filed by Baranof Island Housing Authority.

Planning Director Williams says that the planning office has nothing further to add.

APPLICANT: Bart Meyer and Cliff Richter, BIHA, step forward to discuss items pertaining to item D. BIHA asked Planner I to refer to the parcel as “a portion of” as it does not encompass the entire lot. Commissioner Westover asks about rock potential and if more will be gained – rock is such a valuable resource. Westover asks applicant if there are more opportunities beyond what BIHA is requesting in conditional use permit. Meyer says there is. By moving westward on the ridge, more opportunities will open up. BIHA says amendment provides a community rock source, it’s a centralized location and BIHA needs rock however there is community concern over size of the operation. BIHA feels that this quarry with the proposed amendment will generate more rock. However BIHA’s main goal is to provide additional and affordable housing opportunities. Reclamation of the site will be required so it will be in BIHA’s best interest to do it in steps. Westover asks why would reclamation be done during the project as continued expansion would ruin efforts. Meyer explains that reclamation throughout the project is necessary for drainage and stormwater runoff – would not be wasted effort. Benching would create an access road to upper area for additional opportunities. Chair Twaddle asks about buffer zone on property line shared with Mental Health Trust. Williams explains that mapping is satellite photography and lines might be off of surveyed parcels. Meyer explained that back property line was surveyed, blazed and clearly marked. Conditional Use permit is requesting to expand quarry and continue same operating schedule. No other changes in operating or permitting are being asked.

Commissioner Windsor asks if BIHA does its own mining work or if it is farmed out. Mr. Meyer explains that they enter into contracts to negotiate a material sale. Currently they use rock for BIHA projects but don’t enter into long term leases.

PUBLIC COMMENT: No public comment.

Planning Director reminds the board of the public interest and scrutiny and advises the board to not take action at the next meeting. Looking to avoid any concerns of not allowing enough opportunities for public comment. Planner I will set up a site visit.

PLANNING DIRECTOR’S REPORT: Mental Health Trust will be giving a presentation on proposed land trade at next Assembly meeting. Trade is with the Forest Service. The process, at a minimum, will take three years. Lots of opportunity for public comment. Sound Development, LLC will answer questions about SouthBenchlands proposal at next Assembly meeting. Mr. John Welsh came to the Planning Office and is now requesting to play music on sidewalks. Request was sent directly to Assembly.

ADJOURNMENT:

MOTION: M/S SPIVEY/WESTOVER moved to adjourn at 8:34 pm.

ACTION: Motion PASSED unanimously on a voice vote.

Jeremy Twaddle, Chair

Maegan Bosak, Secretary



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, September 10, 2013 on the following items:

- a) Public hearing and consideration of a proposed zoning text amendment on residential demolition guarantee SGC 22.20.038 to allow the SF single family zone as a conditional use. Proposed by Barnaby Dow and Christine Marie.
- b) **Public hearing and consideration of a proposed zoning map amendment to rezone a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority. The property is located at the end of Yaw Drive.**

Please see the hearing description on back of page. The Assembly may take action on September 10, 2013.

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.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

A. Proposed Zoning Text Amendment:

Applicant is proposing making the SF single family zone a conditional use of the Residential Demolition Guarantee. Currently the guarantee allows owners to enter into a binding financial agreement with the City, granting the opportunity to build an additional structure on the parcel and demolish/remove the old structure within one year. Sitka General Code permits the R-1, R-2 and related zones. This text amendment would also allow property owners in the SF single family zone to apply for the guarantee on a conditional use basis (one by one).

B. Proposed Zoning Map Amendment Description:

Applicant is requesting that a portion of property, out Indian River Road at the end of Yaw Drive, be rezoned from R-2 MHP multi family and mobile home district to I industrial district. Currently there are 18.8 acres zoned I industrial and the applicant is proposing enlarging the zone to 36 acres. The current use of a rock quarry will also expand proposed in the following conditional use permit request.

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PIKE, TIMOTHY/TERRY
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Assembly Notice
Mailed 8/30/13

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P&Z Mailing
July 26, 2013

BIHA
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2nd Mailing - June 7, 2013

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FRANK/SHARON JOSEPH
JOSEPH, FRANK & SHARON
108 CHARLIE JOSEPH ST.
SITKA AK 99835

RICARDO/KATHRYN PADEN
PADEN, RICARDO & KATHRYN
103 PETER SIMPSON RD
SITKA AK 99835

SIGURD/PAMELA SAMUELSON
SAMUELSON, SIGURD & PAMELA
101 PETER SIMPSON RD
SITKA AK 99835

BEAU/JACQUELINE HEDRICK
HEDRICK, BEAU & JACQUELINE
102 THOMAS YOUNG SR. CIRCLE
SITKA AK 99835

CASEY/EMILY DEMMERT
DEMERT, CASEY/EMILY
101 THOMAS YOUNG SR CIR
SITKA AK 99835

KENNETH/ALICE CAMERON
CAMERON, KENNETH & ALICE
4307 HALIBUT POINT RD
SITKA AK 99835

ROBERT/ROSE GAMBLE
GAMBLE, ROBERT/ROSE
6511 SE COUGAR MOUNTAIN WAY
BELLEVUE WA 98006

CODY/MARLIE LOOMIS
LOOMIS, CODY/MARLIE
P.O. BOX 2222
SITKA AK 99835

KELLY/RACHAEL KIRBY
KIRBY, KELLY/RACHAEL
P.O. BOX 6555
SITKA AK 99835

EDWARD/SALLY KIMMEL
KIMMEL, EDWARD/SALLY
P.O. BOX 1881
SITKA AK 99835

JEREMY/DIANA TWADDLE
TWADDLE, JEREMY/DIANA
P.O. BOX 3075
SITKA AK 99835

DENNIS/SARA PETERSON
PETERSON, DENNIS, B./SARA, L.
112 HERB DIDRICKSON ST.
SITKA AK 99835

LESLEY PETERS
PETERS, LESLEY, A.
1421 CAROLYN CIR, APT D
ANCHORAGE AK 99503

EDWIN NEWBERG
NEWBERG, EDWIN, C.
P.O. BOX 3046
SITKA AK 99835

TAD/JILL KISAKA
TAD & JILL KISAKA
P.O. BOX 6398
SITKA AK 99835

JEROME MAHOSKEY
MAHOSKEY, JEROME
P.O. BOX 573
SITKA AK 99835

BRENT/KARIN CUNNINGHAM
CUNNINGHAM, BRENT & KARIN
337 ELIASON LOOP
SITKA AK 99835

DANIEL LANDRY
LANDRY, DANIEL
BOX 875
SITKA AK 99835

PATRICK CLIFTON
CLIFTON, PATRICK
P.O. BOX 225
SITKA AK 99835

IAN/SKYE WORKMAN
WORKMAN, IAN & SKYE
716 INDIAN RIVER RD
SITKA AK 99835

TIMOTHY BERNARD
BERNARD, TIMOTHY
P.O. BOX 711
SITKA AK 99835

LLOYD SWANSON
SWANSON, LLOYD
P.O. BOX 485
ASHLAND WI 54891

GERALD/MARY HELEM REVOCABLE TRUST
HELEM REV. TRUST, GERALD/MARY
P.O. BOX 1811
SITKA AK 99835

LIEUELLE/CARMIL GOLDSBERRY
GOLDSBERRY, LIEUELLE/CARMILL
P.O. BOX 1462
SITKA AK 99835

RICHELLE WHITSON
WHITSON, RICHELLE
694 INDIAN RIVER RD
SITKA AK 99835

THE ALASKA RAPTOR REHAB. CENTER
ALASKA RAPTOR REHAB CENTER
1000 RAPTOR WAY
SITKA AK 99835

P&Z Mailing
June 7, 2013

BIHA

Zoning Map Change

Portion of Lot 5C Dept of Public Safety Subdivision

1st mailing: Sent 5/24/13.

RICHARD SCHEUMANN
SCHEUMANN, RICHARD
1290 NW ELFORD DR.
SEATTLE WA 98177

DEBORAH SONNENBURG
SONNENBURG, DEBORAH
103 KAASDA HEEN CIRCLE
SITKA AK 99835

WILLIAM/SHERYL LANTZ
LANTZ, WILLIAM, II/SHERYL, L.
105 KAASDA HEEN CIRCLE
SITKA AK 99835

KEITH/MARGARET HARGER/AUSTIN
HARGER, KEITH/AUSTIN, MARGARET
104 KAASDA HEEN CIRCLE
SITKA AK 99835

MARGARET PARSONS
PARSONS, MARGARET, A.
P.O. BOX 6263
SITKA AK 99835

JARED/ALLISON BAYNE/LAWRIE
BAYNE, JARED/LAWRIE, ALLISON
100 KAASDA HEEN CIRCLE
SITKA AK 99835

MAUREEN O'HALLORAN
O'HALLORAN, MAUREEN
101 KAASDA HEEN CIRCLE
SITKA AK 99835

BILL EDWARDS
EDWARDS, BILL, A./BACKUS, STEPHANIE, L.
202 INDIAN RIVER RD.
SITKA AK 99835

ASBJORN/MARIT BO TRUST
BO, ASBJORN & MARIT
3291 FOSTER AVE
JUNEAU AK 99801

S.P.A.T.S.
S.P.A.T.S. LEASEHOLD
S.P.A.T.S.
701 INDIAN RIVER RD
SITKA AK 99835

JOHNNY SANI
SANI, JOHNNY, ARIMANI
101 RUDOLPH WALTON CIRCLE
SITKA AK 99835

ZACHARY FORST
FORST, ZACHARY
109 RUDOLPH WALTON CIRCLE
SITKA AK 99835

WALLEEN WHITSON
WHITSON, WALLEEN
P.O. BOX 1315
SITKA AK 99835

MHARRIE ULEP
ULEP, MHARRIE
104 ANDREW HOPE ST
SITKA AK 99835

MARGARET GORDON
GORDON, MARGARET
P.O. BOX 2465
SITKA AK 99835

FRANK/SHARON JOSEPH
JOSEPH, FRANK & SHARON
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SITKA AK 99835

LESLEY PETERS
PETERS, LESLEY, A.
1421 CAROLYN CIR, APT D
ANCHORAGE AK 99503

TIMOTHY/TERRY PIKE
PIKE, TIMOTHY/TERRY
706 BIORKA ST
SITKA AK 99835

JAMES/LESA WAY
WAY, JAMES, B./LESA, M.
712 BIORKA ST.
SITKA AK 99835

VALERIE NELSON
NELSON, VALERIE
714 BIORKA ST.
SITKA AK 99835

SCOTT/NIECHOLE ROBINSON
ATTN: JENNY
ROBINSON, SCOTT/NIECHOLE
315 SEWARD ST, STE B
SITKA AK 99835

STEVEN/SHIRLEY DALQUIST
DALQUIST, STEVEN, J./SHIRLEY, M.
P.O. BOX 45
SITKA AK 99835

JOHN/KAREN THIELKE
THIELKE, JOHN, F./KAREN, G.
19518 14TH AVE NW
SHORELINE WA 98177

MADELON MOTTET
MOTTET, MADELON
P.O. BOX 77
PORT EDWARD BC V0V1G0

ETHEL MAKINEN
MAKINEN, ETHEL, E.
717 BIORKA ST
SITKA AK 99835

DAVID PATT
PATT, DAVID, A.
715 BIORKA ST
SITKA AK 99835

MICHAEL/JACQUEL LA GUIRE
LA GUIRE, MICHAEL/JACQUELINE
P.O. BOX 6369
SITKA AK 99835

SCOTT/CLEO BRYLINSKY
BRYLINSKY, SCOTT, D./CLEO, K.
709 BIORKA ST
SITKA AK 99835

MARTIN/ANNETTE BECKER
BECKER, MARTIN/ANNETTE
705 BIORKA ST.
SITKA AK 99835

PETER/ERIKA & K WEILAND/KNOX
WEILAND, PETER/KNOX, ERIKA/KARA
625 DEGROFF ST
SITKA AK 99835

FRANCES KNIGHT LIVING TRUST
KNIGHT LIVING TRUST, FRANCES I.
1870 W. DOVE WAY
AMADO AZ 85645

CHRISTINA WUERKER
WUERKER, CHRISTINA, L.
709 SAWMILL CREEK RD
SITKA AK 99835

DAVID/DYAN LOWRANCE/BESETTE
LOWRANCE, DAVID, M./BESETTE, DYAN
P.O. BOX 1074
SITKA AK 99835

DENTON/BRIAN PEARSON/HANSON
PEARSON, DENTON & HANSON, BRIAN
713-B SAWMILL CREEK RD
SITKA AK 99835

ANTHONY/CINDY GUEVIN/LITMAN
GUEVIN, ANTHONY/LITMAN, CINDY
715 SAWMILL CREEK RD
SITKA AK 99835

JOHN UPCRAFT
UPCRAFT, JOHN
216 SMITH ST, #B
SITKA AK 99835

BARBARA FRITZLER
FRITZLER, BARBARA
717 SAWMILL CREEK RD
SITKA AK 99835

JAMES/JENNIFER STEINSON
STEINSON, JAMES, H. & JENNIFER, J.
P.O. BOX 1303
SITKA AK 99835

U.S. FOREST SERVICE
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

U.S. PARK SERVICE
U.S. PARK SERVICE
103 MONASTERY ST
SITKA AK 99835

BARANOF ISLAND HOUSING AUTHORITY
BARANOF ISLAND HOUSING AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

STATE OF ALASKA
PUBLIC SAFETY ACADEMY
ALASKA, STATE OF
6860 GLACIER HIGHWAY
JUNEAU AK 99801

SITKA ANB, INC.
SITKA ANB, INC.
P.O. BOX 72
SITKA AK 99835

EDWIN NEWBERG
NEWBERG, EDWIN, C.
P.O. BOX 3046
SITKA AK 99835

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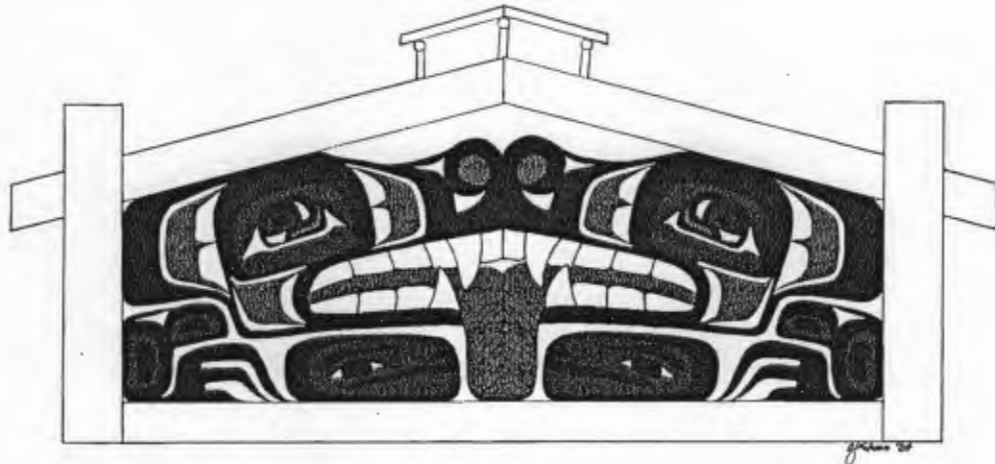
P&Z Mailing
May 24, 2013

BIHA

Zoning Map Change

Portion of Lot 5C Dept of Public Safety Subdivision

BIHA Indian River Uplands Quarry Conditional Use Permit Application



Baranof Island Housing Authority
May 2013

**BIHA Indian River Uplands Quarry
Conditional Use Permit Application**

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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: BARANOF ISLAND HOUSING AUTHORITY
PHONE NUMBER: 747-5088
MAILING ADDRESS: 245 KATHIAN STREET

OWNER'S NAME: (SAME)
(If different from applicant)
PHONE NUMBER: _____
MAILING ADDRESS: _____

PROJECT ADDRESS: Rock Quarry ~ Accessed from YAW DRIVE
LEGAL DESCRIPTION Lot: 5C Block: _____
Subdivision: DEPT. PUBLIC SAFETY SUBDIVISION
U.S. Survey: U.S.S. 407 Tract: B Zoning Classification: I

List specific request: SEE FOLLOWING SUPPORT DOCUMENTATION.

State all reasons for justifying request: SEE FOLLOWING SUPPORT DOCUMENTATION, INCLUDING WRITTEN NARRATIVE.

List all features and details of request: SEE FOLLOWING SUPPORT DOCUMENTATION, INCLUDING WRITTEN NARRATIVE.

State the schedule and timing of request: SEE FOLLOWING SUPPORT DOCUMENTATION, INCLUDING WRITTEN NARRATIVE.

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: 5/17/2013
SIGNATURE OF OWNER: [Signature] - BIHA Date: 5/17/2013
(If different from the applicant)

Approval will be based on plans submitted or approved by the Planning Commission or Assembly

**Baranof Island Housing Authority
Rock Quarry Conditional Use Permit Application**

Written Narrative

List specific request:

Baranof Island Housing Authority (BIHA) is requesting approval to expand its 18.8-acre rock quarry located at the end of Yaw Drive. The new quarry shall consist of 25 acres of rock quarry and an additional 11-acre buffer zone. The total area of the quarry limits shall increase by 17.2 acres to a total of 36 acres.

The request is accompanied with a concurrent request to rezone the increased acreage from "R-2 MHP Zone" to "Industrial Zone".

BIHA received a Conditional Use Permit on August 30, 2010 for the existing 18.8-acre quarry, known as the Indian River Uplands Rock Quarry.

The 18.8-acre site was originally approved as a quarry to Sheldon Jackson College on November 17, 1995. The request is essentially an expansion of the existing rock quarry and designation of a new overburden site.

The proposal includes a 100' to 150' wide buffer zone around the perimeter of the quarry. The quarry plan includes a new overburden site on the west side of the parcel. The existing overburden site on the east side of the parcel shall remain in place.

Approval is requested for a period of ten years, with the opportunity for multi-year extensions.

State all reasons for justifying request:

The primary purpose of the request addresses long-term reclamation and conversion of the existing quarry site for future development. BIHA has determined that the existing quarry reclamation and benching plan is not achievable, nor does it result in a final reclaimed site that is safe and adequately reclaims the quarry walls by adequately screening from the mining activity.

The wall benches in the current plan are too narrow and the overall slope of the quarry walls is too steep. If the existing quarry was constructed as proposed it poses a danger to hikers and children playing in the area. Additionally, in terms of constructability, the benches are too narrow to be built properly. It would be extremely difficult to successfully

revegetate and, as such, beautify the fully excavated and benched quarry in accordance with previously approved plans.

BIHA desires to perform additional rock extraction to eliminate the steep rock walls surrounding the quarry floor and construct wider benches resulting in an overall flatter slope that would provide multiple benefits: a safer finished product, a more attractive property opening up more options for future redevelopment of the site, while, in the process, creating a rock source to help meet BIHA and the community's future project need.

BIHA has need for rock for use in future development activities planned for the adjacent Indian River Uplands area on approximately 160 acres of land owned by BIHA. Additionally, BIHA recognizes the need for rock for other community development activities and desires the opportunity to provide rock to meet existing and future needs.

The rock quarry and overburden site operation will be a continuation and expansion of a previous permitted quarry operation. The previous operation resulted in clearing of the quarry site, construction of the storm water runoff containment system, development of the access road and extraction of approximately 205,000 cubic yards of rock.

An estimated 95,000 cubic yards of rock (as of May 1, 2013) remains available for extraction in the existing quarry. Approval of this request would make available an estimated 300,000 cubic yards of additional rock for use on BIHA's affordable housing projects and other community construction projects.

List all features and details of the request:

1. The existing 18.8 acre quarry is zoned Industrial. A proposed 17.2 acres zoned as R-2 MHP would be added to the quarry limits and re-zoned Industrial.
See attached:

- Exhibit 1: Existing Quarry Limits;
- Exhibit 2: Overhead photo of current development (2010 aerial photography - from CBS GIS site);
- Exhibit 3: Existing Quarry overlaid with Nov. 2010 topographic survey.

2. The new quarry limits and overburden site will consist of 25 acres with an additional 11 acres of buffer zones. See attached:

- Exhibit 4: Proposed Quarry Limits;

3. The proposed buffer zones are 100 feet wide on all sides except for the east side, which shall remain at 150 feet in width.
4. The proposed quarry development plans are detailed on the attached drawings:
 - Exhibit 5: Proposed Quarry Overburden Site Map and designated parking areas.
 - Exhibit 6: Proposed Quarry Limits w/ existing topo
 - Exhibits 7-9: Proposed Quarry Cross-Sections

The quarry shall be operated in conformance with Department of Environmental Conservation and other agencies with jurisdiction. Water runoff will be controlled as outlined pursuant to a Storm Water Pollution Prevention Plan. Other required permits and approvals (i.e. Corps of Engineers, etc.) shall be obtained upon approval of the Conditional Use Permit. See attached:

- Exhibit 10: Letter of approval from Alaska Dept. of Environmental Conservation, Permit #AKR05DC63, dated 05/13/13.
5. Hours of operation will be 7:00am to 7:00pm Monday through Saturday with truck traffic on Indian River Road limited to 7:00am to 6:00pm.

State the schedule and timing of the request:

As stated previously, BIHA requests a conditional use permit for ten years, with the opportunity for multi-year extensions. BIHA intends to operate the quarry using force account employees and/or contract to have materials produced for its development needs.

BIHA anticipates using rock from the quarry as it develops subdivisions and related infrastructure, periodically on approximately three to five year cycles. Significant permitting requirements for each development must be completed before the initial construction can occur, thus it is difficult to project a schedule for quarry rock production.

Additionally, contractors bidding or contracting on community projects may occasionally have a desire to acquire rock from BIHA's quarry. Rock sales will be considered on a project-by-project basis by an agreement to purchase materials.

Long term, BIHA intends to convert the quarry parcel into a development project that is more compatible with the neighboring residential subdivisions within the Indian River valley. This development project would take place after all rock extraction and reclamation of the quarry benching has been completed.



Printed on 1/30/2013

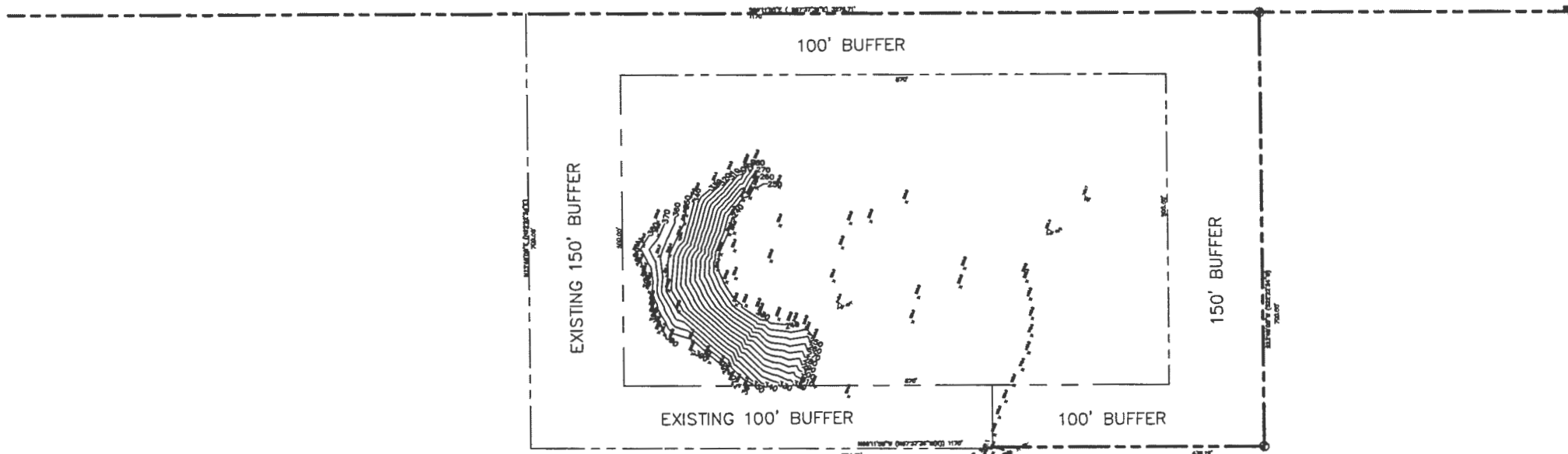
Last update: Property information 9/1/2012, GIS parcel lines 8/1/2012

This map is for informational purposes only. It is not for appraisal of, description

EXHIBIT 2
2010 Aerial Photo

Page 9 of 24

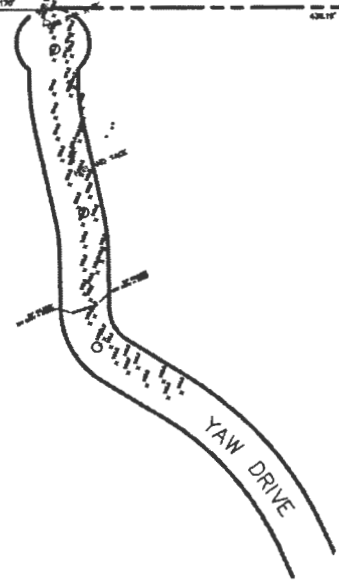
BIHA Indian River Quarry
Conditional Use Permit

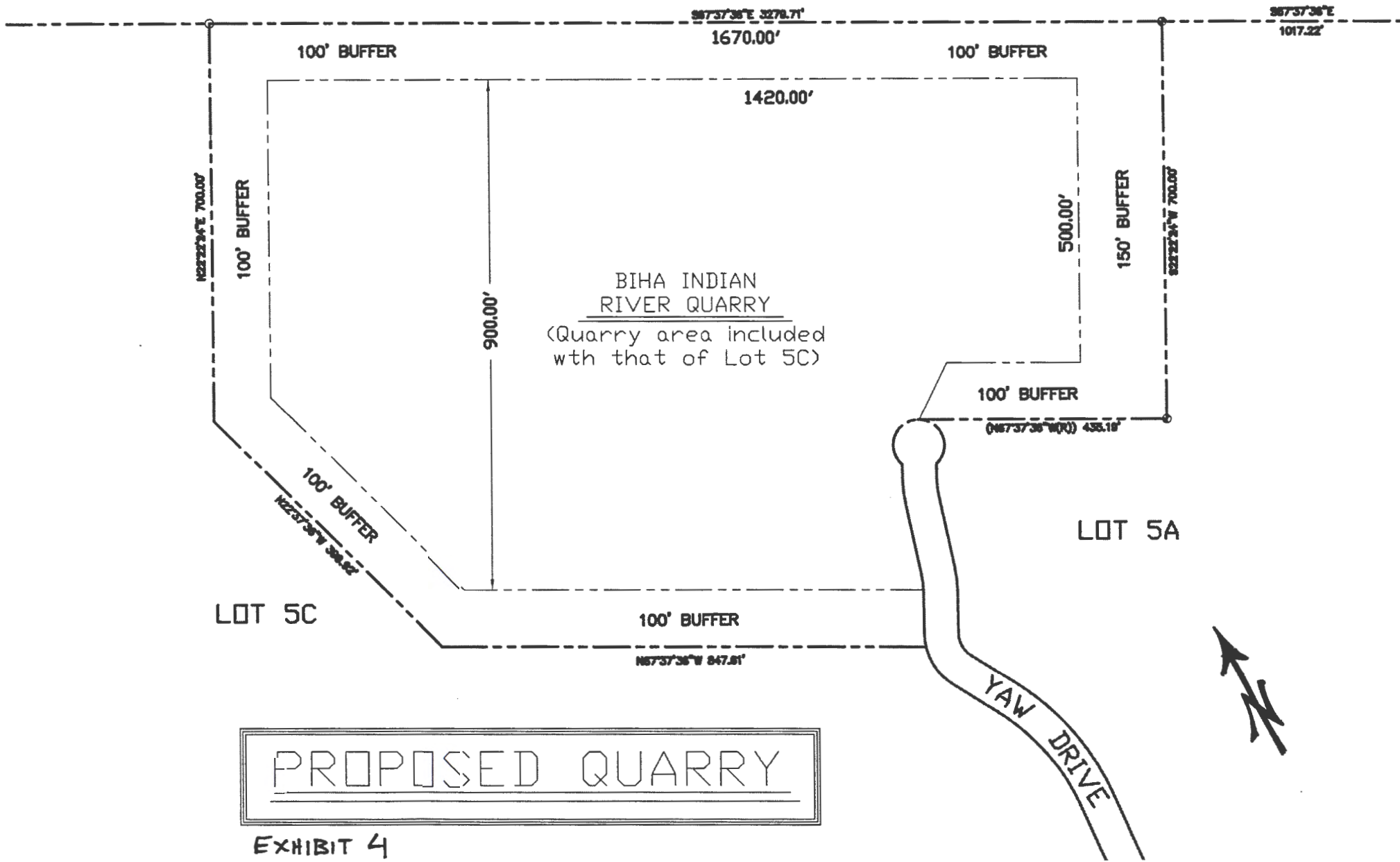


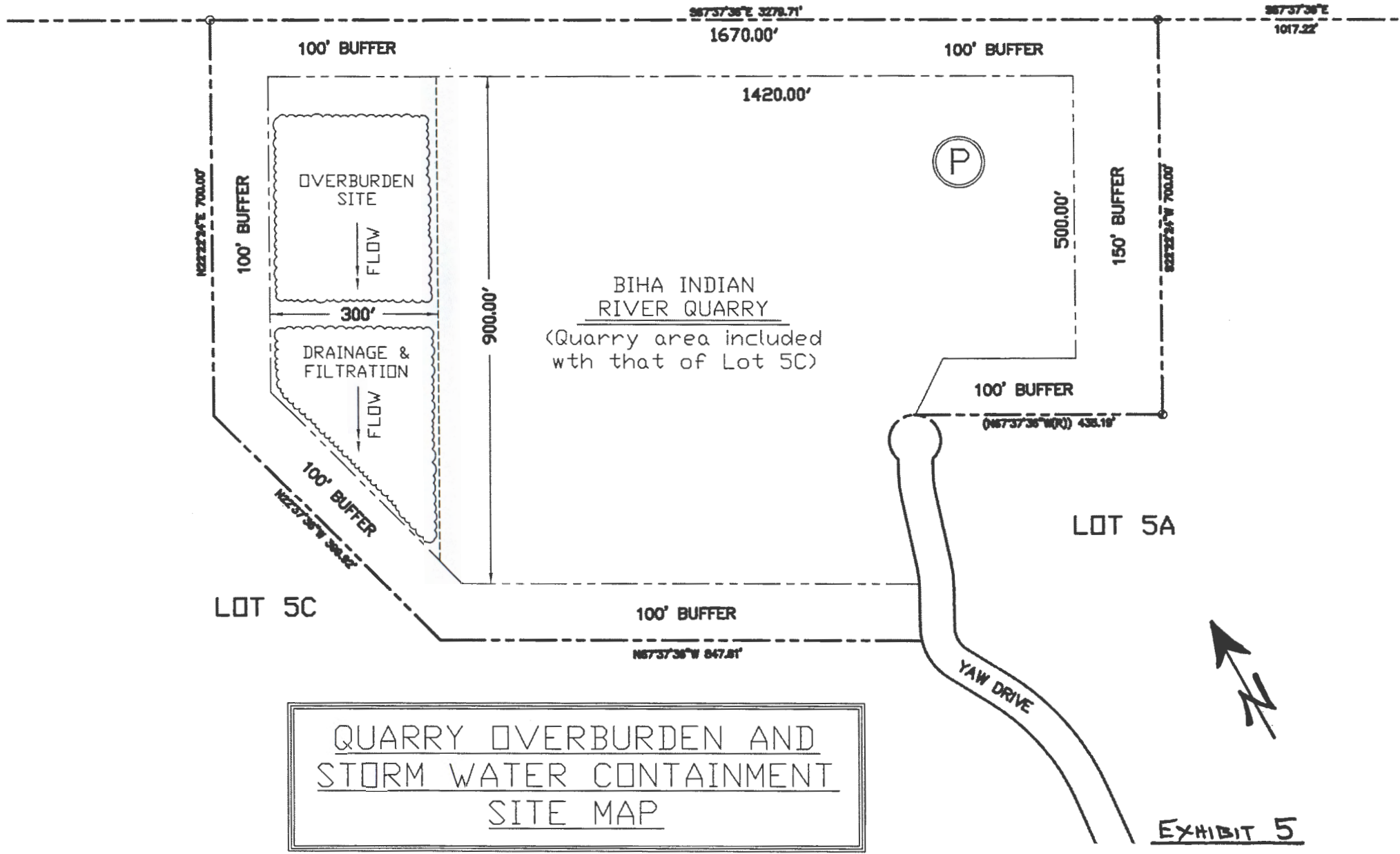
LOT 5c

LOT 5A

EXISTING QUARRY w/
NOVEMBER 2012
TOPOGRAPHIC SURVEY
EXHIBIT 3

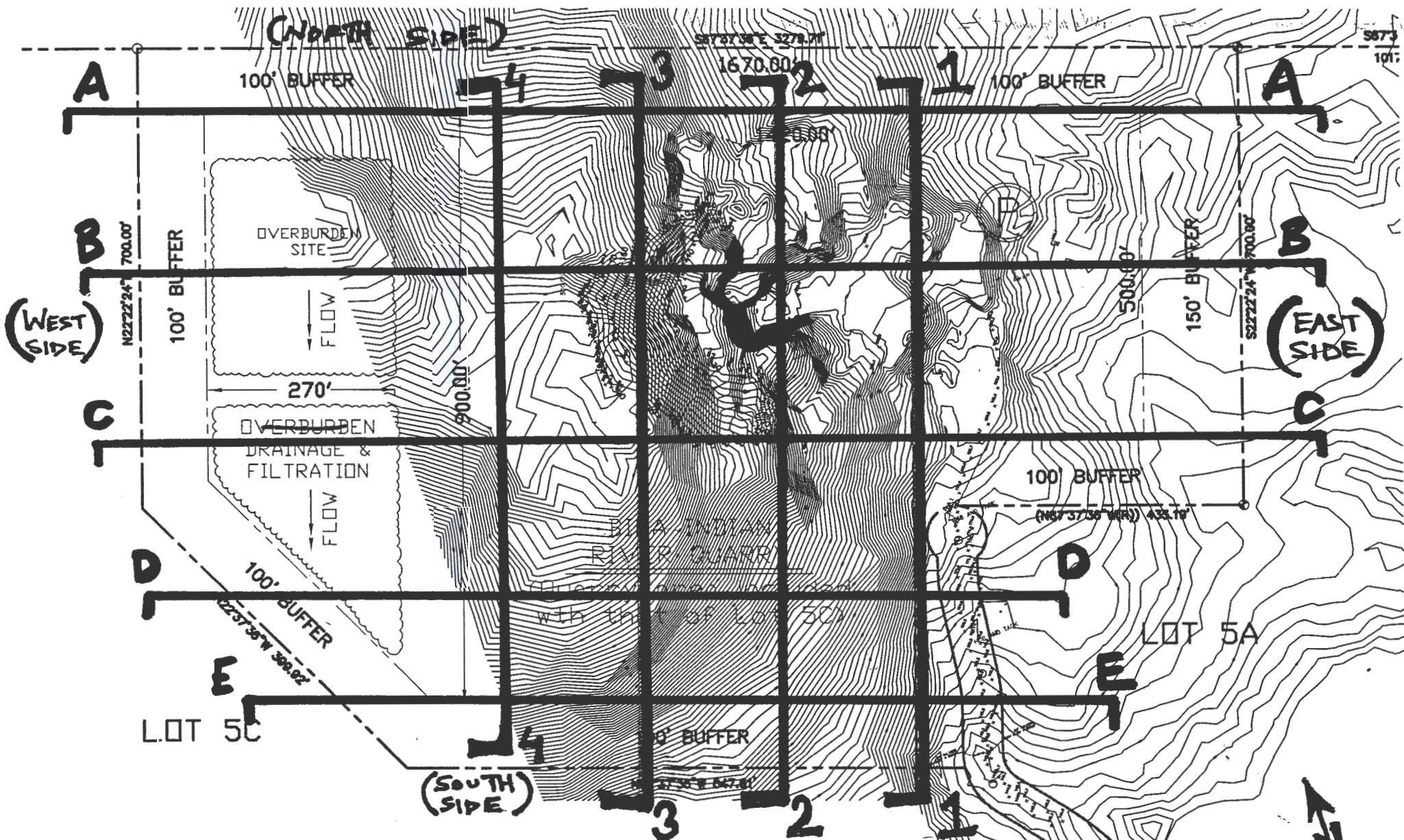




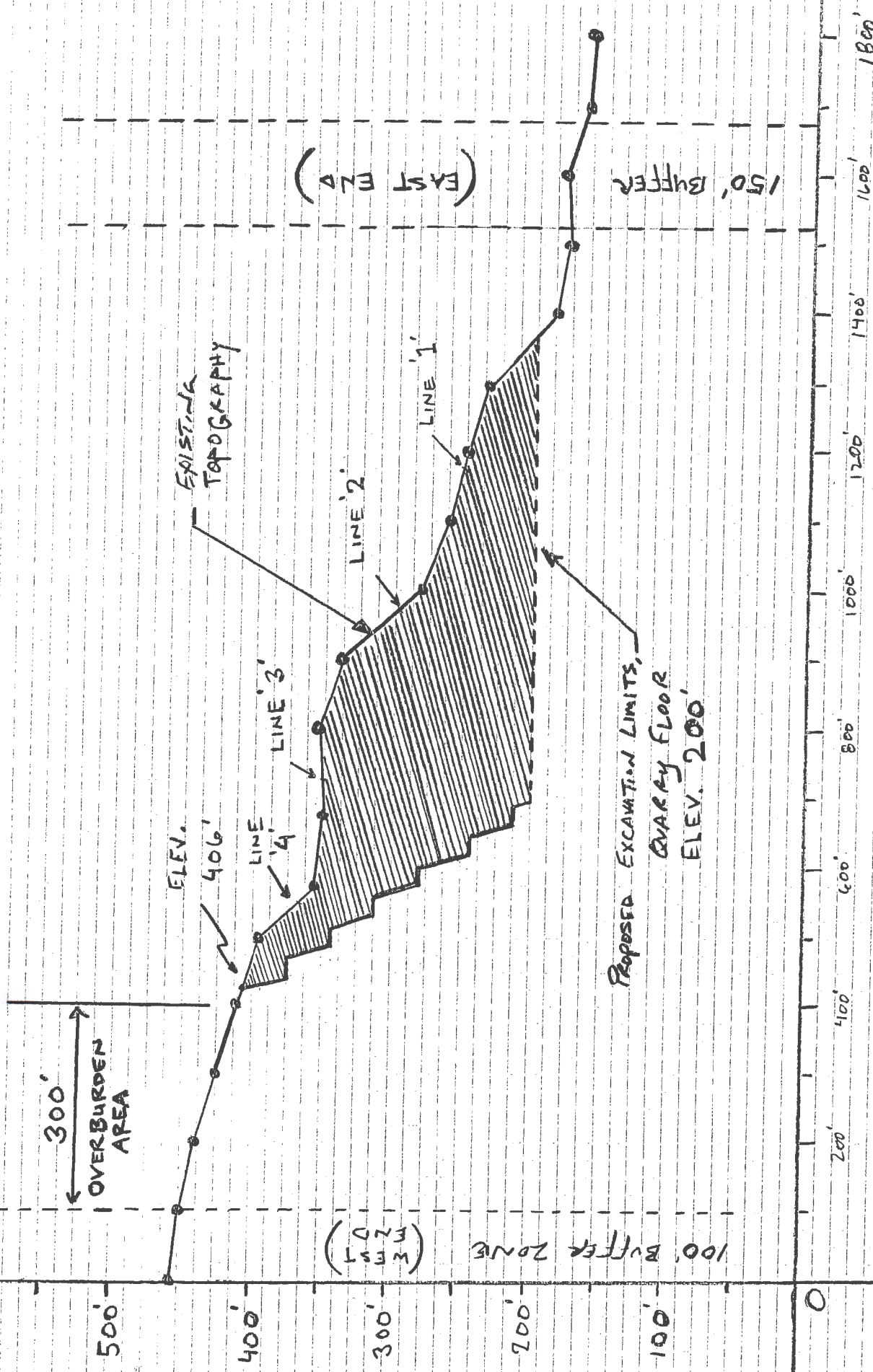


NOTE: PARKING AREA DESIGNATED BY SYMBOL (P)

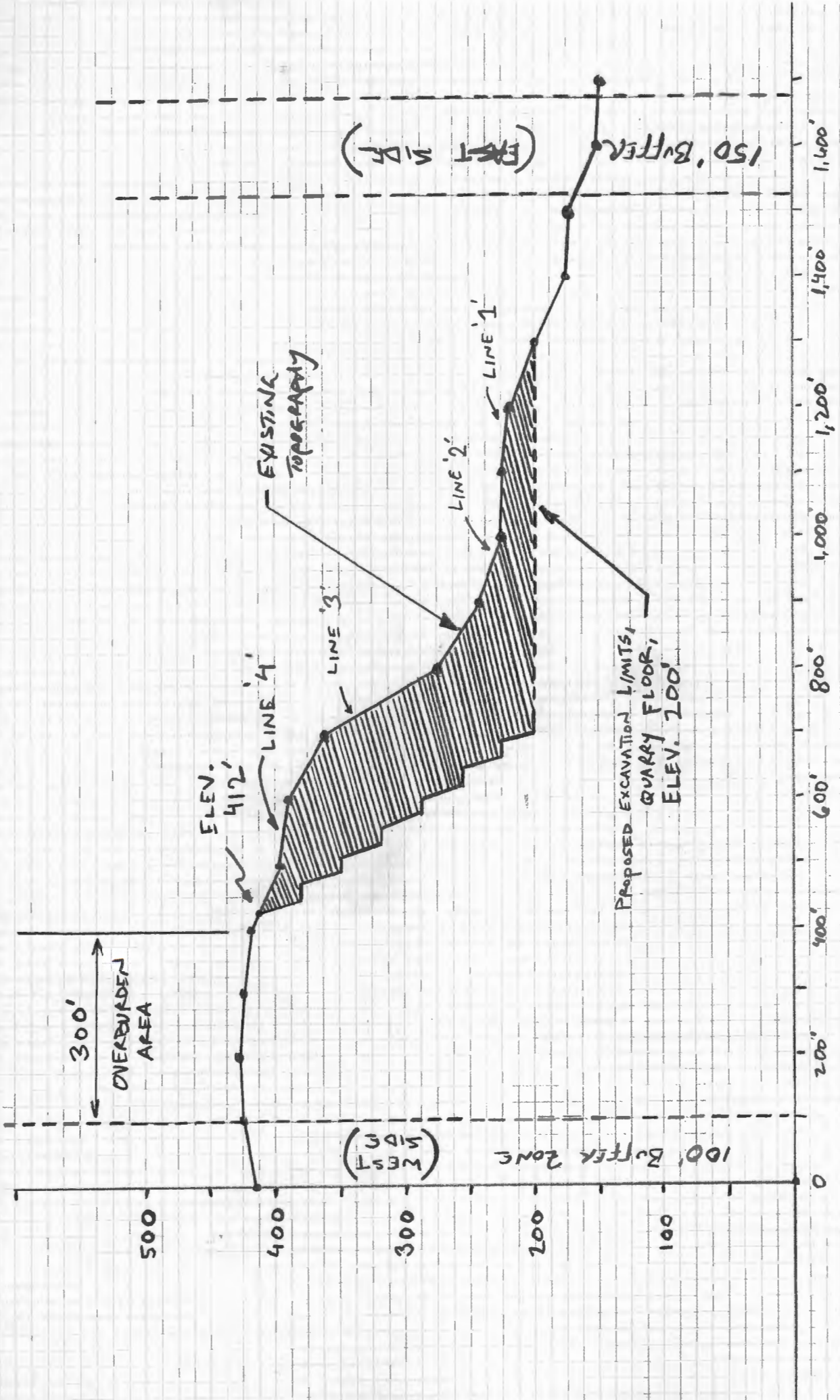
EXHIBIT 5



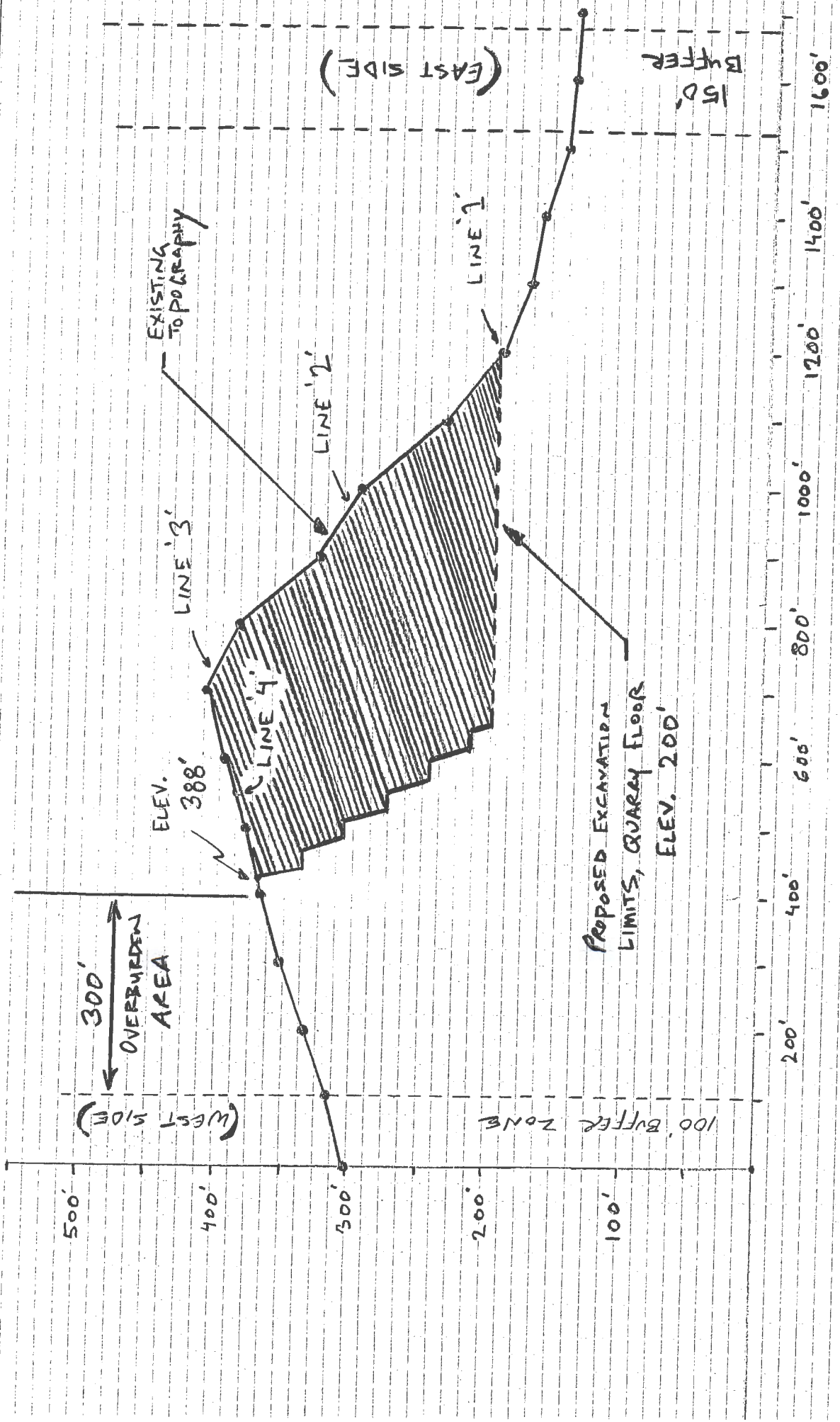
PROPOSED QUARRY
CROSS-SECTIONS
 EXHIBIT 7



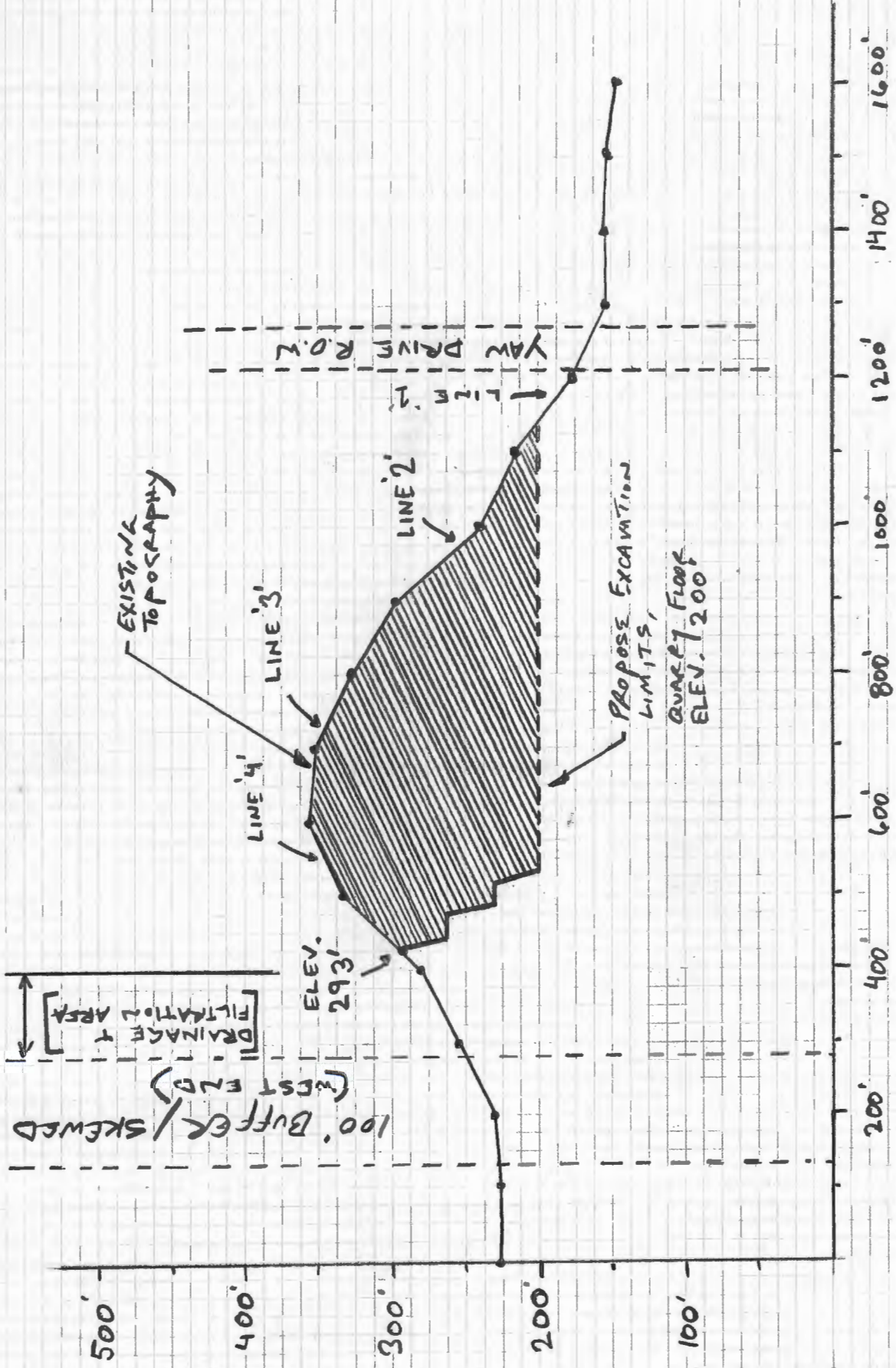
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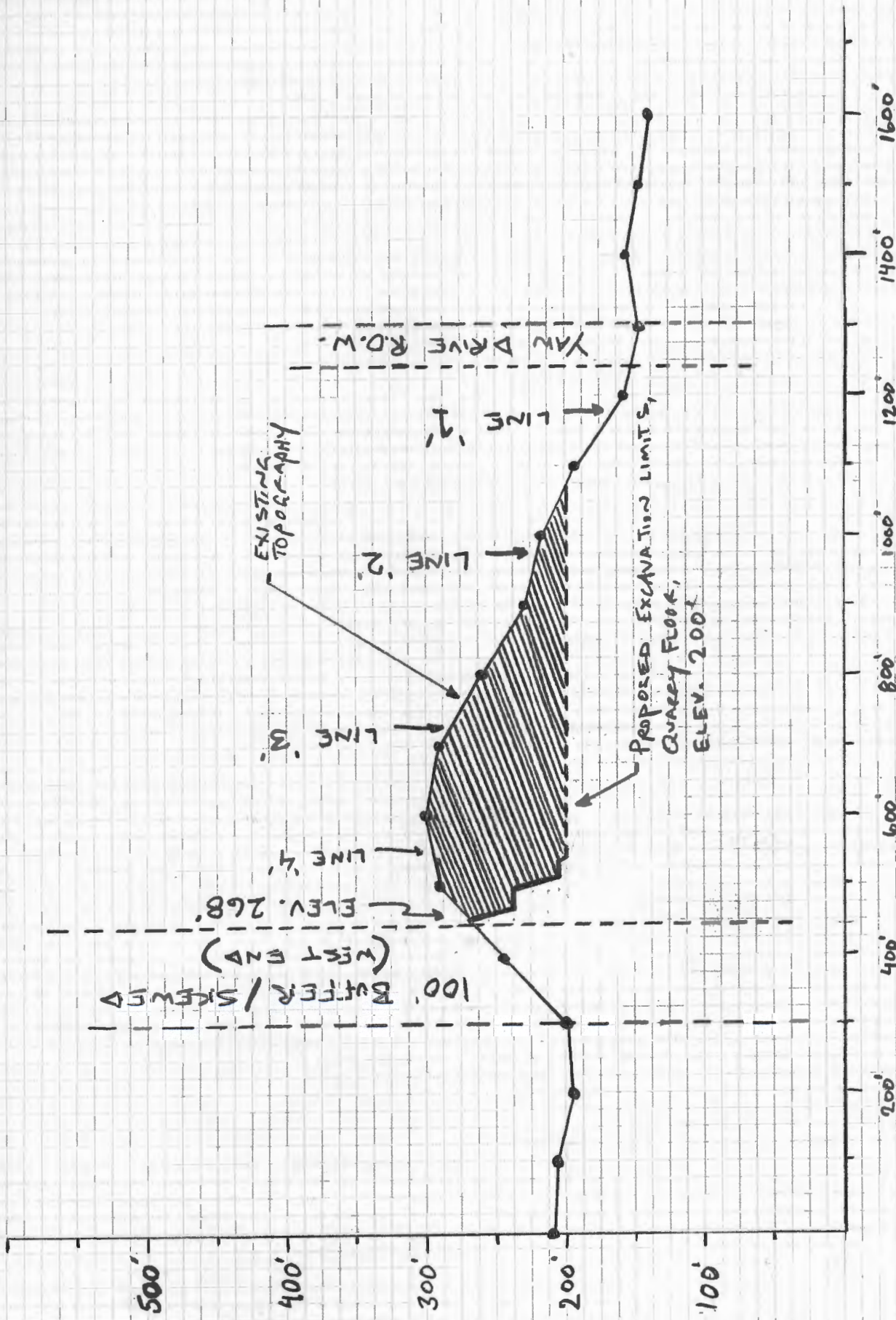
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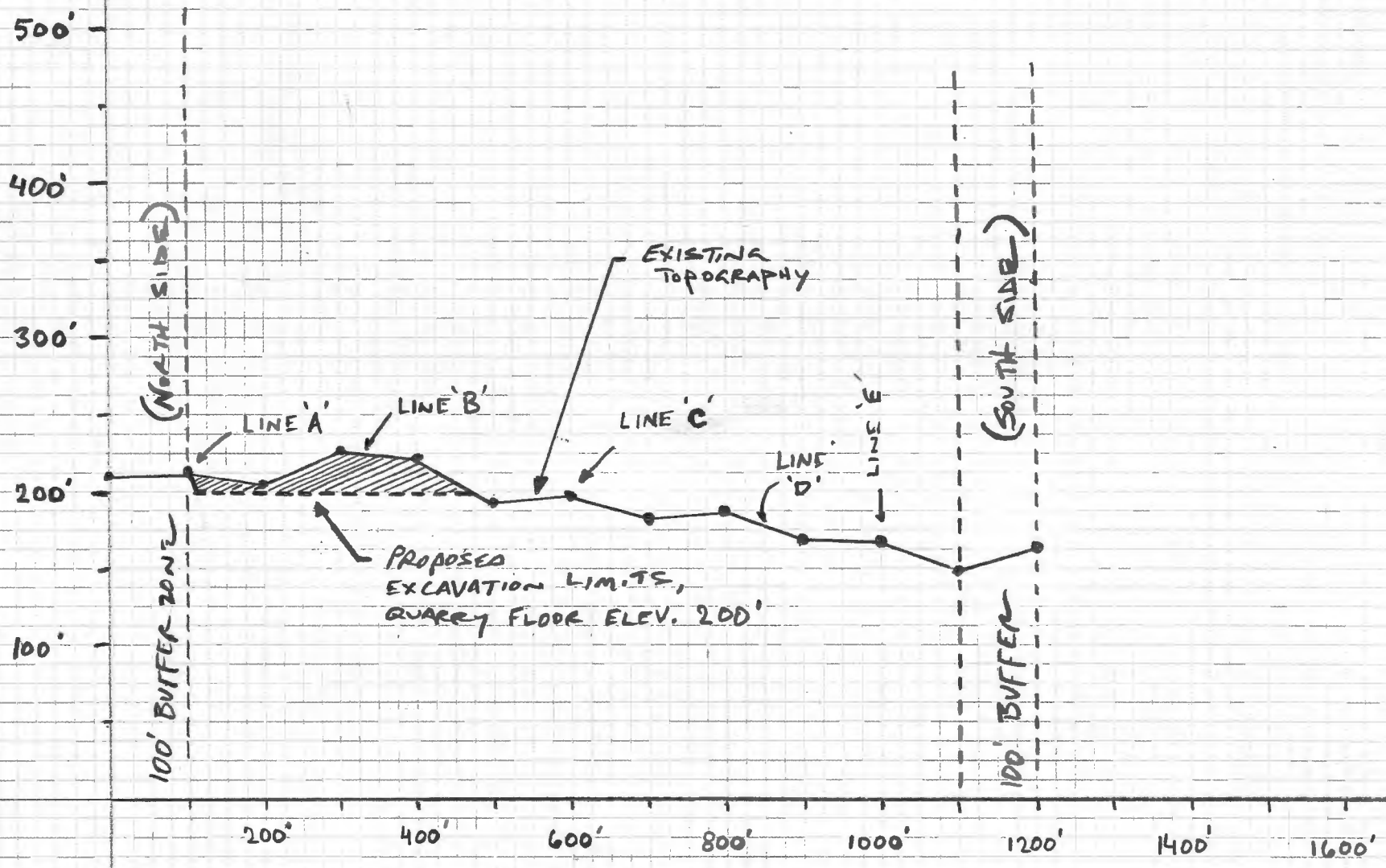
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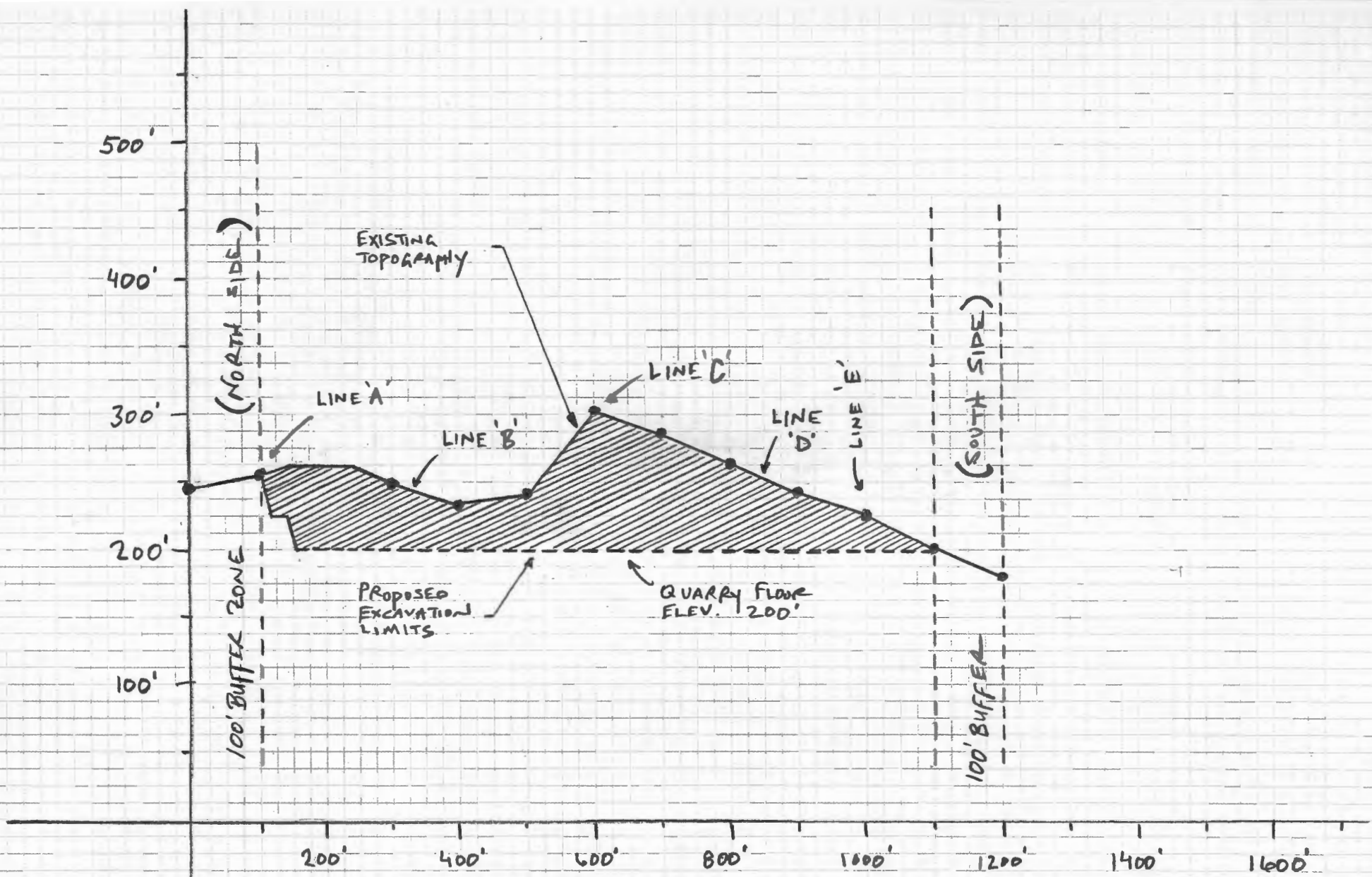
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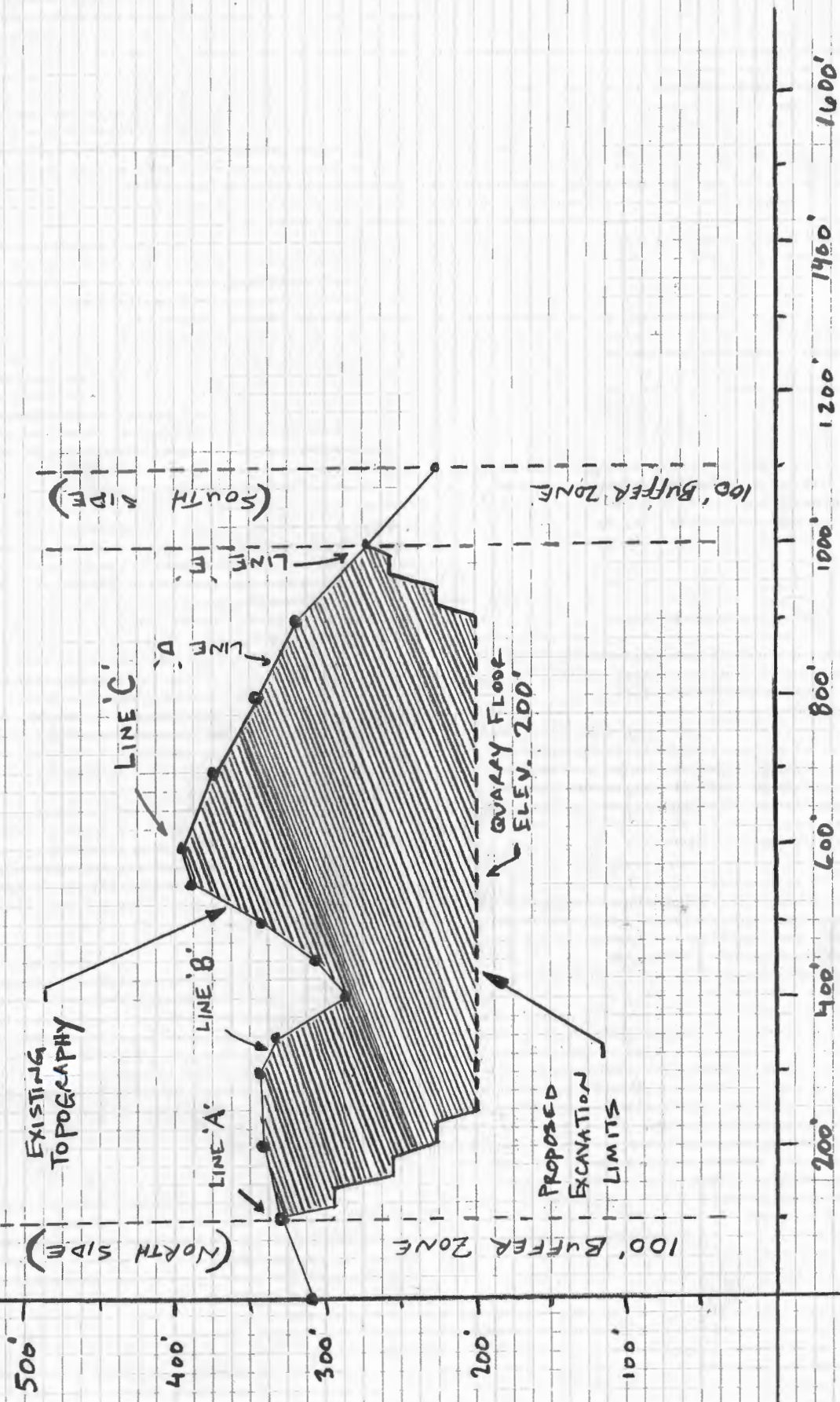
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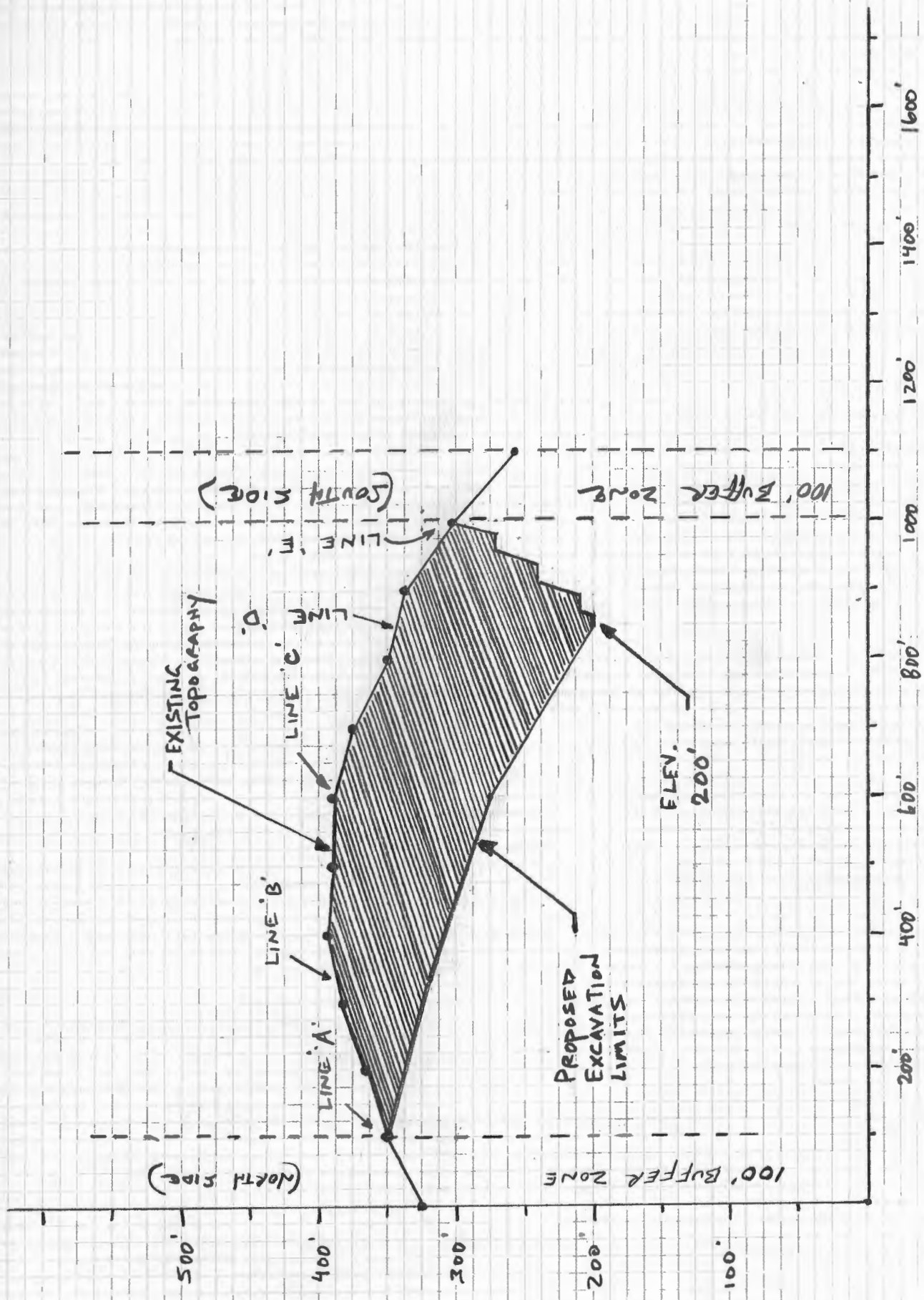
SECTION 1-1'



SECTION '2-2'



SECTION '3-3'



SECTION 'H-H'



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Environmental
Conservation

DIVISION OF WATER
Wastewater Discharge Authorization Program

555 Cordova Street
Anchorage, Alaska 99501-2617
Main: 907.269.6285
fax: 907.334.2415
www.dec.alaska.gov/water/wwdp

May 13, 2013

Company: Baranof Island Housing Authority
ATTN: Bart Meyer
245 Katlian Street
Sitka, AK 99835

Facility: BIHA Indian River Quarry
Yaw Drive
Sitka, AK 99835

Permit Number: **AKR05DC63**

This email/letter acknowledges that you have submitted a complete Notice of Intent form to be covered under the APDES General Permit for Storm water Discharges for Multi-Sector General Permit Activity (Multi-Sector General Permit). Coverage under this permit begins 30 days after DEC posts your NOI on its website, if you posted your SWPPP on the internet. Otherwise, coverage begins 60 days after DEC posts your NOI on its website.

As stated above, this letter acknowledges receipt of a complete Notice of Intent. However, it is not an ADEC determination of the validity of the information you provided. Your eligibility for coverage under the Permit is based on the validity of the certification you provided. Your signature on the Notice of Intent certifies that you have read, understood, and are implementing all of the applicable requirements. An important aspect of this certification requires that you correctly determine whether you are eligible for coverage under this permit.

As you know, the Multi-Sector General Permit requires you to have developed and begun implementing a Storm water Pollution Prevention Plan (SWPPP) and outlines important inspection and record keeping requirements. You must also comply with any additional location-specific requirements applicable to your state or tribal area. A copy of the Multi-Sector General Permit must be kept with your SWPPP. An electronic copy of the Permit and additional guidance materials can be viewed and downloaded at <http://www.dec.state.ak.us/water/wnpssc/stormwater/index.htm>.

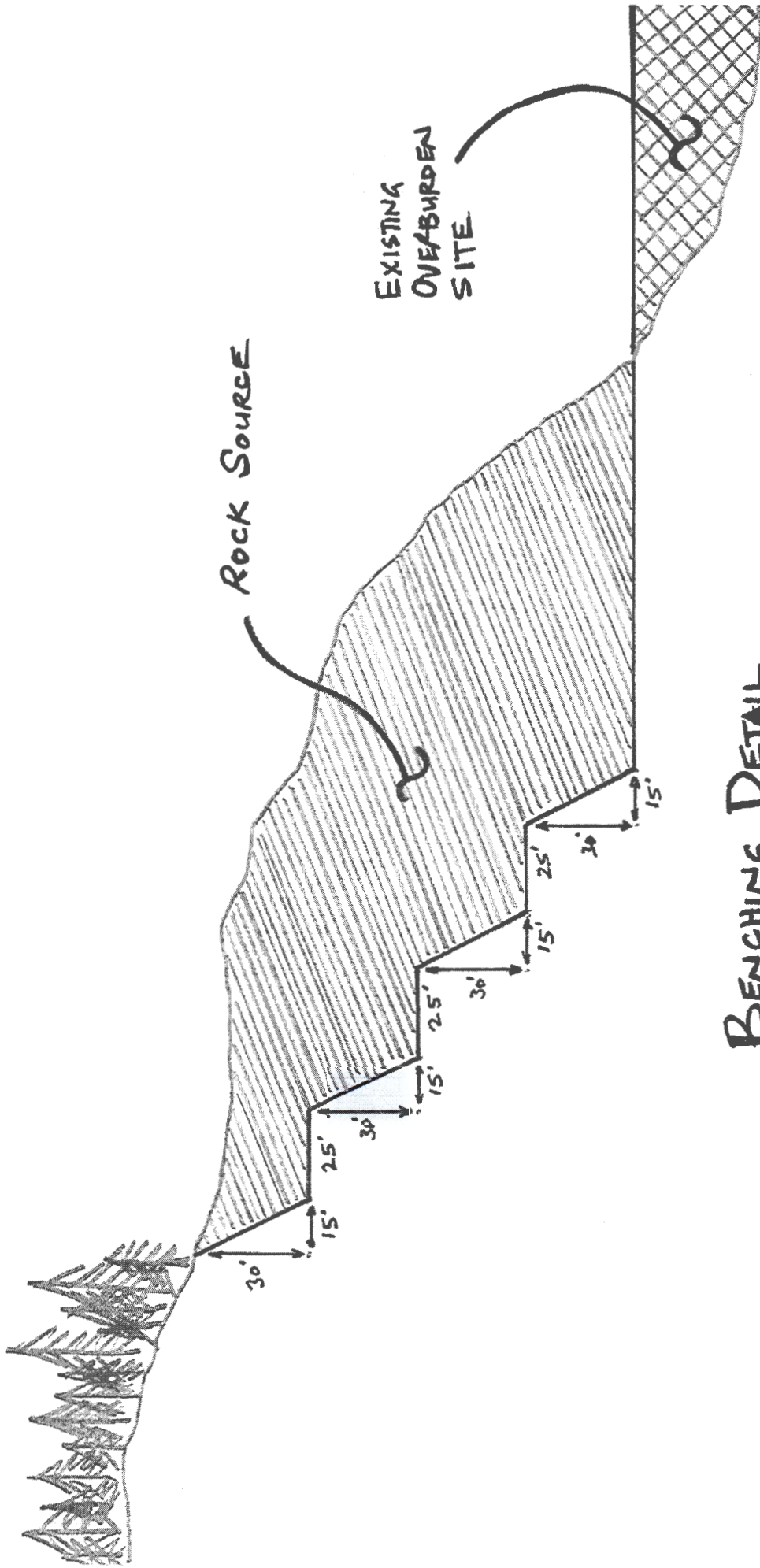
For tracking purposes, the following number has been assigned to your Notice of Intent Form:

If you have general questions regarding the storm water program or your responsibilities under the Multi-Sector General Permit, please call William Ashton (907) 269-6283.

EXHIBIT 10

Page **24** of **24**

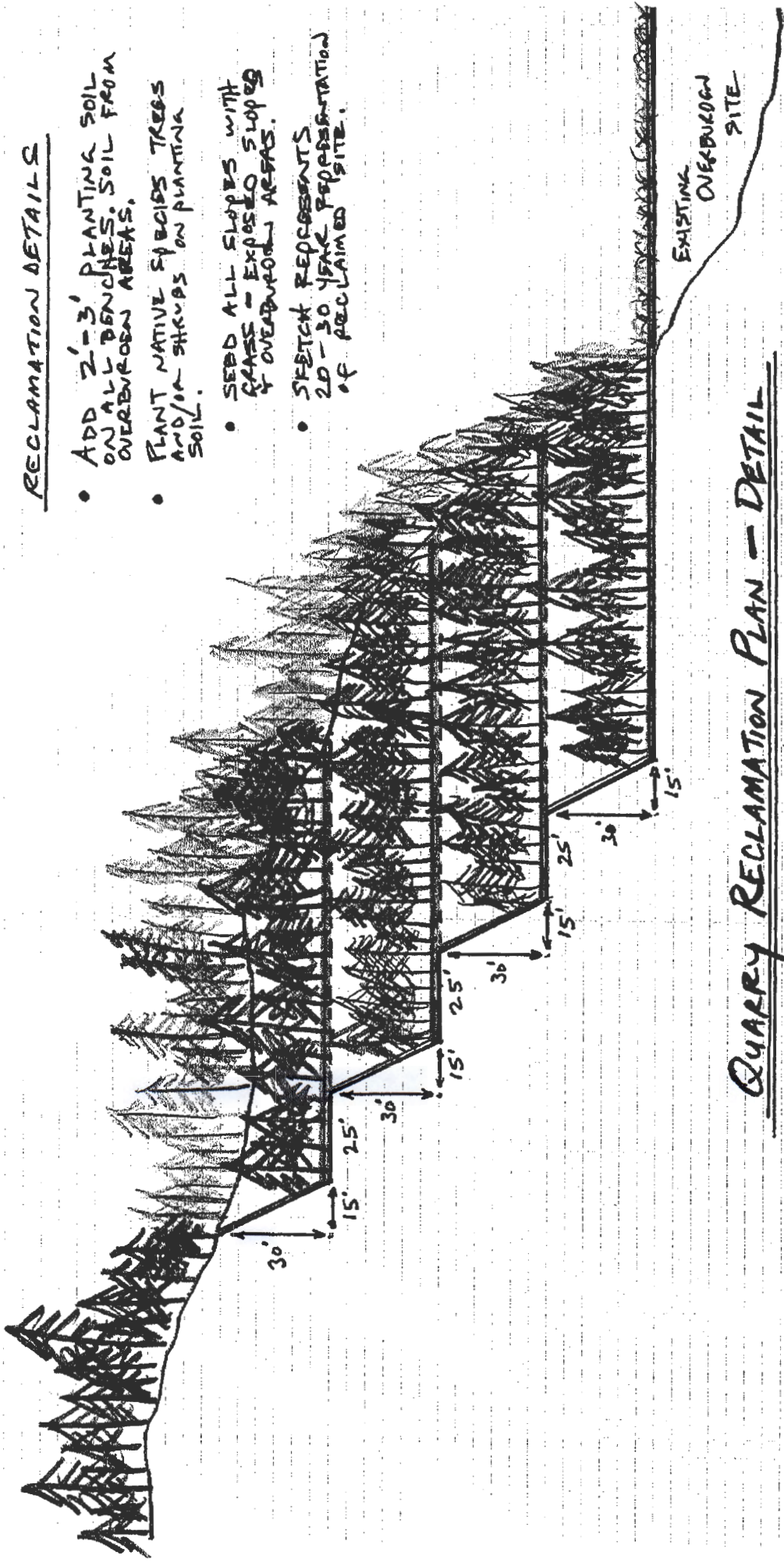
BIHA Indian River Quarry
Conditional Use Permit



BENCHING DETAIL
 TYPICAL - NOT TO SCALE

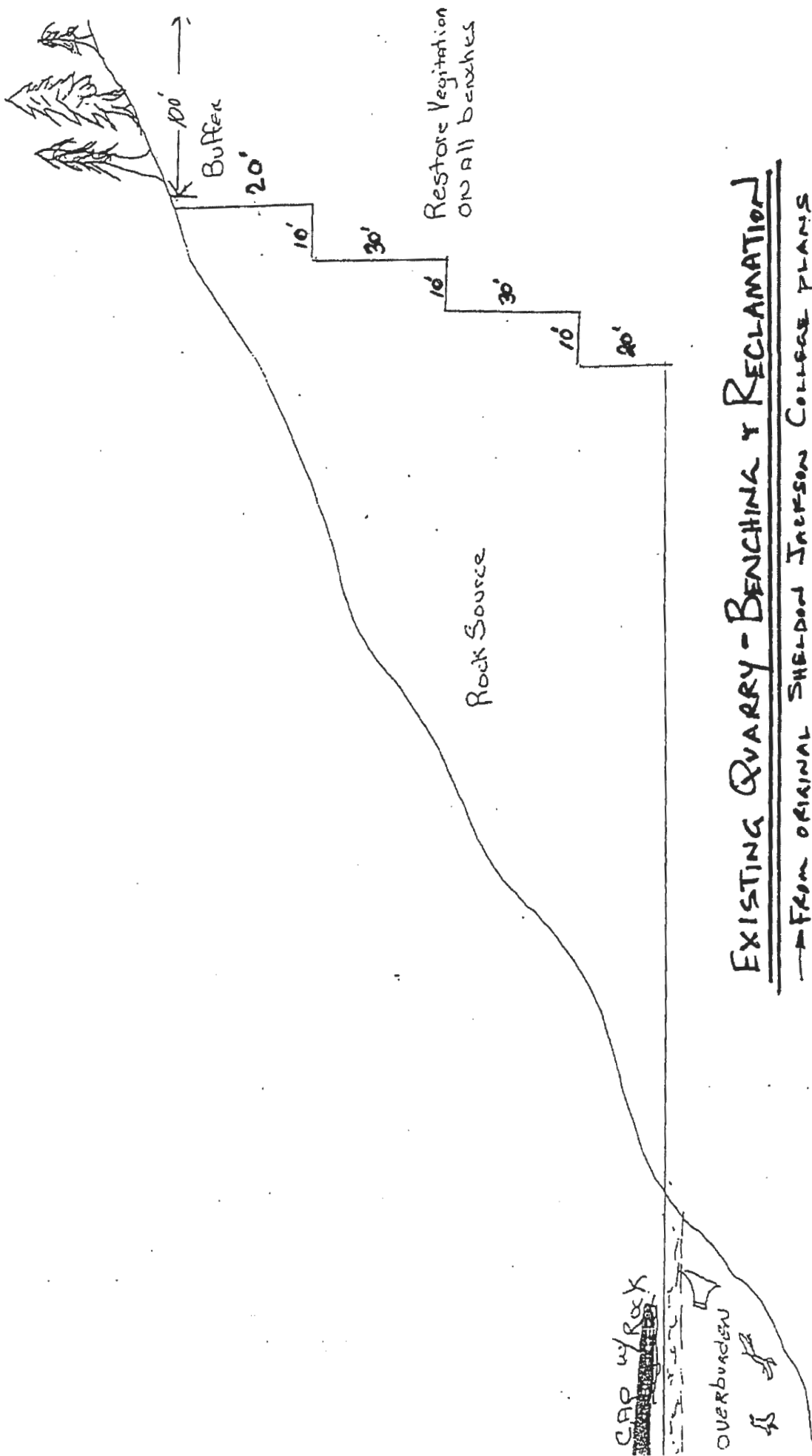
RECLAMATION DETAILS

- ADD 2'-3' PLANTING SOIL ON ALL BENCHES. SOIL FROM OVERBROWN AREAS.
- PLANT NATIVE SPECIES TREES AND/OR STRIPS ON PLANTING SOIL.
- SEED ALL SLOPES WITH GRASS - EXPOSED SLOPES & OVERBROWN AREAS.
- SKETCH REPRESENTS 20-30 YEAR REPRESENTATION OF RECLAIMED SITE.



QUARRY RECLAMATION PLAN - DETAIL

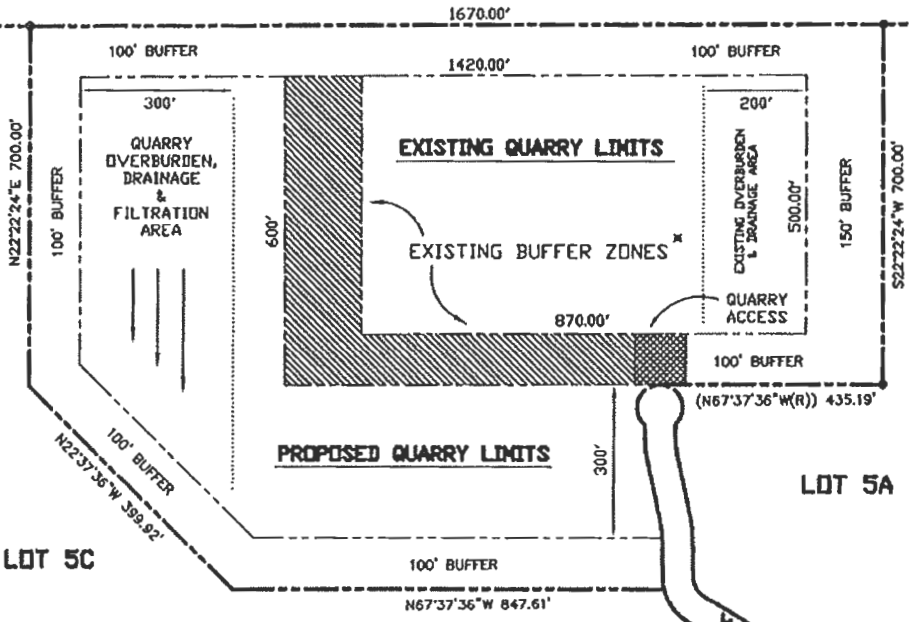
TYPICAL - NOT TO SCALE



EXISTING QUARRY - BENCHING & RECLAMATION

→ FROM ORIGINAL SHELDON JACKSON COLLEGE PLANS

PROPOSED BIHA
 QUARRY LIMITS
 SHOWN WITH
 EXISTING
 QUARRY LIMITS



QUARRY AREAS, EXISTING & PROPOSED (In Acres)				
	QUARRY WORK AREA	OVERBURDEN AREAS	BUFFER ZONES	TOTAL AREA
EXISTING QUARRY	7.7 Ac	2.3 Ac	8.8 Ac	18.8 Ac
PROPOSED QUARRY	19.9 Ac	7.2 Ac	11.0 Ac	35.8 Ac
INCREASED BY	12.2 Ac	4.9 Ac	1.2 Ac	17.0 Ac

*NOTE: EXISTING INTERNAL BUFFER ZONES TO BE VACATED.



Baranof Island Housing Authority

245 Katlian Street
Sitka AK 99835
(907) 747-5088 • fax (907) 747-5701

June 18, 2013

Wells Williams
Planning Director
City & Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

**SUBJECT: BIHA Indian River Uplands Rock Quarry
Conditional Use Permit Application - Amendment**

Mr. Williams:

As you are aware, BIHA has submitted to the CBS Planning Department an application for a Conditional Use Permit for a rock quarry to be operated at the end of Yaw Drive. It has come to my attention that the permitted use of the terms "quarry operations" and "rock extraction" do not include the operation of a "rock crusher", heavy equipment that is used to crush rock into smaller fragments. BIHA was not aware of this detail and would like to clarify and amend its Conditional Use Permit Request to include the potential use of a rock crusher at the proposed quarry site. BIHA proposes to limit the hours of operation of future rock crushing activities as follows: Monday through Friday, 8:00am to 5:00pm. Hours of operation for all other quarry operations will remain as proposed in the original permit application.

Please include this additional information with BIHA's application and share it with the members of the Planning Commission. If you have any questions, please contact Cliff Richter, BIHA's Development Coordinator, at 747-5088 or email cliff@bihasitka.org. Thank you for your cooperation.

Sincerely,

Bart Meyer
Executive Director



Legislation Details

File #: 13-175 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 9/4/2013 **In control:** City and Borough Assembly

On agenda: 9/10/2013 **Final action:**

Title: Approve transfer(s) and/or designations from the General Fund to the Public Infrastructure Sinking Fund

Sponsors:

Indexes:

Code sections:

Attachments: [Assembly Sinking Fund Dedication to Edgecumbe Dr 9-5-13](#)

Date	Ver.	Action By	Action	Result
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Memo

To: City and Borough of Sitka Assembly
From: Jay Sweeney, Interim Municipal Administrator
Date: 12/5/2012
Re: Transfer From the General Fund to the Public Infrastructure Sinking Fund

Section 4.45.020 of the Sitka General Code requires that within 90 days after the start of each fiscal year, the Administrator shall prepare an analysis of the General Fund balance with an accompanying recommendation as to an amount of the General Fund balance available for potential transfer to the Public Infrastructure Sinking Fund.

In accordance with Section 4.45.020, I have prepared the following analysis and have determined that the amount of \$653,219 is potentially available to be transferred into the Public Infrastructure Sinking Fund.

If this transfer is approved by the Assembly, the resulting balance in the Fund would be \$1,480,544, as the fund currently has \$827,325.85 in it.

The mechanism put in place in the Sitka General Code regarding the Public Infrastructure Sinking Fund works in a three-step, sequential fashion as follows:

- At the start of fiscal year 2014, the Administrator identifies an amount of available in the General Fund to be transferred to the Public Infrastructure Sinking Fund. The amount so identified is automatically transferred unless the Assembly opts to do something different with the funds.
- As part of the Administrator's budget for year 2015, the Administrator proposes a possible use for some or all of the balance in the Public Infrastructure Sinking Fund.
- If the Administrator's budget recommendation for year 2015 is adopted by the Assembly, then the funds are transferred out of the Public Infrastructure Sinking Fund in FY2015 to the appropriate capital project fund.

The Public Works Department has previously identified Edgecumbe Drive Resurfacing as a high priority maintenance project that is a suitable candidate for use of the balance in the Public Infrastructure Sinking Fund. The Public Works Department wishes to commence with the Edgecumbe Drive project in early summer, which is the end of FY2014.

Thus, a conundrum exists. To be able to expend the \$827,325.85 balance of the Public Infrastructure Sinking Fund which was on hand on June 30, 2013 in FY2014, a transfer appropriation would need to have been included in the FY13 budget. The prior Administrator did not elect to include such a transfer, although the matter was discussed.

To move the \$827,325.85 balance in the Public Infrastructure Sinking Fund to an Edgecumbe Drive capital project fund in FY2014 will require a supermajority of the Assembly, as required by Section 4.45.050 of the SGC, with the Assembly making the determination that public welfare is threatened.

As the entire concept of the Public Infrastructure Sinking Fund is new and its use is being contemplated for the first time, the Assembly might also consider revising the SGC to avoid the timing conundrum which currently exists. This would need to be addressed in a separate agenda item but could be accomplished in time for the spring 2015 start of the Edgecumbe Drive project.

In conclusion, I am presenting the Assembly with a number of possible options, depending on the direction it wishes to take in regards to the Edgecumbe Drive Resurfacing Project.

City and Borough of Sitka
Administrator's Recommendation of Assets Available For Transfer
to the Public Infrastructure Sinking Fund

FY13	
Annual	
Operating	
Outlays	Divided
Less	By
<u>Transfers</u>	<u>Four</u>
\$ 22,995,273	\$ 5,748,818

Assets available for transfer to the public infrastructure sinking fund are computed as follows:

All assets	\$ 16,852,590
Less sales taxes collected but not yet remitted:	\$ (2,048,126)
Less advances and amounts due from other funds and component units	\$ (491,285)
Less total Liabilities	\$ (2,161,068)
Less nonspendable and committed fund balances	\$ (1,452,108)
Less reserve for encumbrances	\$ (1,382,713)
Less 90 days operating expenses designated for liquidity (from above)	\$ (5,748,818)
Less designated catastrophic emergency response	\$ (2,000,000)
Less FY14 budget deficit	\$ (674,643)
Less FY14 ASEA, PSEA pay increases	\$ (240,610)
Assets Available For Transfer:	<u>\$ 653,219</u>

F I N A N C I A L M A N A G E M E N T
 BALANCE SHEET

MONTH END DATE: 6/30/2013

PRIOR Y-T-D
 BALANCE

CURRENT Y-T-D
 BALANCE

NET
 CHANGE

CHANGE
 PERCENTAGE

Fund . . . : 708 Pub Infrac
 CATEGORY : A Governmntl
 TYPE . . . : 3 Capital

***** ASSETS *****

Assets				
Cash				
Checking Account- General	.00	.00	.00	.00%
Cash TOTALS :	.00	.00	.00	.00%
Investments - Current				
Change in FMV-Investments	.00	.00	.00	.00%
Investment-Central Trea.	.00	827,325.85	827,325.85	.00%
Invtmt/Cur TOTALS :	.00	827,325.85	827,325.85	.00%
Receivables				
Accts Rec.-Misc Billing	.00	.00	.00	.00%
Accts Rec.- State	.00	.00	.00	.00%
Accts Rec.- Federal	.00	.00	.00	.00%
Receivable TOTALS :	.00	.00	.00	.00%
Property,plant & equip.				
Construction in Progress	.00	.00	.00	.00%
Fixed Asst TOTALS :	.00	.00	.00	.00%
Assets TOTALS :	.00	827,325.85	827,325.85	.00%
TOTAL ASSETS :	.00	827,325.85	827,325.85	.00%

***** LIABILITIES AND FUND EQUITY *****

Liabilities				
Payables - Current				
Accounts Payable	.00	.00	.00	.00%
Advances Payable	.00	.00	.00	.00%
Payables TOTALS :	.00	.00	.00	.00%
Other Non Current Liabilities				
Deferred Revenue	.00	.00	.00	.00%
OtherNCLia TOTALS :	.00	.00	.00	.00%
Liability TOTALS :	.00	.00	.00	.00%
Fund Equity				
Fund Balance - Reserved				
Reserve for Encumbrances	.00	.00	.00	.00%
Designated-Future Expend.	.00	.00	.00	.00%
FundBal R TOTALS :	.00	.00	.00	.00%

City and Borough of Sitka LIVE
 DATE 9/04/13
 TIME 10:29:15

F I N A N C I A L M A N A G E M E N T
 BALANCE SHEET

MONTH END DATE: 6/30/2013

	PRIOR Y-T-D BALANCE	CURRENT Y-T-D BALANCE	NET CHANGE	CHANGE PERCENTAGE
Fund Balance - Unreserved				
Undesignated/Re. Earnings	.00	827,325.85-	827,325.85-	.00%
Post Soft Close Entries	.00	.00	.00	.00%
FundBal UR TOTALS :	.00	827,325.85-	827,325.85-	.00%
Contributed Capital				
Contributed Cap.-Federal	.00	.00	.00	.00%
Contributed Cap.-State	.00	.00	.00	.00%
Contributed Cap.-Local	.00	.00	.00	.00%
ContCapitl TOTALS :	.00	.00	.00	.00%
Budget & Control Accounts				
P/Y Encumbrance Control	.00	.00	.00	.00%
Bdgt&Ctrl TOTALS :	.00	.00	.00	.00%
FundEquity TOTALS :	.00	827,325.85-	827,325.85-	.00%
TOTAL LIABILITIES AND FUND EQUITY :	.00	827,325.85-	827,325.85-	.00%

MEMORANDUM

To: Mayor McConnell and Assembly Members
Jay Sweeney, Interim Municipal Administrator

From: Michael Harmon P.E., Public Works Director

Date: September 9, 2013

Subject: **Sinking Fund Dedication to Edgecumbe Drive Project**

Background:

Edgecumbe Drive reconstruction is our top priority roadway project to be funded through a \$2,900,000 FY2013 State Legislative Grant. This grant is to provide funding towards Failed Collector Street Rehabilitation in Sitka. Budgetary cost estimates indicate we need additional funding to complete Edgecumbe Drive as follows:

- Approximately \$5.5 million to completely rebuild Edgecumbe Drive from Kimsham to Cascade Creek to include paving, curb and gutter, sidewalk, and storm drain (budget shortfall of \$3.25 million).
- Approximately \$3.5 million would be required to rebuild Edgecumbe Drive from Kimsham to Cascade Creek to include paving and storm drain only (budget shortfall of \$1.25 million).
- Approximately \$2.5 million would be required to rebuild Edgecumbe Drive from Kimsham to Cascade Creek to include paving the drive lanes only (no shoulders) and storm drain (budget shortfall of \$250,000).

Public Works staff has begun the planning level work for this project. Test borings were completed along Edgecumbe Drive in areas of suspected subgrade failure and in other areas of interest on March 4-5, 2013. This information will assist in the design of the improvements. Public Works anticipates construction during the summer of 2014. Survey work and design will start this fall.

Analysis:

It is Public Works recommendation to position this project to be completed in 2014 while there will be up to three different paving companies in town performing work for DOT projects. This is by far the most heavily used and expensive section of roadway in the CBS inventory and is reaching the end of its useful life. Any cost savings due to reduced mobilization and/or competitive bidding could be significant. To best position this project to meet this tight schedule, all available funding should be dedicated soon to allow the opportunity to pursue a "Best Value Design Build Contract". This process would give us the advantage of overlapping the design and permitting process with

ordering material and starting underground work in preparation for the paving. However, we need all the funding in place prior to pursuing this type of RFP.

Allocating all available Infrastructure Sinking Funds towards this project would increase the total budget to \$4,380,544 including utilizing all available grant funds. This would complete all necessary paving and most of the underground work including most storm drains (sidewalk improvements would be limited).

Fiscal Note:

The recommended budget for Edgecumbe Drive consists of the following commitments:

FY13 Failed Collector Street Rehabilitation State Grant	\$2,900,000
Current Infrastructure Sinking Fund Balance	\$ 827,325
Available FY14 Sinking Fund Appropriation	<u>\$ 653,219</u>
Total	\$4,380,544

Recommendation:

- Approve the Administrator to transfer \$653,219 from the FY13 rollover funds identified for the FY14 Sinking Fund Appropriation to the Edgecumbe Drive Project.
- Approve the Administrator to transfer the current Infrastructure Sinking Fund Balance (approximately \$827,325) to the Edgecumbe Drive Project.

4.45.030 Assembly action.

Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)

4.45.050 Emergency transfer of the sinking fund.

The assembly shall have the authority to transfer any portion of the public infrastructure sinking fund to the general fund in the case of an emergency threatening public health, safety, or welfare which requires use of public funds. Such a transfer shall require an approval of a super majority of the assembly. (Ord. 12-30 § 4 (part), 2012.)

4.44A.020 Restriction of general fund balance.

A portion of the general fund balance equal to the total of all budgeted expenditures for the general fund for the current fiscal year, divided by four (transfers from the general fund balance shall not be considered expenditure for the purposes of this calculation), shall be restricted as to its use in order to provide for required liquidity of the municipality and not available for appropriation without a super majority of the assembly voting in approval. An additional amount of two million dollars shall be restricted as to its use in order to provide funds for responding to an emergency and not available for appropriation without a super majority of the assembly voting in approval.

4.45.020 Determination of the required balance of the public infrastructure sinking fund.

Within ninety days after the start of each fiscal year, the administrator shall prepare an analysis of the general fund balance with an accompanying recommendation as to an amount of the general fund balance available for potential transfer to the public infrastructure sinking fund. This analysis shall first take into account any portions of the general fund restricted by Chapter 4.44A before recommending any further amounts for potential transfer to the public infrastructure sinking fund.

4.45.030 Assembly action.

Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)

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Legislation Details

File #: 13-172 **Version:** 1 **Name:**
Type: Grant **Status:** AGENDA READY
File created: 9/4/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2014 **Final action:**
Title: Award Non-Profit Grants for FY'14
Sponsors:
Indexes:
Code sections:
Attachments: [Non Profit Grants](#)

Date	Ver.	Action By	Action	Result
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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 Assembly Members

From: Sara Peterson, Deputy Clerk

Date: August 20, 2013

Subject: Non-Profit Grants

Enclosed you will find copies of the 12 requests our office received for the FY14 General Fund Grants for Non-Profit Organizations. A total of \$106,550 was requested this year. \$90,000 is available.

Discussion and award of the non-profit grants will occur at the September 10, 2013 Regular Assembly Meeting.

In your packet, there are individual scoring sheets for you to use to review and score each applicant. You will also find a summary scoring sheet with a list of the applicants in their respective category. You can transfer the individual scores to this summary sheet.

Our office will notify each of the applicants of the award date so that they can be present if so desired.

FY'14 Non-Profit Grant Requests

	Applicant	FY14 Requests & Funds Available	FY14 Assembly Approved
	Human Services		
1	Brave Heart Volunteers	\$ 20,000	
2	Girl Scouts of Alaska - Sitka Service Unit	\$ 19,400	
3	Sitka Local Foods Network	\$ 5,650	
4	Southeast Alaska Independent Living	\$ 10,000	
5	Youth Advocates of Sitka Inc.	\$ 4,500	
	Subtotal	\$ 59,550	
	Funds Available FY14	\$ 50,000	
	Cultural & Educational Services		
6	Greater Sitka Arts Council	\$ 5,000	
7	Sitka Seafood Festival	\$ 6,000	
8	Sitka Sound Science Center for Sitka Whalefest	\$ 3,500	
9	Sitka Summer Music Festival	\$ 7,500	
10	The Island Institute	\$ 5,000	
	Subtotal	\$ 27,000	
	Funds Available FY14	\$ 20,000	
	Community Development		
11	Sitka Fine Arts Camp - Alaska Arts Southeast Inc.	\$ 10,000	
12	Sitka Trail Works	\$ 10,000	
	Subtotal	\$ 20,000	
	Funds Available FY14	\$ 20,000	
	Special Emergency		
	Funds Available FY14	\$ 10,000	
	Total FY14 Funds Requested	\$ 106,550	
	Total FY14 Funds Available	\$ 90,000	
	TOTAL		

FY10 thru FY13 Non-Profit Grant Requests and Approvals

Applicant	FY10 Request	FY10 Assembly Approved	FY11 Request	FY11 Assembly Approved	FY12 Request	FY12 Assembly Approved	FY13 Request	FY13 Assembly Approved
Human Services								
Baranof Center for Mind Body Health	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Big Brothers/Big Sisters	\$ 7,000	\$ 6,000	\$ 10,000	\$ 10,000	\$ 12,000	\$ 6,750	\$ 12,000	\$ 12,000
Brave Heart Volunteers	\$ 20,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 20,000	\$ 13,950	\$ 20,000	\$ 20,000
Sitka Counseling & Prevention Services	\$ 5,000	\$ 3,000	\$ 5,000	\$ 5,000	\$ 20,000	\$ 7,464	\$ -	
Sitkans Against Family Violence	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Southeast Alaska Independent Living	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 5,000	\$ 10,000	\$ 10,000
Youth Advocates of Sitka Inc.	\$ -	\$ -	\$ 6,000	\$ 4,330	\$ 6,000	\$ 3,750	\$ 4,500	\$ -
Sitka Local Foods Network	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000
Subtotal	\$ 69,500	\$ 66,500	\$ 88,500	\$ 86,830	\$ 105,500	\$ 56,914	\$ 70,500	\$ 66,000
Funds Available FY13							\$ 50,000	
Cultural & Educational Services								
Alaska Arts Southeast (Sitka Fine Arts Camp)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 4,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Greater Sitka Arts Council	\$ -	\$ -	\$ 7,500	\$ 3,000	\$ 4,500	\$ 3,000	\$ 4,000	\$ 4,000
Home Skillet Fest	\$ 10,000	\$ 5,000	\$ 12,000	\$ 1,000	\$ 5,000	\$ 2,600	\$ -	\$ -
The Island Institute	\$ 4,500	\$ 3,500	\$ 6,000	\$ 5,000	\$ 5,000	\$ 2,300	\$ 4,500	\$ 4,500
Sitka Farmers Market	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 766	\$ -	\$ -
Sitka Jazz Festival	\$ 4,000	\$ 4,000	\$ 5,000	\$ 1,000	\$ 4,000	\$ 2,300	\$ -	\$ -
Sitka Summer Music Festival	\$ 5,000	\$ 5,000	\$ 7,000	\$ 4,000	\$ 7,000	\$ 4,100	\$ 7,000	\$ 7,000
Sitka Whalefest	\$ 2,875	\$ 2,875	\$ 8,000	\$ 2,280	\$ 3,500	\$ 3,391	\$ -	\$ -
Subtotal	\$ 36,375	\$ 30,375	\$ 55,500	\$ 20,280	\$ 40,000	\$ 28,457	\$ 15,500	\$ 15,500
Funds Available FY13							\$ 20,000	
Community Development								
Sitka Trail Works	\$ 30,000	\$ 10,000	\$ 30,000	\$ 30,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Alaska Arts Southeast (Sitka Fine Arts Camp)	\$ -	\$ -	\$ -	\$ -	\$ 18,457	\$ 18,457	\$ -	\$ -
Sitka Community Development Corp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368	\$ 368
Subtotal	\$ 30,000	\$ 10,000	\$ 30,000	\$ 30,000	\$ 28,457	\$ 28,457	\$ 10,368	\$ 10,368
Funds Available FY13							\$ 20,000	
TOTAL	\$ 135,875	\$ 106,875	\$ 174,000	\$ 137,110	\$ 173,957	\$ 113,828	\$ 96,368	\$ 91,868

FY14 Non-Profit Grants Scoring Sheet

Organization: _____

	Description	Maximum Page Length	Total Points Possible	Score
Detailed Project Description Overview	<ul style="list-style-type: none"> Grant category What will be done with the funds? Who will do it? Who will be served? When will this service be provided? 	1	10	
Expected Outcome	<ul style="list-style-type: none"> Project measured for success? Tangible community benefit? Benchmarks? 	1	10	
Statement Of Need	<ul style="list-style-type: none"> Align with the funding category? Documented needs addressed? Does the funding from this request help leverage other funds for the project? 	1	10	
Organizational Capacity	<ul style="list-style-type: none"> Track record Community Support Board Attendance List of Board Members & Officers 	1	10	
Budget	<ul style="list-style-type: none"> Statement of assets, revenues, and expenditures for previous year. Detailed budget for current year, including funds for this project. Include itemized list of grants received or pending for prior and current years. 	1	10	
Required Documentation	<ul style="list-style-type: none"> Copy of IRS 990 form and audit, if applicable. Copy of non-profit documentation (IRS 501 c3). Current State of Alaska business license. 	N/A	10	
Total Score				

NON-PROFIT GRANT SCORING SUMMARY SHEET

APPLICANT	Project Description/ Overview 10 PTS	Expected Outcome 10 PTS	Need Statement 10 PTS	Organization Capacity 10 PTS	Budget 10 PTS	Required Documentation 10 PTS	TOTAL SCORE	Award Amount
HUMAN SERVICES								\$50,000
Brave Heart Volunteers								
Girl Scouts of Alaska - Sitka Service Unit								
Sitka Local Foods Network								
Southeast Alaska Independent Living								
Youth Advocates of Sitka, Inc.								
CULTURAL & EDUCATIONAL								\$20,000
Greater Sitka Arts Council								
Sitka Seafood Festival								
Sitka Sound Science Center for Sitka Whalefest								
Sitka Summer Music Festival								
The Island Institute								
COMMUNITY DEVELOPMENT								\$20,000
Sitka Fine Arts Camp - Alaska Arts Southeast Inc.								
Sitka Trail Works								
SPECIAL EMERGENCY								\$10,000
Total								\$100,000

City and Borough of Sitka



GENERAL FUND GRANTS FOR NON-PROFIT ORGANIZATIONS

APPLICATION MATERIALS FOR FISCAL YEAR 2014

Complete grant applications to be returned to the
Municipal Clerk's Office

Annual Grant Deadline – August 1, 2013 5:00 PM

**Special Emergency Grant Deadline – Two weeks prior to
Assembly meeting considering application**

For further information, please contact

Sara Peterson, Deputy Municipal Clerk

City and Borough of Sitka

100 Lincoln Street

Sitka, Alaska 99835

(907) 747-1808

FAX (907) 747-7403

sara@cityofsitka.com

City and Borough of Sitka
General Fund Grants For Nonprofit Organizations

APPLICATION CONTENT, ATTACHMENTS, & RATING SCHEDULE

- Detailed project description overview (one page only) – Total pts 10**
 - What grant category are you applying for (you may choose only annual or special emergency grant, and only one category under annual grants)?
 - What will be done with these funds?
 - Who will do it?
 - Who will be served?
 - When will this service be provided?

- Expected Outcomes (one page only) – total pts 10**
 - How will the project be measured as successful?
 - What will the tangible community benefit be?
 - What are some benchmarks during the project that indicate things are going in the right direction?

- Statement of Need (one page only) – total pts 10**
 - How does this project align with the funding category that you are applying for?
 - What documented needs (ie McDowell Reports, the Comprehensive Plan, Youth Risk Behavior Survey, etc.) does this project address?
 - Does the funding from this request help leverage other funds for the project? How?

- Organizational Capacity (one page only) – total pts 10**
 - Track record (this or similar project delivery and management)
 - Community Support
 - Board Attendance
 - List of Board Members and Officers

- Budget (one page only) – total pts 10**
 - Statement of assets, revenues, and expenditures for previous year.
 - Detailed budget for current year, including funds for this project.
 - Include itemized list of grants received or pending for prior and current years.

- Required Documentation – total pts 10**
 - Copy of IRS 990 form and audit, if applicable
 - Copy of nonprofit documentation (IRS 501c3 designation)
 - Current State of Alaska nonprofit organization business license.

Please submit the **original** and **ten (10) copies** of your application, including summary sheet, fastened by clip or staple. Type the application using size 10-12 font. Submit only material requested.

City and Borough of Sitka

ANNUAL GRANTS FROM GENERAL FUND

SUMMARY SHEET

Name of Organization: _____

Name of Contact Person: _____

Phone: _____ Email: _____

Mailing address: _____

Grant Category (check either annual or special emergency grant, and check type of services for annual grant):

- Annual Grant:
 - Human Services or
 - Cultural and Educational Services
 - Community Development
- Special Emergency Grant

Dollars Requested: _____

Match Dollars Committed: _____ Percentage: _____

Sources of Matched Dollars: _____

Brief Description of the Purpose of the Grant: _____

I, _____, do hereby certify that all information provided for this grant application is accurate and complete to the best of my knowledge.

Name: _____

Title: _____ Date: _____

**CITY AND BOROUGH OF SITKA
GENERAL FUND GRANTS FOR
NONPROFIT ORGANIZATIONS**

PROCEDURES

The following table describes the types of City and Borough of Sitka (CBS) General Fund grants that may be awarded to nonprofit organizations for: (1) Human Services; (2) Cultural and Educational Services; or (3) Community Development. A nonprofit organization may request a grant as an annual award or as a special emergency grant during the fiscal year when the need arises. The percentage of money appropriated from the general fund for nonprofit organization grants and the maximum amount of any grant is listed below.

A further explanation of the grant application process, requirements and restrictions is outlined on the next page, and in the attached application packet.

<u>Grant Category Description</u>	<u>Time Frame</u>	<u>Amount</u>
Human Services	Annual Grants	<u>Total Funds</u> –50% of Grant Budget <u>Maximum Grant</u> - \$20,000
Cultural and Educational Services	Annual Grants	<u>Total Funds</u> - 20% of Grant Budget <u>Maximum Grant</u> - \$10,000
Community Development	Annual Grants	<u>Total Funds</u> – 20% of Grant Budget <u>Maximum Grant</u> - \$10,000
Special Emergency	Special Grants During FY After Annual Grants Awarded	<u>Total Funds</u> - 10% of Grant Budget <u>Maximum Grant</u> - \$10,000

Description of Grant Application Procedures, Requirements & Restrictions

- Advertising for nonprofit organizations grants shall begin after ratification of the next fiscal year budget.
- Complete applications must be received in the Municipal Clerk's office by the due date. The due date for annual applications is August 1, by 5 p.m. The due date for special emergency grants is two weeks prior to the Assembly meeting considering the application.
- All timely received and complete applications shall be reviewed and scored by the Assembly.
- Applicants must be current with all CBS liabilities when the application is filed in order for the application to be considered, including sales taxes, property taxes, utility payments, lease payments, loan payments, promissory notes, etc.
- Applications for annual grants will be considered and awarded at the Assembly's first regular meeting in September. An application for a special emergency grant will be considered at the first Assembly regular meeting held two weeks after receipt of the application.
- Grant monies shall not be used to pay for any tax debt (federal, state, or municipal).
- Nonprofit organizations that have received CBS funds as part of the General Fund Budget are ineligible to receive monies from this General Fund Nonprofit Organization Grant program.
- Nonprofit organizations can only receive one General Fund Nonprofit Organization grant during the same fiscal year, either an annual grant or a special emergency grant.
- Grant monies not awarded or used during the fiscal year will rollover as nonprofit grant funds for the next fiscal year. Any rollover monies will be counted towards the total grant funds to be appropriated for the next fiscal year toward any of the grant categories.

A Progress and Financial Report must be submitted to the Finance Director no later than March 1st of the fiscal year. If all grant funds have not been spent and accounted for in the March 1st report, a supplemental report must be filed by July 15th. Any grant funds not spent during the fiscal year shall be returned to CBS. Failure to timely submit complete reports or refund unspent grant monies shall result in the nonprofit organization being ineligible in the next fiscal year for general fund grants for nonprofit organizations.



Legislation Details

File #: 13-174 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 9/4/2013 **In control:** City and Borough Assembly
On agenda: 9/10/2013 **Final action:**
Title: Discussion/Direction on a compensation study for non-represented employees
Sponsors:
Indexes:
Code sections:
Attachments: [Memo Non-represented employess](#)

Date	Ver.	Action By	Action	Result
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Memo

To: City and Borough of Sitka Assembly
From: Jay Sweeney, Interim Municipal Administrator
Date: 9/4/2013
Re: Non-Represented Employee Compensation

Mayor McConnell and Assembly Members,

As a final issue I would like to bring forward to you for discussion and potential direction before I finish my interim status, I want to broach the topic of the compensation system and philosophy for non-represented employees.

The City and Borough of Sitka has approximately 54 non-represented employees, roughly a third of the total work force. Unlike our unionized workers, these employees have nobody to advocate for their employment other than the Administrator. I don't think it would be an overstatement to say that these employees have often been overlooked in light of the focus the organization has had on its three collective bargaining units.

I held two meetings this summer with our non-represented employees, in order to gauge their concerns and feelings. I sensed a lot of built-up frustration within the group, mostly as a result of feeling like they are taken for granted and are overlooked. At those meetings, I agreed to raise the issue of non-represented employees to the Assembly for discussion before my interim status was completed.

From my perspective, the most significant aspect of our non-represented workforce is the conditions of their employment (compensation structure, benefits, etc.) which mirror that of our collectively bargained employees. More often than not, some pay increase or benefit that is collectively bargained eventually works its way into the non-represented ranks, but in an indirect way.

This does not have to be the case, however. There is no rule that I know of which says that our non-represented employees need to be treated in a similar fashion as unionized employees. Union employees have their unions and the collective bargaining process to look out for their rights. The Assembly could, if it chose, act boldly and decisively to break away from the status quo and devise a new and innovative compensation system for non-represented employees.

The major complaints that I hear from non represented employees and senior staff fall into three distinct categories:

- a. Wage increases for non-represented employees have been inconsistent and have not kept pace with collectively bargained wage increases.
- b. Non-represented employees, especially senior employees and Department Heads, work hours which are significantly above 40 per week on a routine basis. 50-hour work weeks are not uncommon. These extra hours are often in the evenings, attending meetings, and are the cause of family stress.

- c. Department Heads have a difficult time attracting the best and brightest among their unionized employees to step forward into leadership and management positions. The response is more often than not, "Why?" To do so would often cause the employee to move backwards on overall compensation while taking on significantly increased responsibility.

From my perspective, I would comment that we have a compensation system and **organizational culture** which works as a disincentive to innovation. From many employees' perspectives, there is little to be gained by taking risks in attempting new and innovative processes which might gain efficiency. If the process fails, they get blamed but if it succeeds, there is no upside for them. So, over time, we have fostered a work force which is quite change resistant.

At the same time, our citizens are loudly demanding an innovative, flexible work force which is increasingly able to accomplish more with less. The public pressures to reduce the size of the government work force are constant. In addition, financially, we are entering a period in which we expect revenue to stagnate while operating costs rise. The squeeze on the budget, especially in the General Fund, will be critical in several years if these trends continue.

So, it is a fair question to ask what I would propose to do about these issues. In response, I offer two suggested actions:

- a. Direct an analysis be prepared which determines the degree to which, if it is true, that average non-represented employee wage increases have lagged behind average collectively bargained wage increases over the last decade. This is a fundamental issue of fairness.
- b. Most importantly, direct that a compensation philosophy study be commissioned to examine alternative ways of compensating non-represented employees.

I think it is ill advised and premature to simply compare position wages against market wages at this time. This is the way such studies have been conducted in the past. When this happens, there is intense lobbying to influence certain positions. Instead, I propose that an outside consulting firm be hired to examine alternatives to the existing compensation system we now have for non-represented employees.

I don't know what such a study would produce, but I am very interested in finding out. Perhaps there is an innovative compensation system in place elsewhere that might serve as an exemplary model for Sitka. This critical and prime directive for any consultants conducting a study, though, should be the identification of a compensation system which stresses and rewards innovation and risk taking while also acknowledging the positive effects of longevity and tenure.

I am hoping that the discussion this memo produces will be a starting point for positive change for our Municipality.