



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, June 27, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-111](#) Reminders, Calendars and Correspondence

Attachments: [Reminders and Calendars.pdf](#)

[Public Works update.pdf](#)

V. CEREMONIAL MATTERS

[17-112](#) Athletic Awards for Sitka High School Baseball

Attachments: [Certificate.pdf](#)

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

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** [17-113](#) Approve the minutes of the June 13 Assembly meeting

Attachments: [Motion and minutes.pdf](#)

- B** [RES 17-11](#) Setting the millage rates for the Fiscal Year July 1, 2017 through June 30, 2018

Attachments: [Motion and RES 2017-11.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C** [17-119](#) Reappoint Bert Stedman to a term on the Investment Committee

Attachments: [Application.pdf](#)

XI. UNFINISHED BUSINESS:

- D** [ORD 17-18](#) Vacating the right of way adjacent to 403 Alice Loop (Purpose: to vacate and sell to Mica Trani, owner of property at 403 Alice Loop)

Attachments: [Motion ORD 2017-18.pdf](#)

[ORD 2017-18.pdf](#)

[ORD 2017-18 info.pdf](#)

- E** [ORD 17-17](#) Adjusting the FY17 Budget (GPIP Access Ramp)

Attachments: [Motion ORD 2017-17.pdf](#)

[GPIP Memo.pdf](#)

[ORD 2017-17.pdf](#)

- F** [ORD 17-19](#) Amending the official Sitka Zoning Map to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)

Attachments: [Memo ORD 2017-19.pdf](#)

[ORD 2017-19.pdf](#)

[ORD 2017-19 info.pdf](#)

- G** [ORD 17-20](#) Amending Sitka General Code Title 19 entitled "Building and Construction", Chapter 19.08 entitled "Code Applicability", by adding Subsection D to Section 19.08.030 entitled "Islands", for an exemption for private recreational cabins on islands
Attachments: [Motion ORD 2017-20.pdf](#)
[ORD 2017-20.pdf](#)
- H** [ORD 17-14](#) Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"
Attachments: [Motion ORD 2017-14.pdf](#)
[Staff Memo.pdf](#)
[Ord 2017-14.pdf](#)
[2.21.17 Planning Commission minutes.pdf](#)
[3.21.17 Planning Commission minutes.pdf](#)
[4.18.17 Planning Commission minutes.pdf](#)
[Critical Areas memo - Kevin Knox.docx.pdf](#)
[Thoms comment 2.25.17.pdf](#)
[Sitka S Kramer Landslide Report \(002\).pdf](#)
- XII. NEW BUSINESS:**
- I** [17-114](#) Consideration and award of the request for proposals submitted for the available funds (\$38,000) in the Fisheries Enhancement Fund
Attachments: [Motion and memo Fisheries Enhancement.pdf](#)
[Sitka Sound Science Center submittal.pdf](#)
[AK Longline Fisherman's Assoc. submittal.pdf](#)
- J** [17-115](#) Discussion/Direction of use of Commercial Passenger Excise Tax (CPET) funds for a downtown shuttle pilot project
Attachments: [Motion and memo CPET.pdf](#)
[Proposal CPET shuttle.pdf](#)
[Info CPET shuttle.pdf](#)
- K** [17-116](#) Approve a renewal of a retail marijuana store license for Anna M. Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J
Attachments: [Motion and memo Weed Dudes.pdf](#)
[Planning info Weed Dudes.pdf](#)
[Application Weed Dudes.pdf](#)

- L** [17-117](#) Approve a renewal of a retail marijuana store license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P
Attachments: [Motion and memo Northern retail.pdf](#)
[Planning info Northern Lights.pdf](#)
[Application Northern retail.pdf](#)
- M** [17-118](#) Approve a renewal of a standard marijuana cultivation facility license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P
Attachments: [Motion and memo Northern cultivation.pdf](#)
[Planning info Northern Lights.pdf](#)
[Application Northern cultivation.pdf](#)
- N** [RES 17-13](#) Supporting Sitka Sound Science Center's application of FY17 Historic Preservation Fund Grant program for Certified Local Governments
Attachments: [Motion and Memo RES 2017-13.pdf](#)
[RES 2017-13.pdf](#)
- O** [ORD 17-21](#) Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030 entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges" (first reading)
Attachments: [Motion ORD 2017-21.pdf](#)
[ORD 2017-21.pdf](#)
[Info ORD 2017-21.pdf](#)
- P** [RES 17-12](#) Submitting City and Borough of Sitka Shovel Ready Project priorities to the State of Alaska
Attachments: [Motion RES 2017-12.pdf](#)
[RES 2017-12.pdf](#)
[RES 2017-12 info.pdf](#)
- Q** [17-120](#) Discussion/Direction of Electric Department insurance renewal options
Attachments: [Motion and memo Electric Dept Insurance.pdf](#)

R [ORD 17-22](#) Adjusting the FY17 Budget (PERS - first reading)

Attachments: [Motion and ORD 2017-22.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Melissa Henshaw, CMC, Acting Municipal Clerk
Publish: 6/23/17*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-111 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 6/20/2017 **In control:** City and Borough Assembly
On agenda: 6/27/2017 **Final action:**
Title: Reminders, Calendars and Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Public Works update.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, June 27	Regular Meeting	6:00 PM
Tuesday, July 11	Regular Meeting	6:00 PM



Assembly Calendar

June 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 May	29	30	31	1 Jun	2	3
Guevin	Guevin HOLIDAY	Guevin 6:00pm Worksession: SEARHC management proposal		12:00pm SEDA Board Meeting 6:00pm Employment Relations Board 6:00pm Special Meeting: Interim Administrator		
4	5	6	7	8	9	10
		7:00pm Planning	6:30pm Library Board	12:00pm LEPC 3:00pm GPIIP Meeting		
11	12	13	14	15	16	17
		12:00pm Parks & Rec 4:00pm Mt. Edgecumbe Aquatic Facility Tour 6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation			Potrzuski
18	19	20	21	22	23	24
Potrzuski	Potrzuski	Potrzuski 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	Hunter	Hunter 6:00pm Hospital Board Meeting	Hunter	Hunter
25	26	27	28	29	30	1 Jul
Hunter	Hunter	Hunter 6:00pm <u>Regular Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission	Hunter	Hunter	Hunter

Assembly Calendar

July 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25 Jun	26	27	28	29	30	1 Jul
Hunter	Hunter	Hunter 6:00pm <u>Regular Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission	Hunter	Hunter	Hunter
2	3	4	5	6	7	8
Hunter	Hunter	Hunter HOLIDAY 7:00pm Planning	Hunter 6:30pm Library Board	Hunter 12:00pm SEDA Board Meeting	Hunter	
9	10	11	12	13	14	15
		12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	12:00pm LEPC 6:00pm <u>Worksession: SCH management proposal</u>		
16	17	18	19	20	21	22
	Town Hall Meeting: SEARHC/SCH Discussions - time to be determined	12:00pm <u>Tree/Landscape</u> 6:00pm Special Meeting: SEARHC/SCH proposals 7:00pm <u>Planning</u>	Potrzuski	Potrzuski	Potrzuski	Potrzuski
23	24	25	26	27	28	29
Potrzuski	Potrzuski	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Knox 6:00pm Police and Fire Commission	Potrzuski Knox 6:00pm Hospital Board Meeting	Potrzuski Knox	Potrzuski Knox
30	31	1 Aug	2	3	4	5
Potrzuski Knox	Potrzuski Knox	Potrzuski Knox 7:00pm Planning	Potrzuski Knox 6:30pm Library Board	Potrzuski 12:00pm SEDA Board Meeting	Potrzuski	Potrzuski

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED THROUGH MAY 2017

Landslide Disaster Repair:

Milestones This Period

- The Assembly approved accepting the insurance settlement for the GPIIP Administration Building as was recommended by the GPIIP Board.
- Continue construction of the diversion channel at the Water Treatment Plant Access road.

Future Milestones

- Finalize GPIIP Administration Building insurance settlement and documents.
- Grade and resurface Blue Lake and Green Lake Road, June 2017.
- Substantial Completion of Blue Lake, Green Lake and Water Treatment Plant Access road is anticipated in June 2017.
- Final Completion and walk through with DHS&EM, August 2017.

Background

On August 18, 2015 a strong storm system brought heavy rains and winds to Sitka. This event caused multiple landslides on Baranof Island damaging City infrastructure. The City declared a local disaster emergency and requested State assistance. On August 27, 2015 Governor Bill Walker declared the event a disaster and authorized up to \$1,000,000 of expenditures funded from the Disaster Relief Fund (DRF) in the form of a grant from the Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management (DHS&EM). A request has been made to increase to \$1.6 million.

DHS&EM divides disaster related work into the following categories:

- Category A – Debris Removal
- Category B - Emergency Protective Measures
- Category C – Roads and Bridges
- Category D - Water Control Facilities (not included in our disaster)
- Category E – Buildings and Equipment
- Category F – Utilities (Water, Wastewater & Electric)
- Category G – Parks, Recreational Areas and Other Facilities

The City had damages relating to six out of the seven categories listed above. Nine project worksheets were created itemizing out the damaged areas and repairs to bring the infrastructure back to pre-disaster condition. The City estimates the repairs to be \$1.6 million and was granted authorization to spend \$1,500,000 by the Assembly.

Current Contracts: CBC Construction \$529,697.90

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Additional CBS Staff and consultant work on project record documents (as-built) and close-out schedules for staff future operations.
- Production in progress for meeting room name signage, yellow cedar canoe cradle, and original totemic door pull art display.

- Furniture, Fixtures, and Equipment (FF&E) procurement of kitchen equipment and maintenance equipment is in progress.

Future Milestones

- Support operations during the warranty period.

Background

The project funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Airport Terminal Improvements:

Milestones This Period

- Draft concept plans developed with core design group for input and further development from upcoming stakeholder meetings.
- Draft preliminary finance plan for input from CBS and Stakeholders.
- Draft PFC Application for input from FAA.

Future Milestones

- Stakeholder meetings to provide input for conceptual design and deficiency mitigation as well as draft finance plan, June 2017.
- Preliminary financial plan, concept diagrams, and preliminary project milestone schedule targeted for Assembly work session and approval July/August 2017.

Background

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and in the TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, and waiting areas, or passenger flow. The Airport Terminal Improvements Project is funded through a \$275,000 budget appropriation, FY14 from prior Passenger Facility Charges (PFC) collected for terminal improvements. There is a remaining balance of \$232,000 of PFC funds that have not been appropriated. Currently PFCs are not being collected to fund design and construction of terminal improvements.

CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding and need to be funded by other sources, like funds collected through Passenger Facility Charges.

The preliminary TSA baggage screening layouts impact other adjacent terminal areas/spaces. These limited conceptual design schemes do not address the many problems that exist with passenger flow, queuing and through-put, waiting areas, or the handling of fish boxes (which impact all aspects of the terminal, especially during the visitor season). Staff are working on a plan with the airport consultants and stakeholders to improve the airport terminal problems along with the baggage screening and will be presented to the Assembly for approval.

Sitka Wayfinding Signage

Milestones This Period

- Built a mock-up sign and visited the proposed sign locations shown in the design documents.

Future Milestones

- Work with Chamber to possibly refine design details, June/July 2017.
- Substantial Completion anticipated in late 2017.

Background

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013 the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time. Later The Sitka Chamber of Commerce managed the project while the Consultant, Great Destinations Strategies (GDS), completed the design intent drawings and general specifications. With these complete, the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The project is anticipated to be completed in 2017. The Assembly approved a budget appropriation of \$282,300 from CPET Funds, General capital projects Fund, for the purpose of designing and constructing Wayfaring signs.

Current Contracts: Axia Creative \$3,500.00

Gary Paxton Industrial Park Dock:

Milestones this Period

- Finalized design of site layout, fire suppression, barge wear deck and electrical systems.
- Rebar in place for barge wear deck concrete pour.
- Barge demolition and retrofit.
- Fabrication nearly complete for transfer-bridge and dolphins.
- Fabrication in progress for small vessel float.
- Project is ~42% complete with expenditures at approximately \$2.9 million.

Future Milestones

- Pour concrete wear deck early June 2017.
- Transfer bridge & dolphin fabrication and coatings completed June 2017.
- All fabricated items completed and loaded onto barge to sail for Ketchikan dry-dock July 2017.
- Dry-dock barge for coating application late July/early August 2017.
- Receipt of USACE permit anticipated September 2017.
- On site construction anticipated late September/early October 2017.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The total amount of the grant is \$7.5 million. The project is administered by Public Works and the GPIIP Director, Garry White. A design/build contract was awarded to Turnagain Marine Construction in the amount of \$6,800,000 on November 22, 2016. The Assembly approved establishing a project contingency of \$250,000 utilizing \$125,000 from the Bulk Water Fund and \$125,000 from the GPIIP Enterprise Fund on December 13, 2016. Substantial completion is anticipated in October 2017.

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Phase II sidewalk, curb and gutter brought to 90 percent complete.
- Phase II road prepared for paving.
- Phase II permanent water services established and in operation.
- Phase II storm drainage installed and in operation.

Future Milestones

- Pave Phase II from John Brady to Lincoln Street (accomplished June 1, 2017).
- Install red concrete crosswalks at John Brady and Lincoln intersections.
- Install signs.
- Complete landscaping repairs and driveway transitions.
- All work slated for physical completion by July 8, 2017.

Background

The project includes replacement of approximately 50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. A change order was executed to replace ~220 LF of critical sewer main which had not been anticipated, however had a significant belly (greater than 1 foot) and may have been a future issue that could undermine the new asphalt if not addressed. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund.

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Issued Substantial Completion Certificate on May 23 for Landfill Lift Station. Lift station is completely operational.
- Began construction on Crescent Lift Station. Installed new sewer manhole and gravity sewer main in Lincoln Street, replacing existing infrastructure.

Future Milestones

- Physical completion of all Landfill Lift Station punch-list items – including Tilson Street pavement patches – by June 23, 2017.
- Crescent Lift Station contractor will complete “in-road” work by mid-June. Contractor will then vacate the site to work on other projects for one month, and return to complete the Crescent project by August 18, 2017.

Background

The project includes replacement of the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past two years. Funding for the project is provided by the following sources: Two separate ADEC loans (the Lake, Monastery, Channel and Landfill lift station loan; and a separate Crescent lift station loan) and the Wastewater Enterprise Fund.

Federal Land Access Program (FLAP) Grant: Phase 6:

Milestones This Period

- U.S. Forest Service working on field work for NEPA reports.

Future Milestones

- NEPA environmental permitting to be completed in partnership with the Forest Service by this winter.
- Sitka Trail Works will apply for Corps permit on behalf of the City after US FS wetlands delineation. The Corps permit will be in place by 2018.
- The completion date is estimated spring 2020 for all permitting. The project will be construction ready at that time.

Background

The City and Borough of Sitka has been awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of Phase 6 Cross Trail multimodal pathway (Cross TMP), connector from Kramer Drive to Alaska Marine Ferry Terminal, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. The Western Federal Lands Access Program application was submitted in April 2014, and then awarded on July 26, 2014. This is listed as a FY16 budgeted project with Western Federal Lands Access Program. Sitka Trail works is overseeing the work on behalf of CBS via a Memorandum of Agreement.

South Lake – West DeGroff Water, Sewer and Street repairs:

Milestones This Period

- Opened bids on May 11. Coastal Excavation was the lower of two bidders, and came in below the Engineer's Estimate.
- Issued Notice of Award to Coastal Excavation.

Future Milestones

- Public meeting scheduled for June 14, 2017, to advise residents of construction schedule.
- Construction slated to begin in late June 2017. Substantial completion required by September 8, 2017.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in Lake Street from the roundabout to DeGroff Street, and DeGroff Street from Lake Street to Hollywood Way. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources; \$1,000,000 FY2017 ADEC Grant, \$715,800 FY2015 ADEC Water and Sewer Loans, \$200,000 from FY2017 General Fund, \$50,000 from the 2017 Water Enterprise Fund and \$50,000 from the 2017 Wastewater Enterprise Fund.

East DeGroff Water, Sewer and Street repairs:

Milestones This Period

- Negotiated contract with PND to design project.

Future Milestones

- Public meeting slated for June 14, 2017 (see South Lake – West DeGroff update), will solicit public comment on proposed improvements.
- Design scheduled for completion in November 2017. Project will be bid over the winter, and a construction contract will be awarded in early 2018. Construction to be completed in Spring and Summer 2018.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in DeGroff Street from Hollywood Way to Sawmill Creek Road. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources: \$2.1 million from FY2015 ADEC Water and Sewer Loans, \$175,000 from the 2017 Water Enterprise Fund and \$45,000 from the 2017 Wastewater Enterprise Fund.

Eagle Way (EW) and Old Harbor Mountain Road (OHMR) Utility and Road Upgrades:

Milestones This Period

- Contractor completed paving of roadway (EW).
- Electrical conduit and street light installation (EW).
- Mobilization and utility installation (OHMR)
- Curb and gutter complete (OHMR)

Future Milestones

- Water line, fire hydrants and water services (OHMR) June 2017
- Pave sidewalk, driveway aprons and lift station parking. (EW) June 2017
- Subcut and paving (OHMR) June 2017.
- Substantial Completion required by July 5, 2017.

Background

The project will include new pavement, storm drainage, water main and services, and a pedestrian pathway within Eagle Way. The project will also include new pavement and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 State of Alaska Department of Commerce Community and Economic Development Grant.

GPIP Shoreline Stabilization 2017:

Milestones This Period

- Submit US Army Corps of Engineers (COE) permit application.

Future Milestones.

- As built survey of shoreline June 2017.
- Develop construction design and specifications for project June 2017.
- Advertise construction contract July 2017

Background

The project includes stabilizing eroding shoreline at the Gary Paxton Industrial Park (GPIP). The project is funded by the Environmental Fund with an authorized budget of \$250,000.

Sitka 2016-17 Paving Project:

Milestones This Period

- SECON was issued Notice of Intent to Award.

Future Milestones

- Notice to proceed June 2017.
- Preconstruction Meeting June 2017
- Construction in summer 2017 with Substantial Completion by September 15, 2017.

Background

The project includes new pavement and ADA curb ramps with curb and gutter, sidewalk and storm drain improvements as necessary. Funding for the project is provided by the following sources:

\$ 2,770,000	General Fund – Sitka Paving 2017
\$ 35,000	Water Fund – Sitka Paving 2017
<u>\$ 85,000</u>	Wastewater Fund – Sitka Paving 2017
\$ 2,890,000	Total Project Funding

Nelson Logging Road Upgrades:

Milestones This Period

- Review of Cultural Resources Report at State Historic Preservation Office.
- Corp of Engineers permit waiting State Historic Preservation Office approval
- Alaska Department of Natural Resources began processing Right Of Way application.
- Received Fish and Game permits

Future Milestones.

- Final design June 2017.
- Project permits received June 2017.
- Construction is anticipated to begin late Summer/Fall 2017.

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection, upgrading Nelson Logging Road and pedestrian amenities as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-112 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/20/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Athletic Awards for Sitka High School Baseball
Sponsors:
Indexes:
Code sections:
Attachments: [Certificate.pdf](#)

Date	Ver.	Action By	Action	Result
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Athletic Award

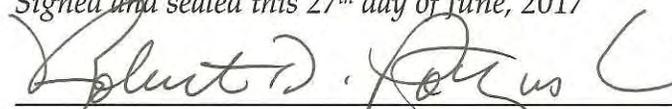
is hereby presented to

MATT WAY

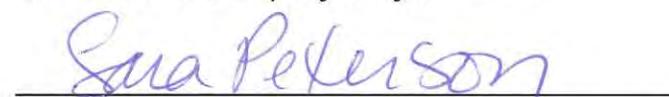
*for his Exceptional Accomplishment as Head Coach of the
Sitka High School Baseball Team for Placing First in the State at the
2017 ASAA State High School Baseball Championships in Anchorage, Alaska*



Signed and sealed this 27th day of June, 2017



Bob Potrzuski, Deputy Mayor



Attest: Sara Peterson, CMC, Municipal Clerk





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-113 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/20/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Approve the minutes of the June 13 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A & B

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the June 13, 2017 Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, June 13, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-106 Reminders, Calendars and Correspondence

Mayor Hunter pointed out National Oceanic and Atmospheric Administration's certificate of appreciation to Harbormaster Stan Eliason for effective outreach and education on steller sea lion behavior.

V. CEREMONIAL MATTERS

17-107 Athletic Awards: Sitka High School 1) Track and Field, and 2) Baseball

Mayor Hunter presented athletic award certificates to the Sitka High School (SHS) Track and Field relay team and congratulated the SHS baseball team.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)

Maegan Bosak, Community Affairs Director, reported on the Comprehensive Plan Open House.

VII. PERSONS TO BE HEARD

Pat Kehoe, member of the Island Artists Gallery, told of a trial project for a downtown shuttle service concept.

VIII. REPORTS

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

Mayor - Hunter reported that he, Knox, and City staff took a tour of the Mt. Edgecumbe Aquatic Facility. He thanked Municipal Administrator, Mark Gorman, for his years of service.

Administrator - Gorman attended the Trooper Academy graduation and commended Sitka Police Department employee, Jayson Christner, who graduated with top academic and defensive tactics. He stated the Interim Administrator was arriving to town that evening. Gorman stated that Bryan Bertacchi, Electric Utility Director, reported an increase in the electric load in the last three months. He mentioned that tonight was his last Assembly meeting stating he felt gratitude for serving. He thanked the citizens; past, present, and future Assemblies; and colleagues.

Attorney - Hanson thanked Gorman for his service. He mentioned the advertisement had gone out for the open Legal Assistant position.

Liaisons - Potrzuski attended the Gary Paxton Industrial Park meeting last week and told of water proposals and the dock construction.

IX. CONSENT AGENDA

A motion was made by Knox that the Consent Agenda consisting of Items A, B, and C be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

A 17-108 Approve the minutes of the May 23 and June 1 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B RES 17-08 Authorizing a grant application to the Land and Water Conservation Fund for Crescent Harbor Playground Renovation

This item was APPROVED ON THE CONSENT AGENDA

C RES 17-10 Authorizing a grant application to the Department of Homeland Security/FEMA for two portable TWIC card readers

This item was APPROVED ON THE CONSENT AGENDA

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

D 17-109 Reappoint: 1) Jane Eidler to a term on the Library Commission, and 2) Susan Royce to a term on the Animal Hearing Board; and to appoint: 1) Lorraine Lil to a term on the Police and Fire Commission, and 2) Rose Miller to a term on the Local Emergency Planning Committee

Knox thanked those that serve.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XI. UNFINISHED BUSINESS:

E ORD 17-13 Adjusting the FY17 Budget (*Electric Utility Subsidization*)

Eisenbeisz asked for an updated figure. Municipal Administrator, Mark Gorman, told that the \$400,000 should be sufficient to meet the bond covenant however, staff anticipated less. Guevin gave rate stabilization figures he received from the Finance Department which showed how much had been put into the Rate Stabilization Fund that had provided a subsidy for all Sitkans.

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

F ORD 17-15 Adjusting the FY17 Budget (Sitka Community Hospital Modular Unit)

Eisenbeisz was in support of the postponement.

A motion was made by Potrzuski to POSTPONE Ordinance 2017-15 adjusting the FY17 budget for the Sitka Community Hospital Modular Unit until the regular Assembly meeting of August 8, 2017. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

G ORD 17-16 Adopting budgets for the Fiscal Year July 1, 2017 through June 30, 2018

Potrzuski thought this was reflective of the visioning session the Assembly had last fall. Guevin agreed and thanked staff. Eisenbeisz was not in support as it funded a plan for infrastructure that was unsustainable and felt the capital plan was too aggressive.

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Guevin, Potrzuski, Hunter, and Knox

No: 2 - Eisenbeisz, and Bean

H RES 17-07A Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock

Eisenbeisz confirmed that this was a special revenue fund within the Harbor Fund. Knox relayed that these rates were a starting point and the fees would not cover the replacement cost of infrastructure. Mayor Hunter noted that the Port and Harbors Commission were trying to keep rates down by delaying projects in the Master Plan and reminded that this was a separate fund within the Harbor Fund.

A motion was made by Guevin to APPROVE Resolution 2017-07A on FIRST AND FINAL READING.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

- I ORD 17-18** Vacating the right of way adjacent to 403 Alice Loop (Purpose: to vacate and sell to Mica Trani, owner of property at 403 Alice Loop)
- Eisenbeisz explained the reason for the vacation, for the applicant could install a fence and stated the City's right of access would also be maintained. Mayor Hunter reminded that in order to pass this ordinance, it needed to be determined that this piece of property was not in the best interest of the community to put out to public bid. He stated, once sold, it would be on the tax rolls. Knox thought it was a good process of staff working with the applicant.
- A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean
- J ORD 17-14** Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"
- Maegan Bosak, Community Affairs Director, and Michael Scarcelli, Director of Planning and Community Development came forward explaining this ordinance was to try to find balance between public safety and the need to develop. Bosak stated this ordinance would require property owners in moderate or high risk slide areas to get a geotechnical evaluation and mitigate risks prior to development. She told of the waiver option written in the ordinance which would release the City from liability and would be recorded with the property. Bosak relayed that the current code did not allow for development in hazardous areas. She reminded that there was landslide hazard mapping done for South Kramer and the Gary Paxton Industrial Park, and the Federal Emergency Management Agency would bring forward community wide mapping sometime next year. She mentioned the process had been extensive and collaborative, that staff researched other communities, and outside counsel was used. She noted concerns of property owners ability to obtain a mortgage and insurance. Scarcelli told of supplemental insurance, and financing. He mentioned that Juneau had the ability to obtain insurance and there appeared to be a market. Scarcelli thought how to address issues was to bring financial representation, lenders, legal, and other staff together.
- Municipal Administrator, Mark Gorman, told that existing homes would be impacted. He stated that there had been a lot of debate and there was not consensus among staff.
- Knox clarified the risk levels. He had concerns with mapping being adopted or not and feared stopping development in Sitka. Bean was not in support. He wondered if there was a way to stop the mapping or stay with what was currently done. Eisenbeisz told of concerns of the ability for property owners to sell their home depending on the risk.
- Hanson gave history of staff involvement. He thought that this ordinance provided a proactive approach of a reasonable level of public safety yet also allowed development. He stated that there would be a plat note with regards to the risk level

that would run with the deed.

Potrzuski thought it gave relief to current property owners, was proactive, and struck a balance of regulation versus non-regulation. Guevin was in support, and noted the Assembly had the authority to change the ordinance in the future, if need be.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Guevin, Potrzuski, Hunter, and Knox

No: 2 - Eisenbeisz, and Bean

K ORD 17-17 Adjusting the FY17 Budget (GPIP Access Ramp)

Eisenbeisz and Knox thanked the Gary Paxton Industrial Park (GPIP) Board.

Garry White, GPIP Executive Director, stated this was design and permitting for an water access ramp that had multiple uses. The ramp could potentially be used to launch small skiffs. It was needed to haul out barges and vessels. Eisenbeisz wondered if a fee schedule should be put into place for use.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

L ORD 17-19 Amending the official Sitka Zoning Map to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)

Mayor Hunter mentioned that he was at the Port and Harbors Commission when the ordinance was presented, the Commission was in favor and, if passed, all harbors would be in the same zoning district.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

M ORD 17-20 Amending Sitka General Code Title 19 entitled "Building and Construction", Chapter 19.08 entitled "Code Applicability", by adding Subsection D to Section 19.08.030 entitled "Islands", for an exemption for private recreational cabins on islands

Brent Edwards came forward, he stated he owned a lot on Middle Island and would like to build a 400 square foot or less cabin on his property. The current code required a foundation, multiple inspections, bathroom, kitchen sink, among other requirements, however he would like to build something basic and safe.

Municipal Attorney, Brian Hanson, stated that a fee would not be required, however a building permit application would be. The cabin would need approval from the Department of Environmental Conservation. He clarified that the language of the ordinance would be at the discretion of the building department and clarified that the City would not be liable for the cabin if approved.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Additional New Business Items**N RES 17-09** Increasing permanent and temporary moorage rates

Potrzuski was in support, however noted that rates and infrastructure needed to be reviewed. Eisenbeisz relayed that the several year rate increase of 6% each year was unsustainable. Mayor Hunter gave history of the Harbor Master Plan specifically with raising fees and stalling projects and stated it was an unsustainable plan. Knox agreed that the Master Plan needed to be revisited.

A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Bean

O 17-110 Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09.350(C), "Waiver of Penalties"

Eisenbeisz stated his concern of leeway for businesses and thought there was ample time to remit sales tax before the due date. Hunter wondered why it couldn't be automatic.

Municipal Administrator, Mark Gorman, stated the previous ordinance should have clarified the intent of an extension and suggested amending the previous ordinance at some point. Municipal Attorney, Brian Hanson, clarified in this case, the business remitted the sales tax within the seven days, however the abatement form was not.

Bean was not in support and thought it was the responsibility of the businessowner, not the City to know the law. Guevin saw both sides, however thought that this interpretation could make City Hall friendly at the same time, recognizing, it was citizens responsibility to know the law. Gorman stated the situation with the business was pending on the outcome of this item. Potrzuski agreed with this flexibility.

A motion was made by Guevin to adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09.350(C) "Waiver of Penalties".

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 3 - Swanson, Eisenbeisz, and Bean

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:00 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-11 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 6/21/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Setting the millage rates for the Fiscal Year July 1, 2017 through June 30, 2018
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and RES 2017-11.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve Resolution 2017-11 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2017-11

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA
SETTING THE MILLAGE RATES FOR THE FISCAL YEAR JULY 1, 2017
THROUGH JUNE 30, 2018**

WHEREAS, the Assessor has completed the final assessment records and the total assessed value of all real and personal property within the City and Borough of Sitka as of January 1, 2017, is **\$1,074,011,741**; and

WHEREAS, Sitka General Code 4.12.110 states that the Assembly shall fix the rate of tax levy and designate the number of mills upon each dollar of assessed taxable real and personal property.

THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska by this resolution hereby adopts and levies the following millage rate upon each dollar of assessed taxable real and personal property for the fiscal year July 1, 2017, through June 30, 2018:

GENERAL PURPOSES.....	2.000 mills
SCHOOLS.....	4.000 mills
TOTAL.....	6.000 mills

BE IT FURTHER RESOLVED, all property taxes shall become due sixty days after the billing date and if not paid by the due date are delinquent.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on the 27th day of June, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st and final reading 6/27/17

Final Roll - June 30th 2017

January 1, 2017

	Assessed Values
TAXABLE REAL PROPERTY VALUE	\$ 1,016,704,300
<u>SENIOR/VETERAN EXEMPTED VALUES</u>	
SEN EXEMPT VALUE	\$ 60,975,700
SNC EXEMPT VALUE	\$ 7,500
SNV EXEMPT VALUE	\$ 17,376,300
VET EXEMPT VALUE	\$ 2,979,400
	<u>\$ 81,338,900</u>
TOTAL SEN/VET EXEMPTED VALUES	\$ 81,338,900
TOTAL ASSESSED REAL PROPERTY VALUE	\$ 1,016,704,300
TAXABLE PERSONAL PROPERTY VALUE	\$ 57,307,441
TOTAL ASSESSED RP/PP VALUES	<u>\$ 1,074,011,741</u>
<u>TOTAL TAX AMOUNT @ 6 MIL</u>	\$ 6,444,070
(\$1,074,011,700 * .006 = \$6,444,070)	
<u>SEN/VET EXEMPTED AMOUNTS:</u>	
REAL PROPERTY	\$ 488,033
PERSONAL PROPERTY	\$ -
	<u>\$ 488,033</u>
ASSESSMENT PROJECTED REVENUES	<u>\$ 6,444,070</u>

Prepared by Wendy Lawrence



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-119 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/21/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Reappoint Bert Stedman to a term on the Investment Committee
Sponsors:
Indexes:
Code sections:
Attachments: [Application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Bert Stedman to a three year term on the Investment Committee.



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

Board/Commission/Committee: SITKA INVESTMENT COM.
Name: BERT STEEDMAN Daytime Phone: 821-2378
Address: 1806 SAWMILL CR. RD. Evening Phone: 747-8905
Email Address: BSTEEDMAN@GCI.NET Fax Number: _____
Length of Residence in Sitka: 48 years Registered to vote in Sitka? Yes No
Employer: STATE OF AK

Organizations you belong to or participate in:
SITKA MASONIC LODGE; SITKA CHAMBER OF COM.; ELKS;
SONS OF NORWAY
Explain your main reason for applying:

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

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

NONE

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

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

Date: 6/21/2017 Signature: Bert Steedman

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

Explain your main reason for applying.

For continuity of the committee and too bring 30 plus years of investment experience, at the citizen, municipal and State level. Continue to pursue keeping Sitka an affordable and pristine community to raise families in.

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

Since graduating from the University of Oregon in 1985, with a Business Degree in Finance, I have been working with portfolio management at several levels. Finance experience includes analysis, review, and policy setting for individuals, communities and the State of Alaska.

I have been involved with the Sitka Permanent for several decades and been a member of the Sitka Investment Committee since its inception and would like to continue to serve the committee and community.



INVESTMENT COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
MICHAEL REIF PO Box 2346	738-6016 reifmike55@gmail.com	10/14/14	11/26/16 11/22/19	CHAIR
JERE CHRISTNER 1201 Georgeson Loop	738-4053 toss@ak.net	1/14/14	1/14/17 1/10/20	VICE-CHAIR
BERT STEDMAN 1806 Sawmill Creek Rd.	747-8393 w 747-8905 h 747-8620 fax In Juneau: 907-465-3873 h 907-465-3922 business Bstedman@gci.net	6/10/03 6/14/05 6/24/08 6/28/11 6/24/14	6/10/05 6/14/08 6/24/11 6/28/14 6/24/17	
Jay Sweeney 100 Lincoln Street	747-1836 w jay.sweeney@cityofsitka.org			Finance Director/ Secretary
Mark Gorman 100 Lincoln Street	747-1808 w mark.gorman@cityofsitka.org			Municipal Administrator – Ex Officio
Tristan Guevin PO Box 6235	738-5415 assemblyguevin@cityofsitka.org			Assembly Liaison

Four members from public one serving as an alternate voting member for three-year terms.

Established by Ordinance 01-1651

Revised: January 16, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-18 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/7/2017 In control: City and Borough Assembly

On agenda: 6/13/2017 Final action:

Title: Vacating the right of way adjacent to 403 Alice Loop (Purpose: to vacate and sell to Mica Trani, owner of property at 403 Alice Loop)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion ORD 2017-18.pdf](#)
[ORD 2017-18.pdf](#)
[ORD 2017-18 info.pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2017-18 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-18

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA
AUTHORIZING THE VACATION OF A 650 SQUARE FOOT PORTION OF RIGHT-OF-
WAY ADJACENT 403 ALICE LOOP

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

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

3. **PURPOSE.** The Assembly has determined this property is excess to municipal needs.

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

A. The vacation of a 650 square foot portion of right of way adjacent 403 Alice Loop, also known as Lot 1 Sealing Cove Subdivision, to Mica Trani is hereby authorized.

B. The sales price of the 650 square feet of right-of-way, as established by the Municipal Assessor, shall be at \$1000.

C. The City and Borough Assembly finds competitive bidding is inappropriate and unnecessary due to the nature of the property since it can only realistically be used by the adjacent property owner.

D. The sale is conditional on the recording of the subdivision plat.

E. The transfer shall be by quitclaim deed.

F. Mr. Trani shall grant an access and utility easement to the City and Borough of Sitka for the 650 square foot parcel for the purpose of maintaining municipal infrastructure.

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

46 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
47 Sitka, Alaska this 27th day of June 2017.

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Matthew Hunter, Mayor

51 **ATTEST:**

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54 _____
Sara Peterson, CMC

55 Municipal Clerk

56

57 1st reading 6/13/17

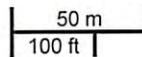
58 2nd reading 6/27/17



City & Borough of Sitka, Alaska

Selected Parcel: 403 ALICE ID: 19022003

Printed 12/9/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.









ROAD CLOSED
TO THRU TRAFFIC

NO U-TURN

NO LEFT TURN

SAVED



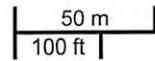




City & Borough of Sitka, Alaska

Selected Parcel: 403 ALICE ID: 19022003

Printed 12/9/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



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CERTIFICATE OF OWNERSHIP AND DEDICATION
 WE HEREBY CERTIFY THAT WE ARE THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADVERTISE THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

4/20/11 *Paula Chapman*
 OWNER

Paula Chapman
 REGISTERED

NOTARY'S ACKNOWLEDGMENT
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 4TH DAY OF JANUARY, 2011, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, BELY CONSIDERED AND SOLEMN PERSONALLY APPEARED PAULA CHAPMAN, PRESIDENT OF SHEE ATKA INC.,

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUALS MENTIONED AND WHO EXECUTE THE VOUCHER PLAT AND SHEE... ACKNOWLEDGED TO ME THAT SHE... SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL, THE DAY AND YEAR IN THIS CERTIFICATE FIRST MENTIONED WRITTEN.

Melissa Henshaw
 NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA
 MY COMMISSION EXPIRES 9-1-2012

CERTIFICATE OF PAYMENT OF TAXES (STATE OF ALASKA) (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AS ASSESSOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF SHEE ATKA, INC.

AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL FOR THE YEAR 2010... WILL BE PAID ON OR BEFORE 2-28-2011.

DATED THIS 6TH DAY OF DECEMBER 2010, AT SITKA, ALASKA.

Robert L. Peterson
 ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLANNING BOARD AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. 210-05 DATED 11/30/2010 AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT REGISTER, EX OFFICIO RECORDER, SITKA, ALASKA.

11/30/2010 *Paula Chapman*
 BOARD MEMBER

Melissa Henshaw
 REGISTERED

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK... DATED... AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

12-21-2010 *Carol Johnson*
 CLERK OF THE DISTRICT COURT

Sarah Peterson
 CITY AND BOROUGH CLERK, Acting

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AS FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED IN THE RECORDS IN THE NAME OF SHEE ATKA, INC.

ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 6TH DAY OF DECEMBER 2010, AT SITKA, ALASKA.

Melissa Henshaw
 FINANCE DIRECTOR, CITY & BOROUGH OF SITKA

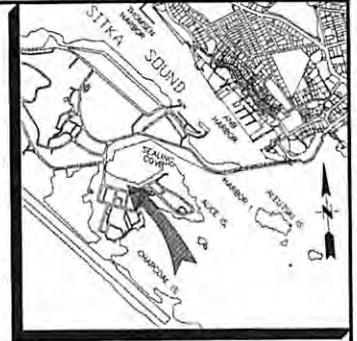
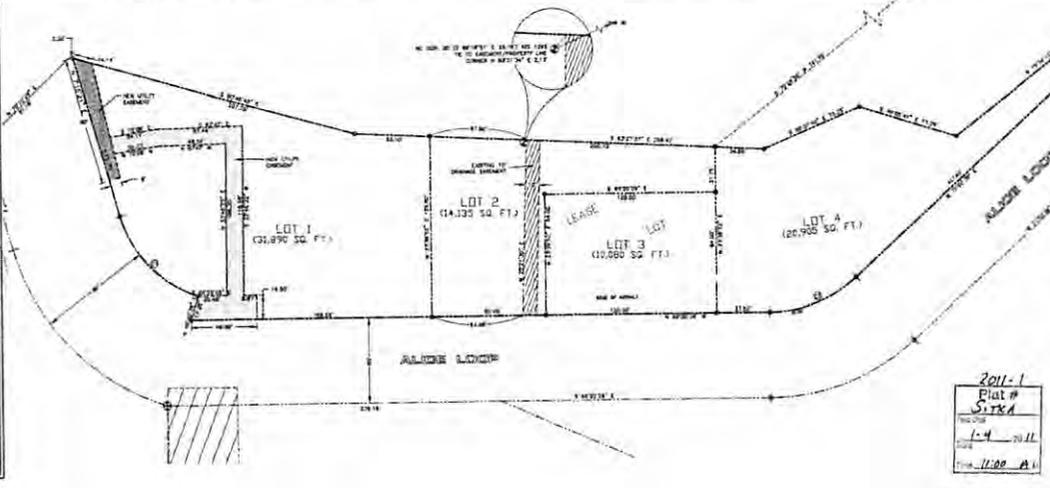
O'NEILL SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99813
 PHONE: (907) 747-4700
 FAX: (907) 747-2598
 EMAIL: oneill@oneilleng.com

- LEGEND**
- PRIMARY CONTROL MONUMENT (RECOVERED)
 - ⊕ GROUND PRIMARY BRASS CAP (RECOVERED)
 - SECONDARY MONUMENT (SET)
 - SECONDARY MONUMENT (RECOVERED)
 - (R) RECOVERED DATA
 - (C) COMPUTED DATA
 - (M) MEASURED DATA

ALICE LOOP ROAD CORNER DATA

PLAT/SECTION	BEARING	ARC RADIUS	ARC LENGTH	CHORD CORRECTION	CHORD LENGTH
01	S48°24'56" E	83.92	82.87	15.27	139.54
02	S72°22'27" W	100.00	100.00	15.87	108.42



NOTE:

- THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE LOT 12 OF THE ALICE AND CHARCOAL ISLAND SUBDIVISION INTO FOUR INDIVIDUAL LOTS.
- THE UTILITY EASEMENT CREATED ALONG THE WESTERLY LOT 1 BOUNDARY ADJACENT TO ALICE LOOP ALLOWS FOR THE CONTINUED USE OF EXISTING ELECTRICAL, TELEPHONE, AND TV LINES. MAINTENANCE OF THESE UTILITY LINES WILL BE THE SOLE RESPONSIBILITY OF THE UTILITY COMPANY DERIVING BENEFIT FROM THE LINE.
- THE UTILITY EASEMENT CROSSING THROUGH THE INTERIOR OF LOT 1 ALLOWS FOR THE CONTINUED USE OF EXISTING ELECTRICAL, TELEPHONE, AND TV LINES. BECAUSE OF THE CENTRAL LOCATION OF THESE LINES, THE CURRENT AND ANY FUTURE OWNERS OF LOT 1 RESERVE THE RIGHT TO RELOCATE THE UTILITIES TO A POSITION NOT IN CONFLICT WITH ANY PROPOSED IMPROVEMENTS. MAINTENANCE OF THESE LINES WILL BE THE SOLE RESPONSIBILITY AND AT THE SOLE COST OF THE UTILITY COMPANY DERIVING THE BENEFIT FROM THE LINE.
- BEARINGS AND DISTANCES SHOWN ARE ALASKA STATE PLANE COORDINATE GRID BEARINGS AND DISTANCES AS DESCRIBED ON, AND CONSISTENT WITH, THE ALICE AND CHARCOAL ISLAND SUBDIVISION, PLAT #2001-20. THIS SUBDIVISION UTILIZES A PROJECT SCALE FACTOR OF 0.999975 AND A CATCH CIRCUMFERENCE ANGLE OF 128°17' CLOCKWISE DEVIATION TO CONVERT TRUE GRID TO ALASKA STATE PLANE GRID.

2011-1
 Plat #
 SITKA
 1-4-2011
 11:00 AM

SCALE IN FEET

SITKA RECORDING DISTRICT

BY	DATE	REV	DESCRIPTION OF CHANGE

RECORD OF REVISIONS

DESIGNED BY: J. O'NEILL
 DRAWN BY: EDUCAR
 CHECKED BY: EDUCAR
 DATE OF PLAT AND RECORDING: 12/21/2010
 SCALE: 1" = 50'
 DRAWING NAME: 2010-13
 PROJECT NO: 30434-13-00



SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN 12/21/2010, A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

12/21/10 *Patrick A. O'Neill*
 DATE SURVEYOR

PATRICK A. O'NEILL, L.S. 12726

SEALING COVE SUBDIVISION

LOT 12, ALICE AND CHARCOAL ISLAND SUBDIVISION

CLIENT: SHEE ATKA INC.

1 of 1 SHEET

CERTIFICATE OF OWNERSHIP AND DEDICATION
 WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND RECORDED HEREON AND THAT WE HEREBY ASSIGN THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND RESOLVE ALL INTEREST, ALLEYS, EASEMENTS, RIGHTS AND OTHER INTERESTS TO PUBLIC OR PRIVATE USE AS NOTED.

11/12/2011 *Melissa Hedenshaw*
 11/12/2011 *Paula Chapman*

NOTARY'S ACKNOWLEDGMENT
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 12th DAY OF NOVEMBER, 2011, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, SAID CERTIFICATE AND DEED, PERSONALLY APPEARED SAID OWNERS, IDENTIFIED BY ME AS BEING SAID OWNERS, AND

IN THE PRESENCE OF ME, THE UNDERSIGNED, SAID OWNERS AND TWO WITNESSES, THE VOTERS PLAT AREA AS ACKNOWLEDGED TO BE THAT SAID OWNERS SPECIALLY AND VOLUNTARILY FOR THE USE AND PURPOSES HEREIN SPECIFIED.

WITNESSE BY SAID NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

Melissa Hedenshaw
 NOTARY PUBLIC
 STATE OF ALASKA
 MY COMMISSION EXPIRES 1-1-2012

CERTIFICATE OF PAYMENT OF TAXES
 (STATE OF ALASKA)
 (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND APPEARED FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CHARGED ON THE TAX RECORDS IN THE NAME OF SAID TAXPAYER.

AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES DUE ON SAID LAND AS OF THE 31st DAY OF DECEMBER OF 2011, HAVE BEEN PAID IN FULL FOR THE YEAR ENDED 12/31/11, AND WILL BE PAID IN FULL AS OF 12/31/12.

DATED THIS 12th DAY OF DECEMBER, 2011, AT SITKA, ALASKA.

Paula Chapman
 RECORDING CLERK, CITY & BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA, ALASKA, AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD OF PLAT REVIEWERS ON 11/12/11, IN SITKA, ALASKA. AND THAT THE PLAN SHOWS EASEMENTS THAT HAVE BEEN APPROVED FOR RECORDATION IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDS, SITKA, ALASKA.

11/30/2011 *Paula Chapman*
 RECORDING CLERK, CITY & BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA, ALASKA, AND THAT THE PLAN SHOWS EASEMENTS THAT HAVE BEEN APPROVED FOR RECORDATION IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDS, SITKA, ALASKA.

11-21-2011 *Paula Chapman*
 RECORDING CLERK, CITY & BOROUGH OF SITKA

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND APPEARED FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CHARGED ON THE RECORDS IN THE NAME OF SAID TAXPAYER.

ALL BONDERS OF RECORD, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL LOCAL ASSESSMENT ACCOUNT SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 12th DAY OF DECEMBER, 2011, AT SITKA, ALASKA.

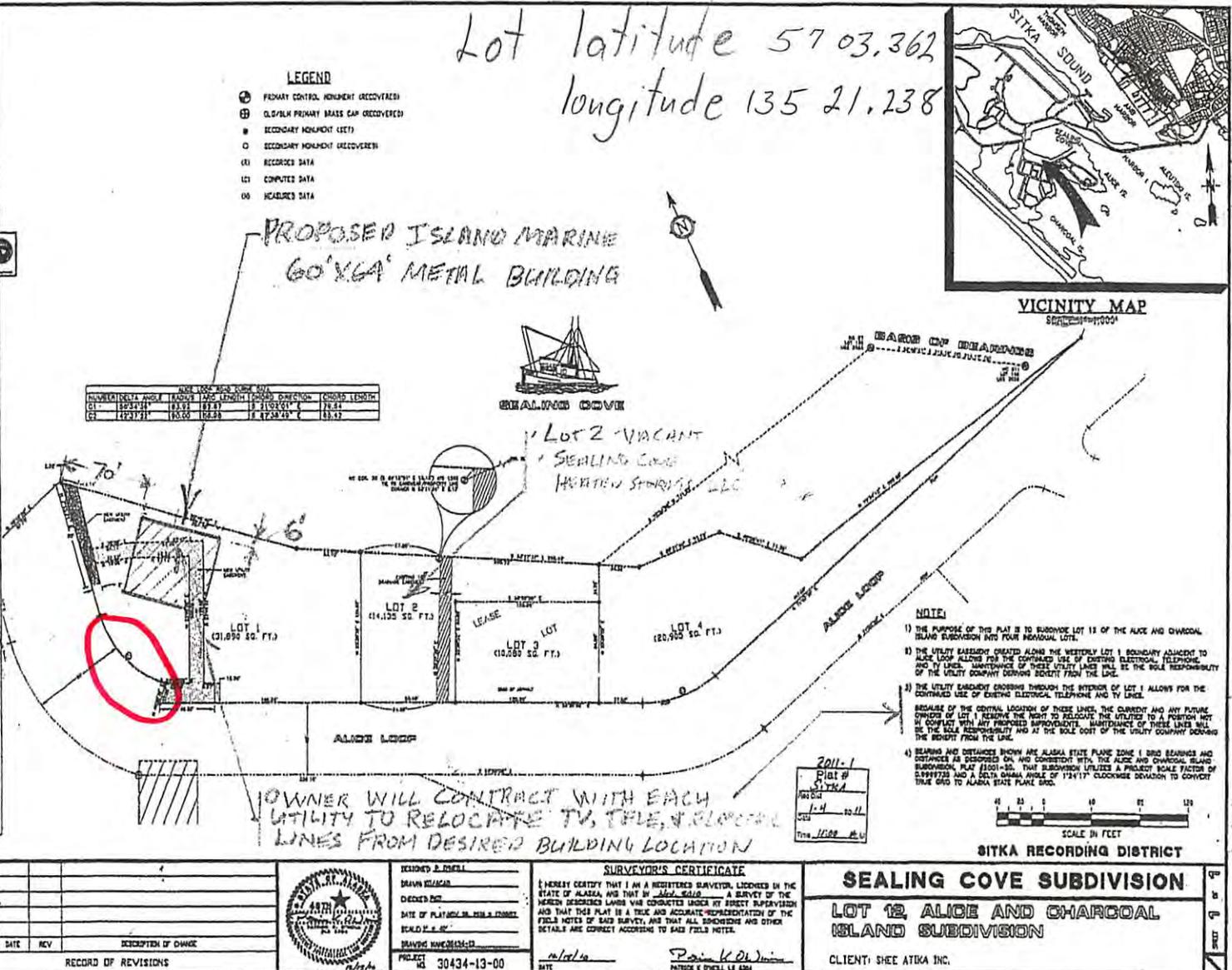
Paula Chapman
 RECORDING CLERK, CITY & BOROUGH OF SITKA

O'NBILL
SURVYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99565
 PHONE (907) 747-4700
 FAX (907) 747-7990
 EMAIL onbill@onbill.com

BY	DATE	REV	DESCRIPTION OF CHANGE

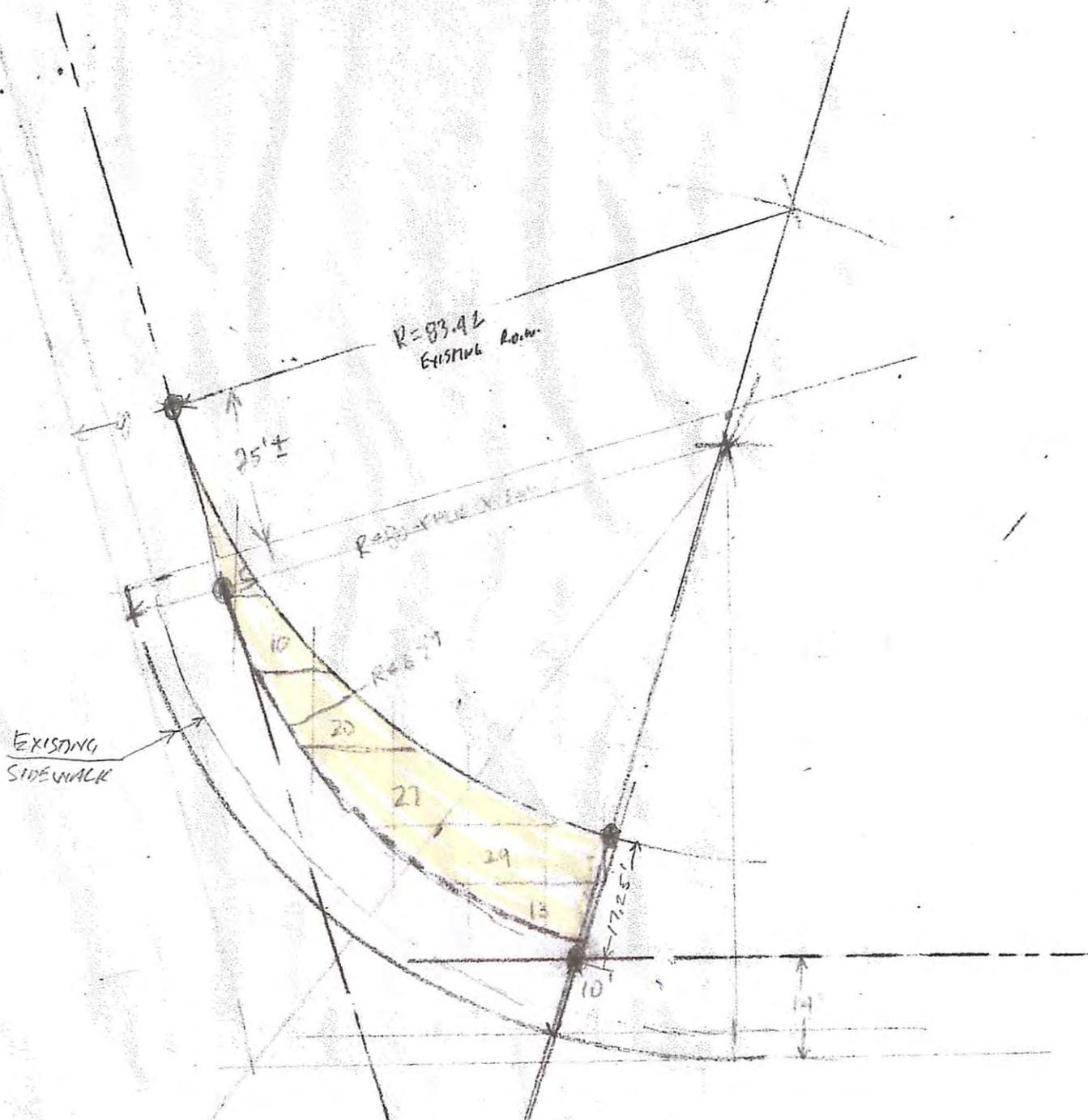
RECORD OF REVISIONS



ISLAND MARINE L.L.C.
 MICHA TRANI - OWNER
 LOT 1, SEALING COVE SUBD.
 403 ALICE LOOP
 PARCEL NO. 19022003

JUNE 2015
 FEMA FLOOD ZONE "U"
 ZONING: W D (WATERFRONT DISTRICT)
 REAR SETBACK 5'
 FRONT SETBACK 20'
 (10' IF R.O.W. 80' OR GREATER)

403 Alice Loop Rd.



11'	16'
16.5'	18'

$$5 + 10 + 20 + 27 + 29 + 13 = 104$$

$$\frac{104}{76} = 1.368 \times 100 = 136.8\%$$

41055 HIGGS CIRCLE

$$17.25 \times 75 = 1293.75$$

OAC. TBM N.W. COR. LOT 1
ELEV 13.13'

ISLAND AVENUE L.L.C.
LOT 1, SEALING COVE SUBDIVISION

4' CONCRETE SIDEWALK

SECTIONALIZER - 45° BEND ROLLED DOWN
O+00 (ELEV. TOP OF 4" PVC 13.8)
45' BEND (ROLLED)
O+00 (ELEV. TOP 13.7)

15.75'

14.5'

O+25 (ELEV. 14.1)

4" SCH. 80 PVC CONDUIT

- STATIONING FOLLOWS CENTER LINE OF 4" CONDUIT
- PROPOSED EARTH GRADE @ 1% SLOPE

O+54.5 (ELEV. 14.0)

13'

O+75 (ELEV. 14.2)

O+88 (ELEV. 14.2)

1#02 (ELEV. 14.3)

1#0.5 22° BEND (ELEV. 14.2)

O+10.5 (ELEV. 14.2)

O+25 (ELEV. 14.2)

NICE LOOP

EXISTING EASEMENT TO BE DELETED

TBM "MILK" N. COR.
E.W. BONNET ELEV. 14.87'

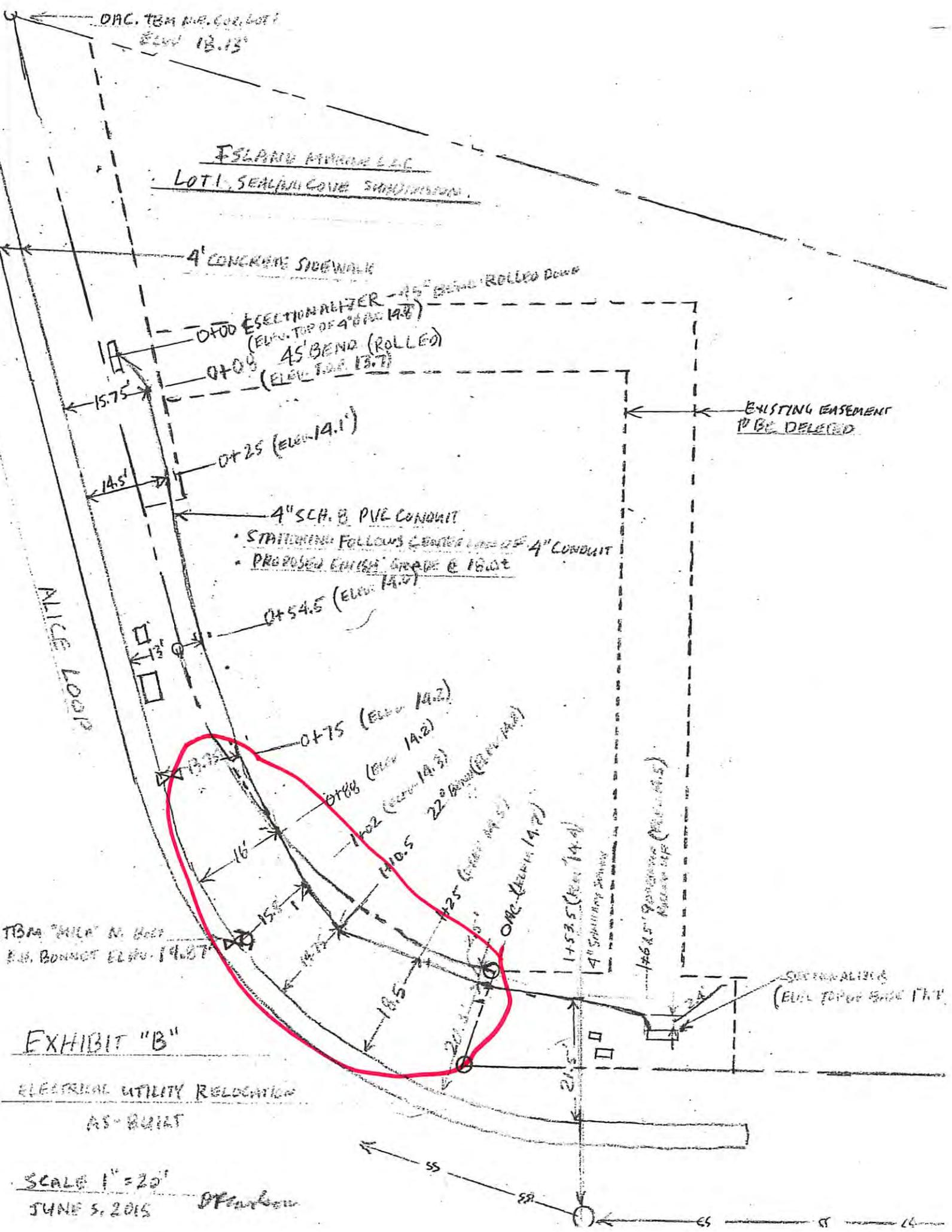
EXHIBIT "B"

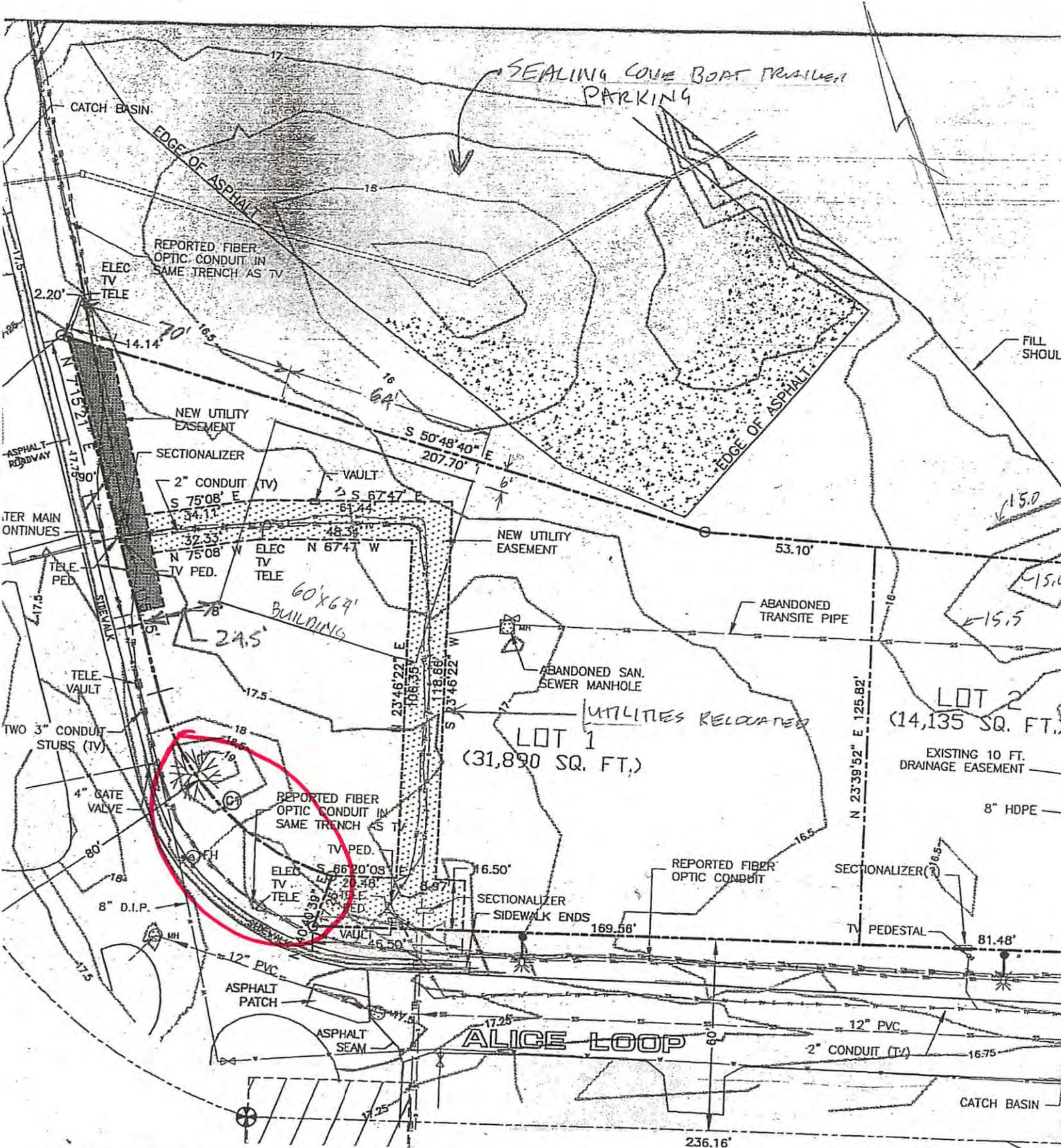
ELECTRICAL UTILITY RELOCATION
AS-BUILT

SCALE 1" = 20'

JUNE 5, 2015

D. Carlson





ISLAND MARINE LLC
 MILA TRANI - OWNER
 LOT 1, SEALING COVE SUBD.
 SCALE 1" = 40'

• TOPOGRAPHIC MAP - 2010
 • 0.5' CONTOUR INTERVAL
 • PROPOSED BUILDING LOCATION
 • JUNE 2015

The owners of record are Mark Gorman and Nancy Knapp.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
8. To mitigate against the risk and impact of bears from the short-term rental, the property owner shall assure all trash is deposited in trash receptacles that are stored in bear proof areas (whether enclosed garage or other bear proof area) and only placed on street for collection after 4am on trash collection day. Should this condition not be followed the CUP shall be revoked.
9. To mitigate against parking and traffic impacts, property owner shall provide detailed parking and traffic rules, and shall ensure all parking for all uses (residential or short-term rental) shall occur off-street, on-site and further that should on-street parking occur at any time, the conditional use permit shall be revoked.
10. The property owner shall communicate to renters that a violation of these conditions of approval will be grounds for eviction of the short-term renters.
11. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

Motion PASSED 3-0.

K

Public hearing and consideration of a vacation request for 650 square feet of municipal right-of-way adjacent 403 Alice Loop. The property is also known as Lot 1 Sealing Cove Subdivision. The request is filed by Mica Trani. The owner of record is Mica Trani.

Hughey/Pohlman moved to recommend **APPROVAL** of the vacation request for 650 square feet of municipal right-of-way adjacent 403 Alice Loop with the condition of approval that Public Works approves the easement for access to public infrastructure. The property is also known as Lot 1 Sealing Cove Subdivision. The request is filed by Mica Trani. The owner of record is Mica Trani. **Motion PASSED 3-0.**

L

Public hearing and consideration of a variance request for 2515 Sawmill Creek Road. The request is for the reduction of the rear setback from 20 feet to 10 feet for the construction of a garage. The property is also known as Lot 14C Subdivision of Lot 14 of US Survey 3302. The request is filed by Larry Medina. The owners of record are Larry and Nancy Medina.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

AGENDA ITEM:

Case No: LM 16-11
Proposal: Request for vacation of 650 square feet of municipal right-of-way
Applicant: Mica Trani
Owner: Mica Trani
Location: 403 Alice Loop
Legal: Lot 1 Sealing Cove Subdivision
Zone: WD Waterfront District
Size: Existing Lot: 31,890 square feet
Requested ROW: 650 square feet
Parcel ID: 1-9022-003
Existing Use: Commercial
Adjacent Use: Commercial, Public
Utilities: Existing
Access: Alice Loop to Airport Road

KEY POINTS AND CONCERNS:

1. Creates tax revenue for municipality
2. Applicant and municipal staff have agreed to an easement for access to public infrastructure
3. Neighborhood harmony – surrounding uses are commercial and public in use, zoning allows for commercial use

RECOMMENDATION:

Staff recommends that the Planning Commission recommend approval of LM 16-11 to the Assembly.

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Current Plat

Attachment E: Site Plan
Attachment F: Parcel Pictures
Attachment G: Application
Attachment H: Flood Zone Map
Attachment I: Mailing List

PROJECT DESCRIPTION

This request is to purchase a 650 square foot portion of municipal right-of-way adjacent 403 Alice Loop. The applicant states the intent to fence in the commercial property.

BACKGROUND

403 Alice Loop was created by Sealing Cove Subdivision, recorded as plat 2011-1. Island Marine operates from the property.

The application was filed in late 2016 and originally denied because of concerns for municipal infrastructure. Following the denial, the applicant worked with the Wastewater Division and the Electric Department to determine a plan that would be acceptable to all parties. The applicant agreed that if the vacation was approved, he would grant the municipality an easement for the 650 square feet portion for the purpose of accessing and maintaining utility infrastructure.

The vacation application is coming before the Planning Commission to seek a recommendation of approval to the Assembly. The item is scheduled for the May 10th Historic Preservation Commission meeting. The vacation application will go to the Assembly for approval by ordinance, then will return to the Planning Commission for a subdivision replat.

ANALYSIS

Project/Site: The property is 650 square feet of municipal right-of-way adjacent to 403 Alice Loop.

Traffic: Overall use of the property would not change, so traffic is anticipated to remain the same.

Parking: Sufficient parking is provided on-site.

Noise: Proposed use does not change and the WD zoning allows commercial use. No concerns.

Public Health or Safety: No concerns. The sidewalk and roadway would remain in the same location.

Habitat: No concerns.

Property Value or Neighborhood Harmony: Proposed use does not change. Adjacent uses are public (municipal harbor and wastewater facility) and commercial.

Conformity with Comprehensive Plan: The proposal conforms to Comprehensive Plan Section 2.4.19 which states, "To consistently follow and enforce land use policies, codes, regulations, and decisions..." by going through the prescribed vacation approval process.

RECOMMENDATION

It is recommended that the Planning Commission adopt the staff analysis and move to recommend approval of the vacation of 650 square feet of right-of-way adjacent 403 Alice Loop.

RECOMMENDED MOTION

- 1) I move to recommend approval of the vacation request for 650 square feet of municipal right-of-way adjacent 403 Alice Loop with the condition of approval that Public Works approves the easement for access to public infrastructure. The property is also known as Lot 1 Sealing Cove Subdivision. The request is filed by Mica Trani. The owner of record is Mica Trani.

CITY AND BOROUGH OF SITKA - ASSESSMENT RECORD 2017



Owner: Owner:

Location:

Parcel No: Prop Type:

Legal Description:

Lot One (1), Sealing Cove Subdivision, according to the official plat thereof, filed under Plat No. 2011-1, Records of the Sitka Recording District, First Judicial District, State of Alaska.

PROPERTY INFORMATION

General Data

Year Built: Prop Style:

Total Finished Living:

Prop Quality:

Eff Age:

Re-Inspect Date:

Land Data

Zoning Typ:

Sq.Ft.: Acres:

Topography:

Shape:

View:

Drainage:

Access:

Parking:

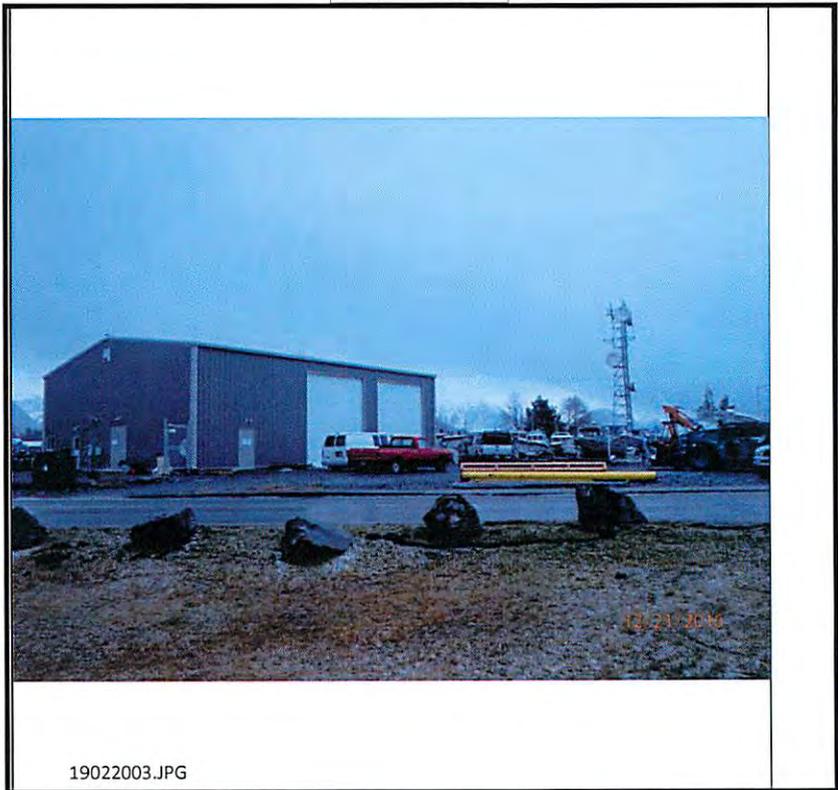
Street:

Water:

Sewer:

Waterfront:

Subject Photo



19022003.JPG

LAND VALUATION

UNIT	Base \$/SF	C	P	LQC	\$/SF	E1	E2	TOTALS
unit 1 sf	31,890	1195.1	-0.450	0.877	\$9.85			\$314,200
unit 2 sf								
unit 3 sf								
unit 4 sf								
waterft								
view	0							

April 17, 2017, Easement Purchase Application Valuation Estimate is 15% of Base Rate of \$9.85/sf (0.15 X \$9.85 = \$1.48/sf @ 650sf = \$1,000)

\$1,000



CITY AND BOROUGH OF SITKA
 PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
 LAND MANAGEMENT APPLICATION FORM

1. Review guidelines and procedural information.
2. Fill form out completely. No request will be considered without a completed form.
3. Submit all supporting documents and proof of payment.

APPLICATION FOR: TIDELAND LEASE
 LAND PURCHASE

BRIEF DESCRIPTION OF REQUEST: Purchase city right of way at 403 Alice Loop where road right of way goes from 60' to 80' near existing fire hydrant.

PROPERTY INFORMATION:
 CURRENT ZONING: WD ARE YOU THE UPLAND PROPERTY OWNER? Yes
 CURRENT LAND USE(S): Marine repair PROPOSED LAND USES (if changing): no change

APPLICANT INFORMATION:
 PROPERTY OWNER: Mica Trani
 PROPERTY OWNER ADDRESS: 101 Shuler Dr - Sitka
 STREET ADDRESS OF PROPERTY: 403 Alice Loop Road - Sitka
 APPLICANT'S NAME: Mica Trani
 MAILING ADDRESS: Box 3016
 EMAIL ADDRESS: islandmarine@gci.net DAYTIME PHONE: 747-0647

PROPERTY LEGAL DESCRIPTION:
 TAX ID: 19022003 LOT: 1 BLOCK: _____ TRACT: _____
 SUBDIVISION: Sealing Cove Subdivision US SURVEY: 39-26

COMPLETED APPLICATION		SITE PLAN	
NARRATIVE		CURRENT PLAT	
FEE		OWNERSHIP	

REQUIRED SUPPLEMENTAL INFORMATION:

- Completed application form
- Narrative
- Site Plan showing all existing and proposed structures with dimensions and location of utilities
- Proof of filing fee payment
- Proof of ownership (If claiming upland preference)
- Copy of current plat

CERTIFICATION:

I hereby certify that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I further authorize municipal staff to access the property to conduct site visits as necessary.

Michael Green
Applicant

11-28-16
Date



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 public hearing during a regular meeting scheduled Tuesday, June 13, 2017 on the following items:

- A. Public hearing and consideration of a vacation request for 650 square feet of municipal right-of-way adjacent 403 Alice Loop. The property is also known as Lot 1 Sealing Cove Subdivision. The request is filed by Mica Trani. The owner of record is Mica Trani.
- B. Public hearing and consideration of a zoning map amendment to rezone municipal harbors located at 211 and 617 Katlian Avenue to Public. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The request is filed by the City and Borough of Sitka. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, June 13, 2017. The Assembly meeting will begin at 6:00 pm at 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.

Parcel ID: 1900002
CITY & BOROUGH OF SITKA
SEWER TREATMENT PLANT
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 1902000
SHEE ATIKA, INC.
SHEE ATIKA, INC.
315 LINCOLN ST, STE #300
SITKA AK 99835

Parcel ID: 1902200
SEALING COVE HEATED STORAGE,
LLC
SEALING COVE HEATED STORAGE,
LLC
107-A TOIVO CIR
SITKA AK 99835

Parcel ID: 1902201
SHEE ATIKA, INC.
SHEE ATIKA, INC.
315 LINCOLN ST, STE 300
SITKA AK 99835

Parcel ID: 1902202
SEALING COVE HEATED STORAGE,
LLC
SEALING COVE HEATED STORAGE,
LLC
107-A TOIVO CIRCLE
SITKA AK 99835

Parcel ID: 1902203
MICA TRANI
TRANI, MICA, T.
P.O. BOX 3016
SITKA AK 99835-3016

Parcel ID: 1902400
ALASKA, STATE, OF
DOT/PF AIRPORT DIV
ALASKA STATE OF
ANCHORAGE AK 99501

Parcel ID: 1907500
CITY & BOROUGH OF SITKA
SEALING COVE HARBOR
CITY & BOROUGH OF SITKA
203 AIRPORT RD
SITKA AK 99835

Assembly Mailing
June 2, 2017



Planning and Community Development Department

100 Lincoln Street, Sitka, AK 99835

(907) 747-1814

planning@cityofsitka.org

NOTICE OF APPLICATION AND PUBLIC HEARING LM 16-11

Notice is hereby given that the Planning and Community Development Department (PCDD) has received an application for a(n) vacation of 650 square feet of municipal right-of-way at 403 Alice Loop. The Planning Commission will hold a public hearing at 7:00 PM at Harrigan Centennial Hall on **5/16/2017** to take testimony and consider the approval of:

Project Description: Vacation of 650 square feet of municipal right-of-way

Street Address: 403 Alice Loop

Legal Description: Lot 1 Sealing Cove Subdivision

Zoning: Waterfront District

Applicant: Mica Trani

Owner: Mica Trani

A site plan is printed on the reverse side of this notice. The full application and all associated documents are available for viewing in the PCDD office on the first floor of City Hall. Anyone wishing to comment on this proposal may do so in writing and/or by testifying at the hearing.

Send written comments and requests for information to:

planning@cityofsitka.org or (907) 747-1814

100 Lincoln Street, Sitka, AK 99835

Parcel ID: 19000002
CITY & BOROUGH OF SITKA
SEWER TREATMENT PLANT
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 19022001
SHEE ATIKA, INC.
SHEE ATIKA, INC.
315 LINCOLN ST, STE 300
SITKA AK 99835

Parcel ID: 19024000
ALASKA, STATE, OF
DOT/PF AIRPORT DIV
ALASKA STATE OF
ANCHORAGE AK 99501

Parcel ID: 19020000
SHEE ATIKA, INC.
SHEE ATIKA, INC.
315 LINCOLN ST, STE #300
SITKA AK 99835

Parcel ID: 19022002
SEALING COVE HEATED STORAGE,
LLC
SEALING COVE HEATED STORAGE,
LLC
107-A TOIVO CIRCLE
SITKA AK 99835

Parcel ID: 19075000
CITY & BOROUGH OF SITKA
SEALING COVE HARBOR
CITY & BOROUGH OF SI,,,
203 AIRPORT RD
SITKA AK 99835

Parcel ID: 19022000
SEALING COVE HEATED STORAGE,
LLC
SEALING COVE HEATED STORAGE,
LLC
107-A TOIVO CIR
SITKA AK 99835

Parcel ID: 19022003
MICA TRANI
TRANI, MICA, T.
P.O. BOX 3016
SITKA AK 99835-3016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-17 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/7/2017 In control: City and Borough Assembly
On agenda: 6/13/2017 Final action:
Title: Adjusting the FY17 Budget (GPIP Access Ramp)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion ORD 2017-17.pdf](#)
[GPIP Memo.pdf](#)
[ORD 2017-17.pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2017-17 on second and final reading.



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Wednesday, May 31, 2017

MEMORANDUM

To: Mark Gorman – CBS Administrator
From: Garry White, Director
Subject: GPIP FY17' Budget Adjustment

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is requesting that \$40,000 in working capital from the GPIP Enterprise fund be allocated for design of an access ramp at the GPIP to support the marine services industry. The Board approved the following motion:

- MOTION:** M/S Horan/Bevan moved to submit a capital improvement plan to the administrator for the following projects:
- 1. \$250,000 to be expensed from the GPIP Environmental Fund for the demolition of the Utility Dock and shoreline stabilization.**
 - 2. \$40,000 of GPIP working capital to be used for design of a water access ramp for marine services/etc...**

** Note: The Assembly has already approved the \$250,000 for shoreline stabilization*

Additional Information

The GPIP Board has received requests from the public to design and construct an access ramp at the GPIP as soon as possible. Current tenants of the industrial site have identified projects that would benefit the industrial site and create local jobs from the construction of an access ramp.

Action

Assembly approval to allocate \$40,000 for the design of an access water ramp from the GPIP Enterprise Fund working capital.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-17
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

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 FY17 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. 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, 2016 and ending June 30, 2017 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2017 EXPENDITURE BUDGETS. Row 2: CAPITAL PROJECTS. Row 3: Fund 780 - Gary Paxton Industrial Park - GPIP Access Ramp Project. Row 4: The Gary Paxton Industrial Park Board has requested to appropriate \$40,000 from the Undesignated Fund Balance to a new capital outlay for the design of a water access ramp for marine services.

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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 27th Day of June, 2017.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 6/13/17
2nd reading 6/27/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-19 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/7/2017 In control: City and Borough Assembly

On agenda: 6/13/2017 Final action:

Title: Amending the official Sitka Zoning Map to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)

Sponsors:

Indexes:

Code sections:

Attachments: [Memo ORD 2017-19.pdf](#)
[ORD 2017-19.pdf](#)
[ORD 2017-19 info.pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly		



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Members of the Assembly
Mark Gorman, Municipal Administrator

From: Michael Scarcelli, Planning and Community Development Director *MS*
Samantha Pierson, Planner I

Subject: Zoning Map Amendment – Rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)

Date: June 5, 2017

The request is for a Zoning Map Amendment to rezone ANB, Thomsen, and Eliason Harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P). The Planning Commission recommended the Zoning Map Amendment during the May 16, 2017 meeting on a 3-0 vote. The Port and Harbors Commission recommended the rezoning at their May 29, 2017 meeting on a 5-0 vote.

The locations for the proposed zoning map amendments include the public infrastructure and municipal lands that encompass Eliason Harbor, Thomsen Harbor, and ANB Harbor. Thomsen and Eliason Harbors are connected to municipal lands that are used for parking, port facilities, rest rooms/showers, and other support facilities for the harbors. ANB Harbor is connected to land with similar uses. Outside of the ANB Harbor parking lot, land is utilized in a variety of commercial and residential uses.

Staff anticipates no specific negative impacts from the proposed zone change, as the area in question has historically been used exactly as the proposed zoning seeks. The potential for impacts to or from traffic, parking, noise, public health and safety, habitat, property values, and neighborhood harmony is that same as if the zone change does not occur. One possible positive impact, is that uses such as the conditional use of a short-term rental on a boat would have to receive a conditional use permit versus being able to do it as a matter of right. This would better protect the existing expectations and adjacent uses within the harbor system.

The request is consistent with Comprehensive Plan section 2.3.12 which provides for the planning and maintenance of quality harbor facilities and services. The proposed zoning map amendment would allow for better planning and to better regulate the existing uses in line with current and anticipated use.

Recommended Action: Approve the Zoning Map Amendment as recommended by the Planning Commission.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-19

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING THE OFFICIAL SITKA ZONING MAP TO REZONE ELIASON, THOMSEN, AND ANB HARBORS FROM WATERFRONT DISTRICT (WD) TO PUBLIC LANDS DISTRICT (P)

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 rezone Eliason, Thomsen, and ANB Harbors at 211 and 617 Katlian Avenue from Waterfront District to Public Lands District to be consistent with other municipal harbors. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The zoning is consistent with the goals and policies of the 2007 Sitka Comprehensive Plan, specifically Section 2.3.12, and Title 22 Section 22.16.020 Public Lands District.

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 Eliason, Thomsen, and ANB Harbors at 211 and 617 Katlian Avenue from Waterfront District to Public Lands District.

Appendix A is attached showcasing zoning map amendment.

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

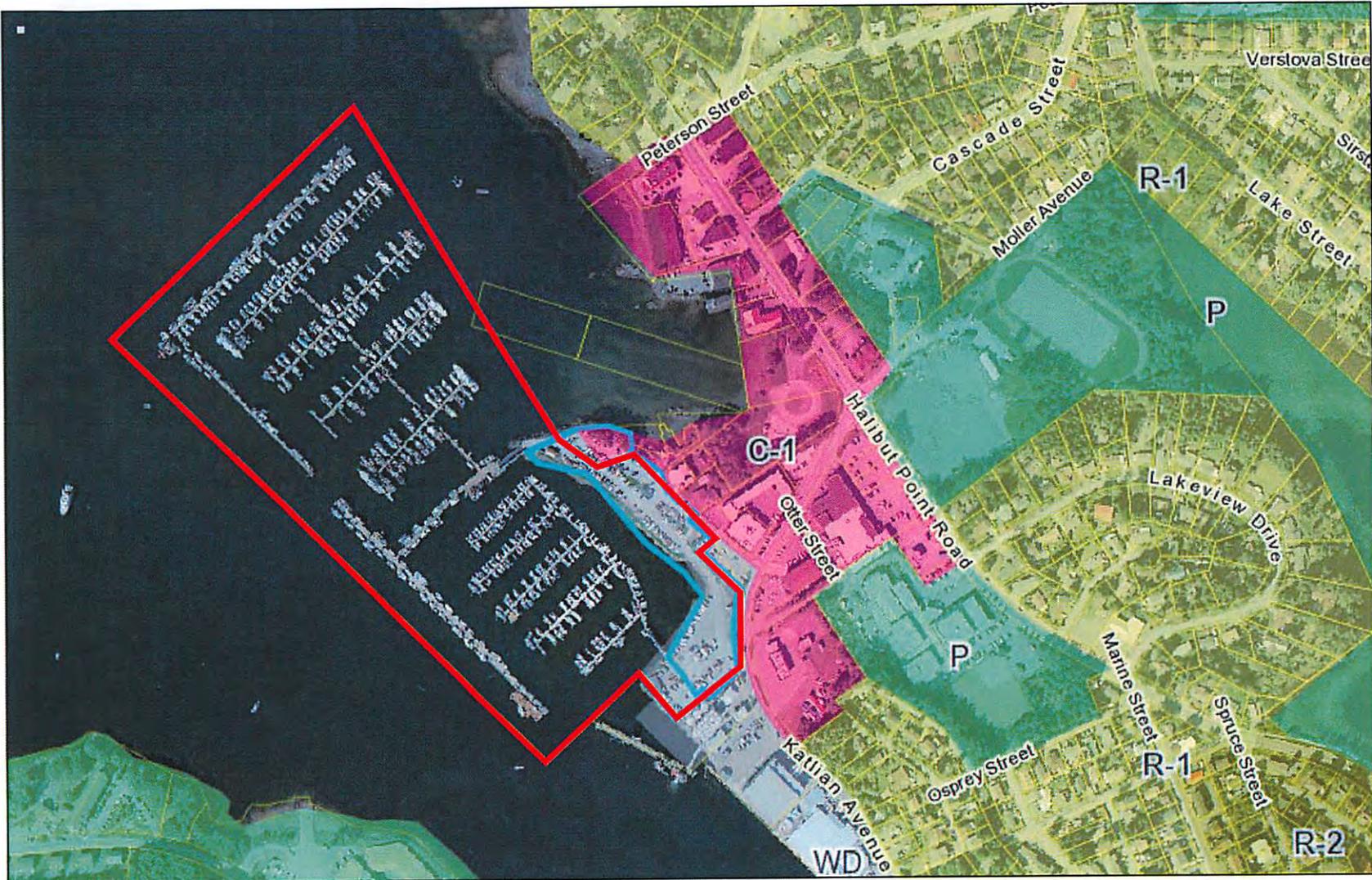
PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of June, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

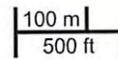
1st reading 6/13/17
2nd reading 6/27/17



City & Borough of Sitka, Alaska

Selected Parcel: 617 KATLIAN ID: 15408000

Printed 5/9/2017 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



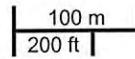
This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.



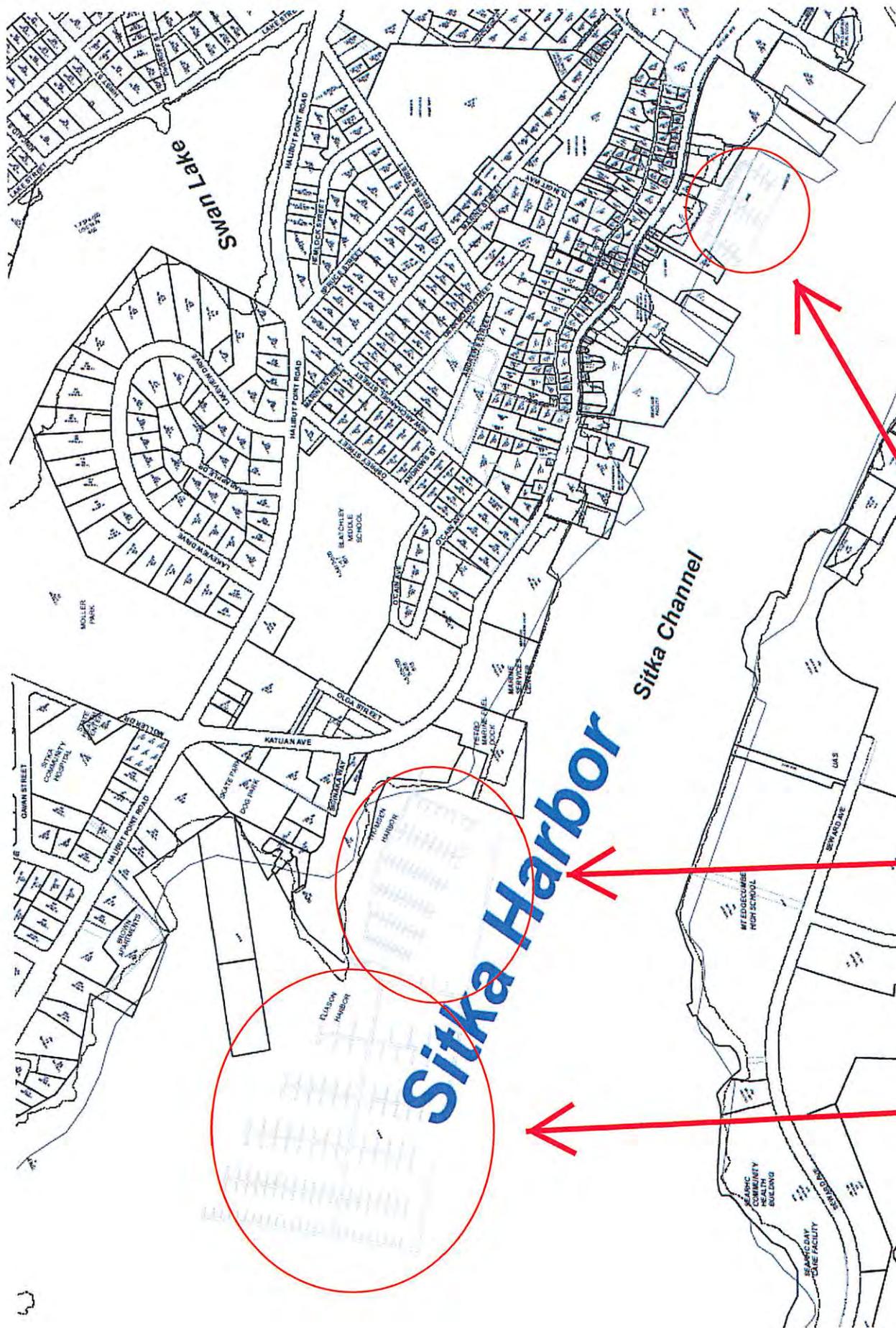
City & Borough of Sitka, Alaska

Selected Parcel: 211 KATLIAN ID: 16675000

Printed 5/9/2017 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.



Swain Lake

Sitka Channel

Sitka Harbor

Elakson Harbor

Hansen Harbor

SEARCY DAY CARE FACILITY

SEARCY COMMUNITY BUILDING

MTEDEGUMBE HIGH SCHOOL

OLDAL STREET

KATUAN AVE

HALIBUT POINT ROAD

SEARCY WAY

MOCKLETON

OWAN STREET

SEARCY MIDDLE SCHOOL

SEARCY ELEMENTARY SCHOOL

SEARCY JUNIOR HIGH SCHOOL

SEARCY SENIOR HIGH SCHOOL

MOLLER PARK

SEARCY PARK

SEARCY PARK

SEARCY PARK

Pohlman/Hughey moved to adopt and APPROVE the required findings for major structures or expansions as discussed in the staff report.

1. Required Findings for Variances Involving Major Structures or Expansions.

Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, here, that the lot is relatively flat and has space available on the rear for additional development;
- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, here, the development of covered parking could be developed with a different configuration not requiring a variance of this degree;
- c) 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, specifically, that the open carport would minimize view impacts to pedestrian and motorists; and
- d) That the granting of such will not adversely affect the Comprehensive Plan: Specifically, the variance is in line with Comprehensive Plan Section 2.4.1 which state, "To guide the orderly and efficient use of private and public land in a manner which maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations," by allowing for an exception from codified development standards when not necessary.

Motion PASSED 3-0.

Pohlman/Hughey moved to DENY the variance request for 2515 Sawmill Creek Road. The variance is for the reduction of the rear setback from 20 feet to 10 feet for the construction of a garage. The property is also known as Lot 14C of the Subdivision of Lot 14 US Survey 3302. The request is filed by Larry and Nancy Medina. The owners of record are Larry and Nancy Medina. Motion to deny PASSED 3-0

M Public hearing and consideration of a variance request for the reduction in required lot size for a four-plex from 10,000 square feet to 9971 square feet at 720 Indian River Road. The property is also known as Lot 8A Indian River Land Subdivision. The request is filed by Timothy Bernard. The owner of record is Timothy Bernard.

Pohlman/Hughey moved to postpone until the next regular meeting. Motion PASSED 3-0.

N Public hearing and consideration of a zoning map amendment to rezone municipal harbors located at 211 and 617 Katlian Avenue to Public. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The request is filed by the City and Borough of Sitka. The owner of record is the City and Borough of Sitka.

Hughey/Pohlman moved to find that:

- a. The zoning map amendment does not negatively impact the public health, safety, and welfare;
- b. The zoning map amendment has followed all code regarding amending the official zoning map in regards to public process; and
- c. The zoning map amendment comports with the Comprehensive Plan by

better allowing the maintenance and planning for quality facilities and services to Harbor uses.

Motion PASSED 3-0.

Hughey/Pohlman moved to recommend approval of the zoning map amendment to rezone municipal harbors (Eliason, Thomsen, and ANB Harbors) located at 211 and 617 Katlian Avenue to Public Lands district. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The request is filed by the City and Borough of Sitka. The owner of record is the City and Borough of Sitka. Motion PASSED 3-0.

O Discussion/direction/decision regarding monumentation and flagging requirements in Title 21.

P Discussion/direction/decision regarding amendments to public notice requirements.

VIII. ADJOURNMENT

Seeing no objections, the meeting adjourned at 8:53 p.m.

ATTEST: _____
Melissa Henshaw, Deputy Clerk



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

AGENDA ITEM:

Case No: ZA 17-01
Proposal: Zoning map amendment for municipal harbors at 211 and 617 Katlian – rezone from WD Waterfront District to P Public
Applicant: City and Borough of Sitka
Owner: City and Borough of Sitka
Location: 211 and 617 Katlian Avenue
Legal: Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision
Zone: Current: WD Waterfront District
Proposed: 211 and 617 Katlian Avenue
Parcel ID: 1-9022-003
Existing Use: Public
Adjacent Use: Commercial, Public, Residential
Utilities: Existing
Access: Katlian Avenue

KEY POINTS AND CONCERNS:

1. Proposed zone change mirrors existing uses and expectation of use of the Harbor system
2. More of a technical zone change to sure up existing zoning maps with existing harbors uses
3. Positive impact for existing harbor users by ensuring zoning enables existing uses as well as providing for orderly development of anticipated uses

RECOMMENDATION:

Staff recommends that the Planning Commission recommend approval of the zoning map amendment (ZA 17-01) to the Assembly that would rezone the Eliason, Thomsen, and ANB Harbors from unzoned to the Public Lands zoning district.

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map

Attachment C: Current Zoning Map
Attachment D: Mailing List

BACKGROUND

The short term rental on boats in harbors was a recent code change. However, through the end of the process we realized that not all harbors are in fact zoned. This resulted in a *de facto* zoning of Eliason/Thomsen and ANB Harbors to be whatever the adjacent uplands are¹. To rectify this with something that meets the expectations and types of use that are existing and anticipated, an official amendment to the zoning map must occur.

Crescent Harbor is not zoned; however, its surrounding uplands are zoned Public Lands district so Crescent Harbor receives the Public Lands district zoning designation. Sealing Cove Harbor is zoned Public Lands district.

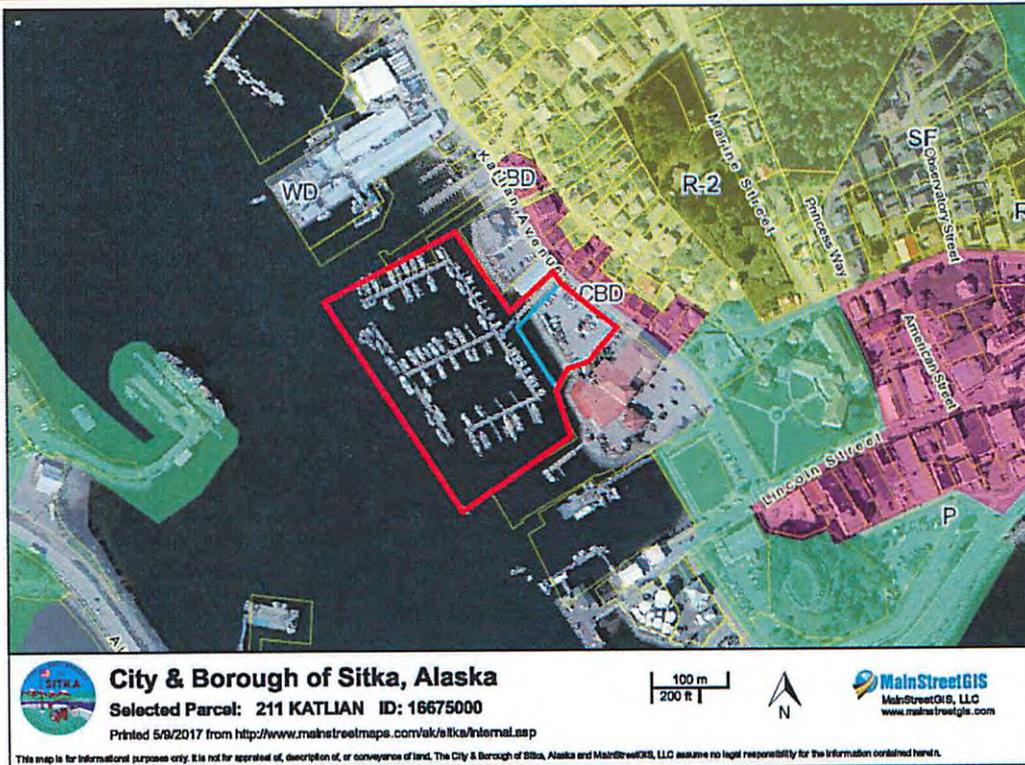
The following is the Sitka General Code regarding the purpose of lands zoned Public Lands District

22.16.020 P public lands district.

A. Intent. The public lands district is intended to contain government-owned lands or lands owned by nonprofit institutions serving the public interest which are utilized for public recreation, education or institutional uses.

B. Return of Land to Public Domain. Should any such land be sold or returned to the public domain, the zoning classification of the adjacent property having the most restricted classification shall be imposed.

¹ SGC 22.12.050(F): "All areas within the city and borough limits which are underwater or tidelands and are not shown as included within any district are subject to all regulations of the upland district immediately adjacent to the tideland or underwater areas."



PROJECT DESCRIPTION

This request is to rezone the Harbor infrastructure and support areas around Eliason, Thomsen, and ANB Harbors from unzoned to the Public Lands zoning district.

ANALYSIS

The locations for the proposed zoning map amendments include the public infrastructure and municipal lands that encompass Eliason Harbor, Thomsen Harbor, and ANB Harbor. Thomsen and Eliason Harbors are connected to municipal lands that are used for parking, port facilities, rest rooms/showers, and other support facilities for the harbors. ANB Harbor is connected to land with similar uses. Outside of the ANB Harbor parking lot, land is utilized in a variety of commercial and residential uses.

Staff anticipates no specific negative impacts from the proposed zone change. The major reason for this is that the area in question has historically been used exactly as the proposed zoning seeks. The potential for impacts to or from traffic, parking, noise, public health and safety, habitat, property values, and neighborhood harmony is that same as if the zone change does not occur since all of the anticipated uses that the zone change would support are all already existing. One possible positive impact, is that uses such as the conditional use of a short-term rental on a boat would have to receive a conditional use permit versus being able to do it as a matter of right. This would better protect the existing expectations and adjacent uses within the harbor system.

The Comprehensive Plan provides under section 2.3.12 to plan for and maintain quality harbor facilities and services. The proposed zoning map amendment would allow for better planning and to better regulate the existing uses in line with current and anticipated use.

Findings

1. The zoning map amendment does not negatively impact the public health, safety, and welfare;
2. The zoning map amendment has followed all code regarding amending the official zoning map in regards to public process; and
3. The zoning map amendment comports with the Comprehensive Plan by better allowing the maintenance and planning for quality facilities and services to Harbor uses.

RECOMMENDATION

It is recommended that the Planning Commission adopt the staff analysis and move to recommend approval of the zoning map amendment to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District to Public Lands district.

RECOMMENDED MOTION

- 1) I move to find that:
 - a. The zoning map amendment does not negatively impact the public health, safety, and welfare;
 - b. The zoning map amendment has followed all code regarding amending the official zoning map in regards to public process; and
 - c. The zoning map amendment comports with the Comprehensive Plan by better allowing the maintenance and planning for quality facilities and services to Harbor uses.
- 2) I move to recommend approval of the zoning map amendment to rezone municipal harbors (Eliason, Thomsen, and ANB Harbors) located at 211 and 617 Katlian Avenue to Public Lands district. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The request is filed by the City and Borough of Sitka. The owner of record is the City and Borough of Sitka.



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 public hearing during a regular meeting scheduled Tuesday, June 13, 2017 on the following items:

- A. Public hearing and consideration of a vacation request for 650 square feet of municipal right-of-way adjacent 403 Alice Loop. The property is also known as Lot 1 Sealing Cove Subdivision. The request is filed by Mica Trani. The owner of record is Mica Trani.

- B. Public hearing and consideration of a zoning map amendment to rezone municipal harbors located at 211 and 617 Katlian Avenue to Public. The properties are also known as Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, and Block 10 Dan Moller Subdivision. The request is filed by the City and Borough of Sitka. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, June 13, 2017. The Assembly meeting will begin at 6:00 pm at 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.

Parcel ID: 13910000
ORTHODOX CHURCH IN AMERICA
RUSSIAN CHURCH RECTORY
ORTHODOX CHURCH IN AMERICA
P.O. BOX 210569
ANCHORAGE AK 99521

Parcel ID: 15010000
ALASKA PREMIER CHARTERS, INC.
ALASKA PREMIER CHARTERS, INC.
P.O. BOX 2300
SITKA AK 99835-2300

Parcel ID: 15015000
JUAN/THERESA BELCHER/WEISER
BELCHER, JUAN & WEISER, THERESA
P.O. BOX 1505
SITKA AK 99835-1505

Parcel ID: 15020000
ALASKA PREMIER CHARTERS, INC.
ALASKA PREMIER CHARTERS, INC.
P.O. BOX 2300
SITKA AK 99835-2300

Parcel ID: 15030001
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 15030002
K & R ENTERPRISES, INC.
USFS BLDG
K & R ENTERPRISES, INC.
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15031000
K & R ENTERPRISES, INC.
% JAY KASSNER
K & R ENTERPRISES
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15078000
CITY & BOROUGH OF SITKA
MARINE SERVICE CENTER
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15079000
HARBOR ENTERPRISES, INC.
SITKA FUELS, INC.
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 15105000
HARBOR ENTERPRISES, INC.
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 15390000
INC. CENTER FOR COMMUNITY
CENTER FOR COMMUNITY, INC.
700 KATLIAN AVE, STE B
SITKA AK 99835

Parcel ID: 15406000
K & R ENTERPRISES, INC.
% JAY KASSNER
K & R ENTERPRISES, INC.
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15408000
CITY & BOROUGH OF SITKA
THOMSEN BOAT HARBOR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15410000
CITY & BOROUGH OF SITKA
BLATCHLEY JUNIOR HIGH SCH
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15531000
THE NORTH WEST COMPANY (INTL),
INC.
AC VALUE CENTER - SITKA
THE NORTH WEST CO. (INTL), INC.
77 MAIN STREET
WINNIPEG, MANITOBA BC R3C 2R1

Parcel ID: 15630000
CITY & BOROUGH OF SITKA
TURNAROUND
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 15998000
CITY & BOROUGH OF SITKA
BEHIND SHEETKA KWAN
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 16005000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN AVE, #A
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16020000
KENDALL DIDRICKSON
DIDRICKSON, KENDALL
203 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16025000
WAYNE/SARAH TARANOFF
TARANOFF, WAYNE & SARAH
104 ROCKFISH WAY
SITKA AK 99835

Parcel ID: 16030000
BOYD DIDRICKSON
DIDRICKSON, BOYD
215 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16045000
NAN/CHOONG YOON/SOE
YOON, NAN KYUN/SOE, CHOONG W.
2830 PELICAN DR
ANCHORAGE AK 99502

Parcel ID: 16055000
KATHERINE/LINDA SULSER/HEIM
PIONEER BAR
SULSER, KATHERINE & HEIM, LINDA
P.O. BOX 455
SITKA AK 99835-0455

Parcel ID: 16060000
KATHERINE/LINDA SULSER/HEIM
PIONEER BAR
SULSER, KATHERINE & HEIM, LINDA
P.O. BOX 455
SITKA AK 99835-0455

Parcel ID: 16065000
MARY PAUL
PAUL, MARY, Y.
GENERAL DELIVERY
SITKA AK 99835

Parcel ID: 16066000
ELI HOWARD
% RAY NIELSEN (206) 774-562
HOWARD, ELI
4735 200TH ST SW, APT 104
LYNNWOOD WA 98036

Parcel ID: 16070000
KAREN LUCAS
LUCAS, KAREN, J.
224 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16075000
RICHARD KATHLIAN
R&D.COOK,M.KATHLEAN,E.JOH
PETERS, CAROL
GENERAL DELIVERY
SITKA AK 99835

Parcel ID: 16090000
THERESA HEYBURN
HEYBURN, THERESA
207 MONASTERY ST
SITKA AK 99835

Parcel ID: 16105000
DAN/GRECHEN STOCKEL
STOCKEL, DAN & GRECHEN
P.O. BOX 1172
SITKA AK 99835-1172

Parcel ID: 16130000
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 16260000
CITY & BOROUGH OF SITKA
US PUB SCHOOL RESERVE #2
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16285000
PETER/BERTHA KARRAS
KARRAS, PETER, J/BERTHA
230-A KOGWANTON ST
SITKA AK 99835

Parcel ID: 16325000
JENNIE JACK
CROPLEY,F/HOWARD,N/MULLIG
JACK,JENNIE%
WILLARD,M/K/J,CHURCH,P
C/O 256 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16360000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST., #2
SITKA AK 99835

Parcel ID: 16385000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475021
PAUL/GAYLE YOUNG REVOCABLE
TRUST
YOUNG REVOCABLE TRUST, GAYLE &
PAUL
P.O. BOX 8005
PORT ALEXANDER AK 99836-8005

Parcel ID: 16080000
GENEVIEVE/DJA.
GUANZON/DOWNS/LEONARD
LEONARD, ANITA/GUANZON, G
GUANZON, GENEVIEVE, H.
2329 EUREKA, APT D3
ANCHORAGE AK 99503

Parcel ID: 16095000
THERESA HEYBURN
HEYBURN, THERESA
207 MONASTERY ST
SITKA AK 99835

Parcel ID: 16120000
BRIAN MCNITT
MCNITT, BRIAN
11302 ROYZELLE LN
MINNETONKA MN 55305-4344

Parcel ID: 16140000
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 16261000
U.S. BUREAU OF LAND MANAGEMENT
BLOCKHOUSE/US PUB RESERVE
U.S. BUREAU OF LAND MANAGEMENT
103 MONASTERY ST
SITKA AK 99835

Parcel ID: 16315000
MICHAEL/XIAOYAN MAYO/SHEN
MAYO, MICHAEL, J. & SHEN, XIAOYAN
2808 SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 16345000
PATRICIA BUAK
BUAK, PATRICIA
407 LINCOLN ST, STE 201
SITKA AK 99835

Parcel ID: 16365000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475019
ROSEMARY THOMAS
THOMAS, ROSEMARY, F.
254 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475022
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16085000
KEVIN/MARIFE PLAISANCE
PLAISANCE, KEVIN & MARIFE
P.O. BOX 152
SITKA AK 99835-0152

Parcel ID: 16100000
KAREN LUCAS
LUCAS, KAREN, J.
224 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16125000
TOM/ANITA MATTINGLY/BERGEY
MATTINGLY, TOM & BERGEY, ANITA
P.O. BOX 624
SITKA AK 99835-0624

Parcel ID: 16240000
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16265000
JENNIFER ALLEY
ALLEY, JENNIFER, C.
208 KAAGWAANTAAN ST
SITKA AK 99835

Parcel ID: 16320000
MICHAEL/XIAOYAN MAYO/SHEN
MAYO, MICHAEL, J. & SHEN, XIAOYAN
2808 SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 16350000
JOHN/ELIZABETH SKEELE/CAFFREY
SKEELE, JOHN/CAFFREY, ELIZABETH
262 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16370000
LILLY JOHN ESTATE
JOHN,KITKA,HOGBERG % E.HE
JOHN, LILLY ESTATE%
HOOLIS,WALLACE,
P.O. BOX 338
HAINES AK 99827-0338

Parcel ID: 16475020
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16475023
AUDREY/GILBERT JOHNSON/SAM, SR.
AUDREY JOHNSON & GILBERT SAM,
SR.
246 KOGWANTON ST.
SITKA AK 99835

Parcel ID: 16475024
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE

Parcel ID: 16550011
NINA HAHLER
HAHLER, NINA, C
11033 ZOOTEVAAL
ST JOHN VI 830

Parcel ID: 16550020
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16675001
C/B OF SITKA
BETWEEN OLD BAILEYS & KAT
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16710000
BARANOF ISLAND HOUSING
AUTHORITY
BIHA OFFICE
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE

Parcel ID: 16730000
CITY & BOROUGH OF SITKA
TIDELANDS EXCHANGE SUBDV
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16475025
MARK/HEIDI NANCE
NANCE, MARK, A./HEIDI, L.
234 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16550014
JOHN/BARBARA DELONG
DELONG, JOHN & BARBARA
264 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
201 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
2108 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 16690000
CITY & BOROUGH OF SITKA
ANB BOAT HARBOR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16720000
DODSON & HOLZMAN REV. LIVING
TRUST
DODSON, FORREST, & HOLZMAN,
MARY
P.O. BOX 6575
SITKA AK 99835-6575

Parcel ID: 16475026
MARK/SHERRY WHITE/BARNES
WHITE, MARK & BARNES, SHERRY
543 BAUER AVE
MANCOS CO 81328-9241

Parcel ID: 16550016
JOHN/BARBARA DELONG
DELONG, JOHN, R./BARBARA
264 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQ & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16695000
ALASKA NATIVE BROTHERHOOD
ALASKA NATIVE BROTHERHOOD
235 KATLIAN AVE, STE A
SITKA AK 99835

Parcel ID: 16725000
CITY & BOROUGH OF SITKA
GRID EXTENSION
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Assembly Mailing
June 2, 2017



Planning and Community Development Department

100 Lincoln Street, Sitka, AK 99835

(907) 747-1814

planning@cityofsitka.org

NOTICE OF APPLICATION AND PUBLIC HEARING ZA 17-01

Notice is hereby given that the Planning and Community Development Department (PCDD) has received an application for a(n) zoning map amendment for 211 and 617 Katlian Avenue. The Planning Commission will hold a public hearing at 7:00 PM at Harrigan Centennial Hall on **5/16/2017** to take testimony and consider the approval of:

Project Description: Zoning map amendment to rezone municipal harbors at 211 and 617 Katlian Avenue from Waterfront District to Public

Street Address: 211 and 617 Katlian Avenue

Legal Description: Lot 5 Block 5 Sitka Indian Village US Survey 2542, a Portion of ATS 15, ATS 1496 Tract A, Block 10 Dan Moller Subdivision

Zoning: Current: Waterfront District; Proposed: Public

Applicant: City and Borough of Sitka

Owner: City and Borough of Sitka

A site plan is printed on the reverse side of this notice. The full application and all associated documents are available for viewing in the PCDD office on the first floor of City Hall. Anyone wishing to comment on this proposal may do so in writing and/or by testifying at the hearing.

Send written comments and requests for information to:

planning@cityofsitka.org or (907) 747-1814

100 Lincoln Street, Sitka, AK 99835

Parcel ID: 13910000
ORTHODOX CHURCH IN AMERICA
RUSSIAN CHURCH RECTORY
ORTHODOX CHURCH IN AMERICA
P.O. BOX 210569
ANCHORAGE AK 99521

Parcel ID: 15020000
ALASKA PREMIER CHARTERS, INC.
ALASKA PREMIER CHARTERS, INC.
P.O. BOX 2300
SITKA AK 99835-2300

Parcel ID: 15031000
K & R ENTERPRISES, INC.
% JAY KASSNER
K & R ENTERPRISES
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15105000
HARBOR ENTERPRISES, INC.
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 15408000
CITY & BOROUGH OF SITKA
THOMSEN BOAT HARBOR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15630000
CITY & BOROUGH OF SITKA
TURNAROUND
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 16020000
KENDALL DIDRICKSON
DIDRICKSON, KENDALL
203 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16045000
NAN/CHOONG YOON/SOE
YOON, NAN KYUN/SOE, CHOONG W.
2830 PELICAN DR
ANCHORAGE AK 99502

Parcel ID: 16065000
MARY PAUL
PAUL, MARY, Y.
GENERAL DELIVERY
SITKA AK 99835

Parcel ID: 15010000
ALASKA PREMIER CHARTERS, INC.
ALASKA PREMIER CHARTERS, INC.
P.O. BOX 2300
SITKA AK 99835-2300

Parcel ID: 15030001
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 15078000
CITY & BOROUGH OF SITKA
MARINE SERVICE CENTER
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15390000
INC. CENTER FOR COMMUNITY
CENTER FOR COMMUNITY, INC.
700 KATLIAN AVE, STE B
SITKA AK 99835

Parcel ID: 15410000
CITY & BOROUGH OF SITKA
BLATCHLEY JUNIOR HIGH SCH
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 16005000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN AVE, #A
SITKA AK 99835

Parcel ID: 16025000
WAYNE/SARAH TARANOFF
TARANOFF, WAYNE & SARAH
104 ROCKFISH WAY
SITKA AK 99835

Parcel ID: 16055000
KATHERINE/LINDA SULSER/HEIM
PIONEER BAR
SULSER, KATHERINE & HEIM, LINDA
P.O. BOX 455
SITKA AK 99835-0455

Parcel ID: 16066000
ELI HOWARD
% RAY NIELSEN(206)774-562
HOWARD, ELI
4735 200TH ST SW, APT 104
LYNNWOOD WA 98036

Parcel ID: 15015000
JUAN/THERESA BELCHER/WEISER
BELCHER, JUAN & WEISER, THERESA
P.O. BOX 1505
SITKA AK 99835-1505

Parcel ID: 15030002
K & R ENTERPRISES, INC.
USFS BLDG
K & R ENTERPRISES, INC.
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15079000
HARBOR ENTERPRISES, INC.
SITKA FUELS, INC.
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 15406000
K & R ENTERPRISES, INC.
% JAY KASSNER
K & R ENTERPRISES, INC.
300 W. 123RD AVE
ANCHORAGE AK 99515

Parcel ID: 15531000
THE NORTH WEST COMPANY (INTL),
INC.
AC VALUE CENTER - SITKA
THE NORTH WEST CO.(INTL), INC.
77 MAIN STREET
WINNIPEG, MANITOBA BC R3C 2R1

Parcel ID: 15998000
CITY & BOROUGH OF SITKA
BEHIND SHEETKA KWAN
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16030000
BOYD DIDRICKSON
DIDRICKSON, BOYD
215 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16060000
KATHERINE/LINDA SULSER/HEIM
PIONEER BAR
SULSER, KATHERINE & HEIM, LINDA
P.O. BOX 455
SITKA AK 99835-0455

Parcel ID: 16070000
KAREN LUCAS
LUCAS, KAREN, J.
224 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16075000
RICHARD KATHLIAN
R&D.COOK,M.KATHLEAN,E.JOH
PETERS, CAROL
GENERAL DELIVERY
SITKA AK 99835

Parcel ID: 16090000
THERESA HEYBURN
HEYBURN, THERESA
207 MONASTERY ST
SITKA AK 99835

Parcel ID: 16105000
DAN/GRECHEN STOCKEL
STOCKEL, DAN & GRECHEN
P.O. BOX 1172
SITKA AK 99835-1172

Parcel ID: 16130000
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 16260000
CITY & BOROUGH OF SITKA
US PUB SCHOOL RESERVE #2
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16285000
PETER/BERTHA KARRAS
KARRAS, PETER, J/BERTHA
230-A KOGWANTON ST
SITKA AK 99835

Parcel ID: 16325000
JENNIE JACK
CROPLEY,F/HOWARD,N/MULLIG
JACK,JENNIE%
WILLARD,M/K/J,CHURCH,P
C/O 256 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16360000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST., #2
SITKA AK 99835

Parcel ID: 16385000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475021
PAUL/GAYLE YOUNG REVOCABLE
TRUST
YOUNG REVOCABLE TRUST, GAYLE &
PAUL
P.O. BOX 8005
PORT ALEXANDER AK 99836-8005

Parcel ID: 16080000
GENEVIEVE/D./A.
GUANZON/DOWNS/LEONARD
LEONARD, ANITA/GUANZON, G
GUANZON, GENEVIEVE, H.
2329 EUREKA, APT D3
ANCHORAGE AK 99503

Parcel ID: 16095000
THERESA HEYBURN
HEYBURN, THERESA
207 MONASTERY ST
SITKA AK 99835

Parcel ID: 16120000
BRIAN MCNITT
MCNITT, BRIAN
11302 ROYZELLE LN
MINNETONKA MN 55305-4344

Parcel ID: 16140000
NORTH PACIFIC SEAFOODS, INC.
NORTH PACIFIC SEAFOODS, INC.
4 NICKERSON ST, STE 400
SEATTLE WA 98109

Parcel ID: 16261000
U.S. BUREAU OF LAND MANAGEMENT
BLOCKHOUSE/US PUB RESERVE
U.S. BUREAU OF LAND MANAGEMENT
103 MONASTERY ST
SITKA AK 99835

Parcel ID: 16315000
MICHAEL/XIAOYAN MAYO/SHEN
MAYO, MICHAEL, J. & SHEN, XIAOYAN
2808 SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 16345000
PATRICIA BUAK
BUAK, PATRICIA
407 LINCOLN ST, STE 201
SITKA AK 99835

Parcel ID: 16365000
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475019
ROSEMARY THOMAS
THOMAS, ROSEMARY, F.
254 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16475022
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16085000
KEVIN/MARIFE PLAISANCE
PLAISANCE, KEVIN & MARIFE
P.O. BOX 152
SITKA AK 99835-0152

Parcel ID: 16100000
KAREN LUCAS
LUCAS, KAREN, J.
224 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16125000
TOM/ANITA MATTINGLY/BERGEY
MATTINGLY, TOM & BERGEY, ANITA
P.O. BOX 624
SITKA AK 99835-0624

Parcel ID: 16240000
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16265000
JENNIFER ALLEY
ALLEY, JENNIFER, C.
208 KAAGWAANTAAN ST
SITKA AK 99835

Parcel ID: 16320000
MICHAEL/XIAOYAN MAYO/SHEN
MAYO, MICHAEL, J. & SHEN, XIAOYAN
2808 SAWMILL CREEK RD
SITKA AK 99835

Parcel ID: 16350000
JOHN/ELIZABETH SKEELE/CAFFREY
SKEELE, JOHN/CAFFREY, ELIZABETH
262 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16370000
LILLY JOHN ESTATE
JOHN,KITKA,HOGBERG % E.HE
JOHN, LILLY ESTATE%
HOOLIS,WALLACE,
P.O. BOX 338
HAINES AK 99827-0338

Parcel ID: 16475020
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16475023
AUDREY/GILBERT JOHNSON/SAM, SR.
AUDREY JOHNSON & GILBERT SAM,
SR.
246 KOGWANTON ST.
SITKA AK 99835

Parcel ID: 16475024
BARANOF ISLAND HOUSING
AUTHORITY
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE

Parcel ID: 16550011
NINA HAHLER
HAHLER, NINA, C
11033 ZOOTENVAAL
ST JOHN VI 830

Parcel ID: 16550020
ELIZABETH GOLDSBURY
GOLDSBURY, ELIZABETH, L.
278 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16675001
C/B OF SITKA
BETWEEN OLD BAILEYS & KAT
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16710000
BARANOF ISLAND HOUSING
AUTHORITY
BIHA OFFICE
BARANOF ISLAND HOUSING
AUTHORITY
245 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16730000
CITY & BOROUGH OF SITKA
TIDELANDS EXCHANGE SUBDV
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16475025
MARK/HEIDI NANCE
NANCE, MARK, A./HEIDI, L.
234 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16550014
JOHN/BARBARA DELONG
DELONG, JOHN & BARBARA
264 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
201 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
2108 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 16690000
CITY & BOROUGH OF SITKA
ANB BOAT HARBOR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16720000
DODSON & HOLZMAN REV. LIVING
TRUST
DODSON, FORREST, & HOLZMAN,
MARY
P.O. BOX 6575
SITKA AK 99835-6575

Parcel ID: 16475026
MARK/SHERRY WHITE/BARNES
WHITE, MARK & BARNES, SHERRY
543 BAUER AVE
MANCOS CO 81328-9241

Parcel ID: 16550016
JOHN/BARBARA DELONG
DELONG, JOHN, R./BARBARA
264 KOGWANTON ST
SITKA AK 99835

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQ & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16695000
ALASKA NATIVE BROTHERHOOD
ALASKA NATIVE BROTHERHOOD
235 KATLIAN AVE, STE A
SITKA AK 99835

Parcel ID: 16725000
CITY & BOROUGH OF SITKA
GRID EXTENSION
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-20 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/7/2017 In control: City and Borough Assembly
On agenda: 6/13/2017 Final action:
Title: Amending Sitka General Code Title 19 entitled "Building and Construction", Chapter 19.08 entitled "Code Applicability", by adding Subsection D to Section 19.08.030 entitled "Islands", for an exemption for private recreational cabins on islands

Sponsors:

Indexes:

Code sections:

Attachments: [Motion ORD 2017-20.pdf](#)
[ORD 2017-20.pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly		
6/13/2017	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2017-20 on second and final reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-20

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 19 ENTITLED "BUILDING AND CONSTRUCTION", CHAPTER 19.08
ENTITLED "CODE APPLICABILITY", BY ADDING SUBSECTION D TO SECTION 19.08.030
ENTITLED "ISLANDS", FOR AN EXEMPTION FOR PRIVATE RECREATIONAL CABINS ON
ISLANDS

- 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 add a section to the Sitka General Code that would exempt private recreational cabins on islands from the provisions of the Sitka General Code Title 19 applicable to islands.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 19 is amended by adding subsection D to Section 19.08.030 entitled "Islands" (new language underlined):

Chapter 19.08
CODE APPLICABILITY

Sections:
19.08.030 Islands.

- A. Application of Code to Islands. Chapters 19.09, 19.10, 19.11, 19.12 and 19.14 of this code shall apply to structures on islands in the general island, large island and open space districts.
- B. Site Plan and As-Built Requirements for Island Properties. To ensure compliance with this code, site plans are required for all structures and docks on islands within the open general and open residential low density zoning districts. Site plans and surveys shall be prepared in accordance with the requirements of the administrative official charged with the enforcement of Title 22.
- C. Building codes apply to island construction projects as set out in this chapter irrespective of the start date of the island project, unless:
 - 1. A person applies to the building department prior to March 1, 2005, to register the project as "grandfathered"; and

44 2. The applicant demonstrates to the satisfaction of the building official that substantial
45 progress had been made on the project prior to the effective date of the Island Codes
46 ordinance in July 1999.

47 D. Exemption for Private Recreational Cabins on Islands. The chapters of this code made
48 applicable to structures on islands by this section shall not apply to private recreational cabins
49 (as defined in this subsection) on islands (as defined in section 19.08.040). The cabin must
50 have no electrical system and any wastewater system must be approved by the State
51 Department of Environmental Conservation. A building permit application shall be submitted for
52 the cabin, but no fee shall be charged and no permit shall be issued. For the purpose of this
53 section only, a "private recreational cabin" means a residential structure used for intermittent or
54 temporary occupancy by nonpaying occupants, with a maximum total of four hundred square
55 feet of living and sleeping areas.

56 * * *

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

59 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
60 Alaska this 27th day of June, 2017.

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63

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65

Matthew Hunter, Mayor

66

ATTEST:

67

68

69

Sara Peterson, CMC
Municipal Clerk

70

71

72

1st reading 6/13/17

73

2nd reading 6/27/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-14 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 5/3/2017 In control: City and Borough Assembly
On agenda: 6/13/2017 Final action:
Title: Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion ORD 2017-14.pdf](#)
[Staff Memo.pdf](#)
[Ord 2017-14.pdf](#)
[2.21.17 Planning Commission minutes.pdf](#)
[3.21.17 Planning Commission minutes.pdf](#)
[4.18.17 Planning Commission minutes.pdf](#)
[Critical Areas memo - Kevin Knox.docx.pdf](#)
[Thoms comment 2.25.17.pdf](#)
[Sitka_S_Kramer Landslide Report \(002\).pdf](#)

Date	Ver.	Action By	Action	Result
6/13/2017	1	City and Borough Assembly		

Suggested Motion

I MOVE TO approve Ordinance 2017-14 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Members of the Assembly

From: Michael Scarcelli, Planning and Community Development Director
Maegan Bosak, Community Affairs Director

Subject: Critical Areas Ordinance

Date: May 2, 2017

In response to the August 18, 2015 landslides, community discussion began regarding a City response to the risk landslides posed to human life, public safety, and property. Initially, the municipal discussion centered on hazard mapping. Staff presented to the Planning Commission and the City Assembly the pros and cons of such mapping. The pros included enhanced safety to persons and property and increased knowledge of hazard information. The cons included possible impact to property values or sales and impacts on development costs. Safety was a key concern in many of the discussions. The Planning Commission and City Assembly voted unanimously in support of city-wide mapping.

Currently, subdivision code (SGC 21.40.010) ceases subdivision of any lands which have been found to be unsuitable for development unless the hazards are eliminated or will be overcome. In addition, the International Building Code prevents the Building Official from issuing permits or certificates of occupancy in hazard areas unless geotechnical analysis and mitigation is completed. The proposed ordinance is one means to offer flexibility and options for development and occupancy by allowing property owners to know the risks and to choose to mitigate the risks or accept the known risks, while protecting the financial interests of City and Borough of Sitka on behalf of all Sitkans. The proposed ordinance is a less restrictive option than the current scenario.

As we can best tell, the waiver option for the proposed ordinance would not negatively impact the ability to get a mortgage or receive special insurance. According to local agents and other research, properties within 1 mile of an existing debris flow of any type, or identified in a high or moderate risk zone, would have a low probability of securing such insurance¹ even if the proposed ordinance

¹ Insurance exempts under standard homeowners insurance landslide, mudslide, mudflow, & debris flow. Difference in conditions (aka surplus or specialty insurance) is where additional coverage for such events may be purchased. However, this is a non-option for most properties in Sitka. Staff research reports that local agents/companies do not provide landslide coverage at this time however FEMA and other DIC specialty insurance lines may.

did not exist. This is primarily an issue between the finance industry and the existing presence of landslides and risk mapping – not the proposed ordinance.

Whether the finance industry would finance the purchase of homes within 1 mile of landslides or found within known and mapped risk areas without ‘special insurance’ is uncertain and speculative, but also not negatively affected by the proposed ordinance. Representatives of the finance industry have not responded to staff inquiries. Further, there are existing homes that have been financed within these areas. How the finance industry acts tomorrow may change and the concern is valid, but separate from this ordinance.

Ultimately, the mapping has begun. The City, community, and finance industry may have to change in response to these new risks. And the proposed ordinance, if adopted, may also have to change as things develop. However, staff do not see the proposed ordinance as being the direct causal factor for potential impacts to the banking or insurance markets.

For approximately the past year, staff have been working together diligently, analyzing other municipal landslide or hazard ordinances, and consulting outside legal counsel. The ordinance proposed provides for responsible risk management without stifling future development.

Proposed motion: Approve the ordinance.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-14

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 20 "MISCELLANEOUS PERMIT REGULATIONS" BY CHANGING THE NAME
TO "ENVIRONMENTALLY CRITICAL AREAS" AND ADDING A NEW CHAPTER 20.01
ENTITLED "LANDSLIDE AREA MANAGEMENT"

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 create within the Sitka General Code a specific section which will serve as the depository for environmentally critical areas code, and adding chapters which enable provisions deemed appropriate to safely develop land which is at heightened risk of affect from soil movement resulting from landslides, to include the authority to require a geotechnical evaluation and associated mitigation recommendations as well as creating an option to negotiate an exculpatory covenant with the City.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 20 is amended by changing the name to "Environmentally Critical Areas" and adding new chapters 20.01 "Restricted Landslide Areas" (new language underlined; deleted language stricken):

Title 20
MISCELLANEOUS PERMIT REGULATIONS-ENVIRONMENTALLY CRITICAL AREAS

Chapters:

- 20.01 Landslide Area Management**
- 20.04 Floodplain Management**
- 20.05 Coastal Management**

* * *

Chapter 20.01
Landslide Area Management

Sections:

- 20.01.010 Purpose**
- 20.01.020 Definitions**
- 20.01.030 Special Requirements and Limitations**
- 20.01.040 Waiver of Geotechnical Evaluation**

48 **20.01.010 Purpose**

49 A. The City has a fundamental public duty and desire to provide for and afford to its
50 citizens the opportunity to develop and enjoy the limited land that is available to it. The
51 City also recognizes that its desire to develop the available land is concurrent with the
52 desires and expectations of its citizens.

53
54 B. Based on the immunity provided by Alaska Statute 09.65.070(d) and common
55 law, the City has sufficient authority, and sufficient protection from liability, to
56 adopt land use regulations, and grant and deny permits, in a manner that supports the
57 development of the various available lots in Sitka, while assuring maximum practicable
58 safety for residents of those lots, given the unusual topographical characteristics and
59 extreme meteorological conditions found throughout the borough.

60
61 C. To best balance the goals of public safety and the ability of its citizens to develop
62 homes and livelihoods, the City requires property owners that are seeking to conduct
63 any Major Construction Activities on any lot in a Restricted Landslide Area, to address
64 that restriction pursuant to the provisions of this Chapter.

65
66 D. The requirements of this Chapter are in addition to, not in lieu of, any other
67 requirements of the Sitka General Code.

68
69 **20.01.020 Definitions**

70 A. "Restricted Landslide Area" means:

- 71 1. Any portion of any lot which has been identified as a moderate or high risk
72 zone in any City geotechnical risk mapping commissioned and received by the
73 City.
74 2. For areas not mapped, properties damaged by previous landslides or within
75 150 ft. of locations damaged by previous landslides.

76
77 B. "Major Construction Activity" means:

- 78 1. Construction of infrastructure, grading, roadways, utility corridors,
79 2. Building construction, placement of a pre-manufactured structure, or any
80 occupancy
81 increase in an existing building,
82 3. The term Major Construction Activity does not include:

83
84 (a) Construction of Residential accessory buildings, such as a garage or shed,
85 which is not occupied as a dwelling unit and is not attached to a principal
86 structure.

87 (b) Any project or improvement of a structure to correct an existing violation of
88 a state or local health, sanitary, or safety code regulation, where such violation
89 has been previously identified by the Building Official and where such activity
90 is the minimum necessary to achieve compliance and safety.

91 (c) An addition to structures which adds less than 120 square feet of new floor
92 area or foundation footprint.

93 (d) A boundary lot line adjustment or other minor subdivision alterations, as
94 approved by the Planning Director.

95 (e) Replacement or rehabilitation of existing publicly-owned infrastructure,
96 public roadways, or utility corridors.

97
98 C. "High Occupancy Commercial Use" - Includes International Building Code
99 occupancy classifications Group A, B, E, F (with employees), H, I, M, R-1, R-2,
100 R-4, S (with employees), or U (with employees). It does not include occupancy
101 classification R-3 (single family dwelling and duplex), except that a day-care
102 facility with any number of children is considered a High Occupancy Commercial
103 Use for the purposes of this Chapter.

104
105 D. "Geotechnical Evaluation" means a report completed by a licensed professional
106 engineer specializing in geotechnical practice or a professional geologist with
107 experience with debris flows, assessing the geological hazards of a proposed
108 activity and making recommendations for hazard mitigation. All designs, reports,
109 and calculations associated with mitigation must be stamped by a Civil Engineer
110 licensed in the State of Alaska. Such an evaluation shall include, at a minimum:

- 111 1. A copy of the proposed site plan and proposed development plans,
- 112 2. The site's topography and the type and extent of geologic hazards,
- 113 3. A review of the site history of landslides and other significant soil
114 movement,
- 115 4. Analysis of the project's relationship to the geologic hazards and its
116 potential impacts upon the subject property and adjacent properties.
- 117 5. Recommendation for mitigation of hazards, including any no-disturbance
118 buffer, building setbacks, siting requirements, erosion controls, and sewer
119 and drainage restrictions, as well as recommendations for any protective
120 improvements. The mitigation recommendations shall address how the
121 activity maintains or reduces the pre-existing level of risk to the site and
122 affected properties on a long-term basis.

123
124 **20.01.030 Special Requirements and Limitations**

125 A. Prior to issuance of any City permit, approval, or certificate of occupancy for any
126 Major Construction Activity within a Restricted Landslide Area, the following
127 requirements must be met:

- 128
129 1. Submission and City approval of a Geotechnical Evaluation, the cost of
130 which shall be borne by the applicant.
- 131 2. Where preliminary approval by the Planning Commission is necessary,
132 such Geotechnical Evaluation shall be submitted to the Planning
133 Department 30 days prior to submission to the Planning Commission.

135 B. Prior to the start of any Major Construction Activity within a Restricted Landslide
136 Area, construction of all protective improvements must be completed and
137 approved by the City. Also, an as-built construction report must be approved by
138 the professional designer of record for the applicant and stamped by a Civil
139 Engineer licensed in the State of Alaska.

141 C. All design principles and standards for subdivisions as outlined in SGC 21.40.010
142 shall also apply. In addition, there shall be a plat note stating that approved
143 subdivisions have submitted a Geotechnical Evaluation and completed all
144 associated mitigation requirements under this section.

146 D. The Restricted Landslide Area designation may be removed from a lot or a
147 portion of a lot if the owner(s) submits to the City a geotechnical evaluation which
148 demonstrates to the satisfaction of the Municipal Administrator that such property
149 is not subject to a moderate or high risk from landslide or other significant soil
150 movement.

152 Removal of the Restricted Landslide Area designation does not mean that the
153 given land is not at risk for landslide-related damage. Removal recognizes there
154 is sufficient analysis and/or mitigation to allow lifting the special requirements and
155 limitations of this Chapter.

157 E. A Geotechnical Evaluation shall not be required for a Commercial Use project
158 where major foundation construction work, properly permitted, had begun on the site
159 prior to the site being designated to be in a Restricted Landslide Area, provided,

- 161 1. Such major foundation's construction was essential to the project's
162 structural integrity.
- 163 2. Designation of the site as within a Restricted Landslide Area was based
164 solely on City geotechnical risk mapping under section 20.01.020(A)(1), of
165 this ordinance and,
- 166 3. A Certificate of Occupancy for the project is issued within two years of
167 initial foundation permit approval.

169 **20.01.040 Waiver of Geotechnical Evaluation**

170 A. Owner(s) of property located in a Restricted Landslide Area will be eligible for
171 waiver of the requirement for a Geotechnical Evaluation under this chapter. A
172 waiver approved by the City under this section requires execution of a land-use
173 covenant as provided in this section.

175 B. High Occupancy Commercial Use projects shall not be eligible for a waiver of the
176 requirement for a Geotechnical Evaluation.

177

178 C. A land-use covenant required under this section shall be executed prior to the
179 commencement of construction or site alteration, shall be signed by the owner(s)
180 of the property, shall be notarized, and shall be a covenant running with the land.
181 The terms of the covenant shall be tailored to reflect specific site conditions,
182 project features, and commitments, but shall include at least the following:

- 183 1. A legal description of the property;
- 184 2. A copy of any relevant geotechnical data;
- 185 3. A commitment by the owner(s) to maintain the site in such condition and
186 such manner as will prevent harm to the public, to residents of the
187 property, to nearby property, to streets, alleys and drainage facilities;
- 188 4. The application date, type, and number of the permit or approval for which
189 the covenant is required;
- 190 5. Acknowledgement that the owner(s) understand and assume the risk of
191 development and release the City from any claim for losses that are not
192 caused by the City's own negligence;
- 193 6. Indemnification of the City and its officers, employees, contractors, and
194 agents from any claims arising from landslide hazards or failure of the
195 owner(s) to comply with the covenant;
- 196 7. A waiver and release of any right of the owner(s), the owner's heirs,
197 successors and assigns to assert any claim against the City and its
198 officers, employees, contractors and agents by reason of or arising out of
199 issuance of the permit or approval by the City for the development on the
200 property, or arising out of any inspection, statement, assurance, delay, act
201 or omission by or on behalf of the City related to the permit or approval or
202 the work done thereunder, and agreeing to defend and indemnify the City
203 and its officers, employees, contractors and agents for any liability, claim
204 or demand arising out of any of the foregoing or out of work done or
205 omitted by or for the owner(s), except in each case only for such losses,
206 claims or demands that directly result from the sole negligence of the City;
207 and
- 208 8. By way of the land-use covenant, inform future purchasers and other
209 successors and assignees of the risks and of the advisability of obtaining
210 insurance in addition to standard homeowner's insurance to specifically
211 cover the risks posed by development in a Restricted Landslide Area,
212 including risk of damage from loss of use, personal injury and death
213 resulting from soil and water movement.

214 D. The land-use covenant shall be recorded by the City at the State Recorder's
215 Office within the Department of Natural Resources for the Sitka Recording District, at
216 the expense of the owner(s), so as to become part of the State of Alaska's real property
217 records.

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

221
222 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
223 Alaska this 27th day of June, 2017.

224

225

226

227

Matthew Hunter, Mayor

228 ATTEST:

229

230

231 Sara Peterson, CMC

232 Municipal Clerk

233

234 1st reading 6/13/17

235 2nd reading 6/27/17



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey
Richard Parmelee

Tuesday, February 21, 2017

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Chair Spivey called the meeting to order at 7:02 PM.

Present - Spivey, Windsor, Pohlman, Hughey, Knox (Assembly Liaison)

Absent - Parmelee

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A Approval of the February 7, 2017 minutes.

Windsor/Pohlman moved to APPROVE the February 7, 2017 meeting minutes.

Motion PASSED 4-0.

IV. PUBLIC BUSINESS FROM THE FLOOR

V. PLANNING DIRECTOR'S REPORT

VI. REPORTS

B Planning Regulations and Procedures.

VII. THE EVENING BUSINESS

C Discussion and direction regarding a Critical Areas Ordinance.

Planning and Community Development Department (PCDD) Director Bosak gave a brief overview of the August 18, 2015 landslides and the research and regulatory actions that followed. The proposed critical areas ordinance would become part of Title 20. Bosak introduced municipal legal staff.

Municipal Attorney Brian Hanson introduced himself and stated that the development of this ordinance resulted from a long collaborative process.

Hanson stated that outside counsel has been involved in the drafting and review. The document has gone through many versions and has involved numerous municipal departments.

Risk management needs to balance the duties of the municipality to the public. Balance is not easy, but it is very important that the commission consider this ordinance. The city has the general duty to protect the public's safety while also allowing development. Future homebuyers and taxpayers should be considered and be reasonably protected by code. This ordinance provides for the tools of geotechnical analysis and waivers.

Paralegal Reuben Yerkes stated that this ordinance seeks to balance laissez faire government and overly burdensome government. Yerkes gave a brief overview of the definitions within the ordinance draft. Yerkes stated that the definition of "geotechnical evaluation" has undergone particularly extensive consideration. Yerkes drew attention to line 150, which is essentially a grandfathering clause. Yerkes briefly outlined the waiver process. High occupancy commercial projects shall not be eligible for a waiver.

Commissioner Hughey asked for clarification on reasonable requirements for a waiver. Hanson stated that the ordinance provides direction for each waiver to be individually developed. Hanson stated that blind waivers are disfavored while circumstance-specific waivers have more strength when landowners clearly acknowledge that they have been properly informed. Yerkes stated that the waiver provides a pressure release valve. Bosak stated that people have differing views on the role of government, but one role is clearly to inform the public.

Commissioner Pohlman asked about impacts on downhill owners who are not in a moderate or high risk area – could an uphill owner with a waiver be liable for downhill damages? Yerkes stated that no code could truly address those "act of God" concerns. Hanson stated that the waiver does not confer liability. The waiver works to protect the municipality from financial liability. Chair Spivey asked if the city granted a waiver to a property above, and a landslide goes through the upper property to a property below, could the lower property owner sue the city. Yerkes drew attention to line 65, which states that the waiver is not in lieu of other code requirements. Spivey asked if the property developed with a waiver is the cause of the slide, would the city be liable for the damages to downhill properties because the city granted the waiver. Hanson stated that the municipality would be covered under municipal immunity.

Vice-Chair Windsor asked for clarification on "high occupancy commercial use," and Bosak clarified that those are building code abbreviations and not zoning abbreviations. Yerkes stated that R-1 is housing for transient occupancy.

Pohlman asked how line 72 is defining "locations damaged by previous landslides." Pohlman stated that one insurer she spoke with would consider proximity as being within 5 miles of a previous landslide, which would be problematic in Sitka. Yerkes stated that general consensus of the existence of a landslide indicates that it is valid, in addition to geotechnical analysis.

Pohlman asked if neighboring property owners would receive notice of a

waiver and for clarification on the public process for informing the public of mapping. Windsor pointed to 20.01.020(A)2 to indicate that even properties outside the medium and high risk zones would be impacted. Hanson stated that public notice requirements are not currently in this ordinance.

Spivey asked how much this code mimics Juneau's and other community's codes. Yerkes stated that there isn't a lot to compare to, but Juneau, Seattle, and Snohomish were analyzed. Hanson stated that there haven't been any court cases in Alaska to back up the enforceability of such a waiver. Washington has found such waivers enforceable, but Alaska is yet to be determined. Spivey asked if any of Juneau's waivers have been tested in court, and Hanson stated that this is new to everyone in Alaska. Hanson stated that outside counsel conducted a nationwide review. Hanson stated that people on the east coast develop on beaches and people in the midwest develop on the Mississippi River. Hanson stated that society has become more litigious.

Assembly Liaison Knox asked about the burden of acceptance of knowledge, and what happens when the property is transferred. Hanson stated that the detailed covenant would be required to be recorded with the land record. Knox asked if this ordinance could be a model to use for other types of hazards. Hanson stated yes, but it should be individualized for the specific hazard at hand.

Hughey clarified that property owners could obtain a waiver and proceed with development, and Yerkes stated yes so long as other code provisions are met.

Pohlman asked about line 89, and stated concern that a lot line could be moved to put one property in a different risk zone. Scarcelli and Bosak stated that boundary line adjustments are typically done to resolve neighbor boundary disputes. Scarcelli clarified that the subdivision code currently allows flexibility for staff to require geotechnical analysis when deemed appropriate.

Hughey asked if a portion of the lot is in a specific risk zone, is the entire lot in that zone. Yerkes stated yes. Hughey asked if this may change, and Hanson clarified that the current ordinance draft would place the lot in the higher risk zone.

Pohlman asked why line 140 places the responsibility on the Administrator instead of others. Hanson and Bosak stated that this is consistent with the rest of code.

Spivey stated concern for how the waiver would impact the ability for a property purchaser to obtain financing. Spivey stated that he also wanted to receive input from title companies. Spivey stated that he thinks the cart is going before the horse since mapping has not been completed, but the ordinance makes sense. Hughey stated that he thinks this ordinance is good work. Windsor stated that staff did a good job drafting this. Bosak stated that some mapping has been completed, so the commission should move forward in order to determine the appropriate development for those areas. Windsor asked about treatment of unmapped properties. Yerkes pointed to line 72 which addresses unmapped areas.

Hughey asked if there are engineers in Sitka who could conduct the analysis.

Public Works Director Harmon stated that there are no geotechnical professionals in town, and it is a specialized field. The municipality has used professionals based in Washington. Harmon stated that there is so much anecdotal evidence, but his department will require solid data before it places restrictions on owners. Hughey asked about the cost. Harmon stated that there are different levels of analysis, which could begin at \$25,000-\$50,000. Harmon stated that if a higher risk area is just a corner of the lot, basic geotechnical analysis could more economically determine risk. Spivey asked if staff would help individuals connect with professionals, and Harmon stated yes.

Pohlman stated concern with the grandfather clause on line 150. Scarcelli stated that zoning code currently has provisions for legal nonconforming uses. Pohlman asked about why line 156 is so specific, and Hanson stated that he would research and provide an answer.

Administrator Gorman stated his satisfaction that this ordinance is moving forward, and stated that this would ideally be in place before mapping is completed and owners have questions on how to move forward.

Bosak stated that the commission could ask for public comment or give direction on desired changes.

Andrew Friske stated that he owns 420 Kramer Avenue. Friske stated support for the waiver. Friske stated that he and neighbors have searched for a geotechnical professional, and they only found one licensed in Alaska. Friske stated that the professional believed he could plan mitigation, with plans running at least \$40,000. Actual mitigation would likely exceed \$500,000. Friske stated that he is unsure if many property owners could afford the analysis and mitigation. Friske stated that Sitka has many properties in the tsunami risk zone, and property owners need to have options.

Pohlman stated that line 104 would result in an undue burden if there is only one firm conducting this research that is licensed in Alaska. Harmon stated that the professional engineer planning the mitigation must be licensed in Alaska to practice in Alaska, and a pass-through arrangement is not an option. Harmon stated that it is easy to obtain licenses in multiple states if there is sufficient work available. Harmon addressed line 156 and stated that the cited section is the mapping section only. A property cannot be grandfathered in if a slide has occurred within 150 feet, but mapping is a bit more abstract.

Pohlman asked about the timeline for mapping. Spivey asked if the commission could see a preliminary map. Bosak stated no, that the city is not paying for the study, and the city is on the DGGs timeline. Bosak stated that a lot of Sitka is going to be in a risk zone, and she anticipates receiving maps in approximately a year. Pohlman questioned releasing land for sale as discussed during the Comprehensive Plan process prior to the mapping being released. Hughey stated that we could make a layman's guess at low-risk areas to release. Windsor stated his support for the ordinance.

Bosak stated that this should receive Planning Commission approval before going to the Assembly. Spivey stated that he would like to do research and see this at the next meeting. Bosak stated that this will be on the next agenda, and we'd be looking for a motion at that meeting.

D

Discussion and direction on the framework for process, analysis, and

conditions regarding short-term rentals on boats in municipal harbors.

Bosak gave an overview of the history of short-term rentals on boats. Bosak outlined the review process that has been approved by the Port and Harbors Commission. Bosak stated that applicants would meet with USCG to meet their requirements before coming to the municipality. Port and Harbors Commission would hear the request before it comes to the Planning Commission. Notice will be expanded to nearby slip renters and will include on-site notice. Windsor stated that he felt comfortable with applicants beginning with Coast Guard review. Spivey stated that the applicants would have all their ducks in a row at that point. Bosak stated satisfaction at the collaboration between Port and Harbors Commission and Planning Commission.

Hughey/Windsor moved to APPROVE the review process for short-term rentals on boats.

Motion PASSED 4-0.

VIII. ADJOURNMENT

Spivey stepped down to make a public comment. Spivey stated that he manages a property in the Central Business District, and stated support for a joint municipal/state/private venture to build a parking garage behind the judicial building. Spivey stated that the municipality does not have adequate impound space. Perhaps a Rasmusson grant or other funding sources could be utilized. Building on this lot would not impact green space or views when compared with other possible locations. Spivey asked staff to consider and review the possibility of a joint parking structure project.

Bosak reminded the commission that another meeting is scheduled for Monday, February 27th at 7 PM.

Chair Spivey adjourned the meeting at 9:00 PM.

ATTEST: _____
Samantha Pierson, Planner I



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey
Richard Parmelee

Tuesday, March 21, 2017

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Chair Chris Spivey called the meeting to order at 7:00 PM.

Present: Spivey, Windsor, Pohlman, Parmelee
Absent: Hughey (excused), Knox (Assembly Liaison)

II. CONSIDERATION OF THE AGENDA

Parmelee/Spivey moved to TABLE items III.A and III.B to the end of the meeting.

Motion PASSED 4-0.

III. CONSIDERATION OF THE MINUTES

A Approval of the February 27, 2017 meeting minutes.

B Approval of the March 7, 2017 meeting minutes.

IV. PUBLIC BUSINESS FROM THE FLOOR

No public business.

V. PLANNING DIRECTOR'S REPORT

Senior Planner Scarcelli reminded commissioners to submit their financial disclosures to the Municipal Clerk. Scarcelli stated that staff have a call with Smart Growth America on Friday and reported that Shee Atika's subdivision was approved by the Assembly. Scarcelli stated that the early May meeting will be moved to Wednesday, May 10 and will be a Comprehensive Plan capstone event. Scarcelli reported that staff are working on updating staff reports.

VI. REPORTS

C Planning Regulations and Procedures.

D Quarterly short-term rental report.

Chair Spivey asked about enforcement of rentals without required conditional use permits, and Senior Planner Scarcelli stated that staff are working with the property owners to bring them into conformance. Commissioner Windsor asked if staff have been able to gather information on long-term rentals. Scarcelli shared data from Alaska Department of Labor and Workforce Development and prior comprehensive plan meetings. Scarcelli stated that vacancy rates are key in understanding housing supply and demand. March 2016 rental vacancy rates were 8% according to ADOLWD. Scarcelli stated that staff will continue to develop the analysis and prepare quarterly reports.

VII. THE EVENING BUSINESS**E** Discussion and direction regarding a Critical Areas Ordinance.

Scarcelli gave an overview of the development of the draft critical areas ordinance. Scarcelli recapped the questions raised by commissioners at the last hearing.

Spivey stated that a local insurance agent stated that they will not insure properties in high landslide risk zones. Spivey stated that homeowner's insurance forced placed through the bank is much higher than through an insurance agency. Spivey stated that potential flood and landslide concerns could result in some people not qualifying for lending. Scarcelli stated that the risk mapping will move forward regardless of this ordinance's progression. Spivey stated that if a customer opted out of the municipal requirements, they would not qualify for homeowner's insurance. Commissioner Pohlman stated that she spoke with an insurance representative who used a 5 mile radius from a known slide as determining potential risk. Spivey stated that he only spoke with one insurance company, although they often use similar methodologies. Windsor stated concern for homeowners who are barely making it by and are then required to pay more for insurance. Scarcelli gave the commission their options and recommended that they move forward with a motion. Pohlman stated that it doesn't appear that insurance companies have adapted since the Kramer landslide in 2015. Spivey stated that large insurance companies often operate from broad rules and don't consider unique circumstances.

Terry Friske spoke on behalf of his son Andrew Friske, and asked if any progress has been made on the pressure relief valve waiver as discussed in the last meeting. Spivey stated that we're still trying to figure this out via this discussion. Friske asked if the insurance company is not willing to work with property owners, then where does that leave homeowners? Scarcelli stated that the waiver would be the pressure relief valve. Friske asked if people would need to go through insurance first, and Spivey said no and that the commission just wanted to get more information. Windsor stated that this ordinance is for new construction. Paralegal Reuben Yerkes stated that the waiver is intended toward new construction, but it could impact individuals such as Friske who have permits pending. Friske asked about the process and Scarcelli explained that the Assembly would hear the item once the Planning Commission makes a recommendation.

Spivey asked if staff have determined anything about impacts on downhill

owners. Scarcelli stated that the building department currently requires studies and mitigation when they deem necessary. Scarcelli stated that the draft ordinance doesn't give 100% protection to anyone. Spivey asked if there would be any notice given to adjacent owners and Scarcelli stated no. Yerkes stated that staff had lengthy discussion about notice. Yerkes stated that the waiver is between the city and the signing property owner. The waiver is not the ideal vehicle for harnessing concerns of nearby properties. Yerkes stated that existing code addresses impacts on downhill properties in regard to such concerns as drainage. Pohlman stated that drainage issues do exist in Sitka, and equations are used to determine appropriate drainage. Pohlman questioned whether these equations have been shown to be appropriate for Alaska. Yerkes stated that this ordinance is simply enabling language to give property owners a path toward development.

Windsor stated that he can't see anything to add or subtract from the ordinance. Parmelee stated that more information would be helpful but was overall supportive of the ordinance. Pohlman stated that there's nothing in this ordinance that precludes the city from helping the small handful of homeowners who were impacted by the 2015 landslides. Commissioner Parmelee asked if staff could work with property owners prior to the passage of the ordinance. Yerkes stated that code does provide for appropriate geotechnical analysis requirements, and some homeowners would be stopped without a waiver. Parmelee stated that the commission should move forward with this if staff is comfortable with it. Scarcelli stated that each staff member would have a range of views and concerns, but this ordinance is a middle of the road approach and could be one tool among many. Yerkes stated that the city has to balance laissez faire government with interventionist government. Scarcelli encouraged commissioners to raise questions. Pohlman stated that information on insurance accessibility is necessary. Windsor asked what would happen if the ordinance doesn't go through. Yerkes stated that the city must use the municipal code, but it is hard to make a determination on hypothetical scenarios. Scarcelli stated that the building department currently requires geotechnical analysis when they determine it to be necessary. There are pros and cons to each option. Spivey stated that he would like to get more information but understands the need to get something on the books. Spivey wants to know more about the impacts of waivers on property owners who receive them. Yerkes stated that the city does not make insurance decisions. Spivey asked that if this ordinance passes the city could do some homework to find insurance companies to be willing to provide coverage with waivers. Scarcelli stated that he is willing to do what he can to gather information. Yerkes questioned the helpfulness of surveying insurance companies with hypothetical scenarios. Pohlman asked if any staff have called any insurance companies. Windsor asked what the difference is going to be – if a property is high risk, the insurance company will not insure it with or without a waiver. Windsor stated that property owners should have options. Spivey stated that he is fine moving forward but he would like for further inquiry to occur into insurability.

Windsor/Parmelee moved to direct city staff to research and report on the potential impact the waiver would have on potential insurability and finance-ability.

Motion PASSED 4-0.

F

Public hearing and consideration of a preliminary plat for a planned unit

development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation.

Scarcelli stated that the property was sold to Sitka Community Land Trust for the development of affordable housing. This is the preliminary approval hearing for the planned unit development. The plat shows maximum building footprint. The zone allows 24 units per acre, and the proposal is for 5 units per acre. Some of the lot is not buildable. DOT has requested that SCLT work with them as soon as possible on driveway and drainage permits. Parking would be provided at the rate of 1.5 spaces per dwelling unit. Staff recommend approval subject to conditions of approval.

Mim McConnell represented SCLT and introduced architect Ben Kraft. Windsor stated that he sees 9 parking spaces instead of 11, and Scarcelli clarified that Windsor was referencing a previous proposal. Parmelee asked about the area behind the proposed lots, and McConnell stated that most of it is rock wall. Parmelee stated concern for setback reductions. Scarcelli outlined setback requirements. McConnell stated that they may not build houses out to the maximum footprint. Spivey asked if SCLT is aiming for "tiny homes." McConnell stated that the homes will be small but will not be actual tiny homes. Spivey stated that he's not sure if he's comfortable with 5 and 10 foot setbacks. Parmelee stated support for small lots. Windsor called point of order.

No public comment.

Parmelee stated that he thinks small lots, reductions in setbacks, and loosening of building lot coverage percentages make sense for Sitka. Spivey stated concern with 5 and 10 foot setbacks. Parmelee stated that smaller lots can make housing more affordable.

Ben Kraft stated that the setbacks are based on cottage developments in other communities, and the planned unit development allows flexibility. Kraft stated that there will be 12-13 feet between most houses.

Parmelee/Windsor moved to **APPROVE** the preliminary plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust subject to the attached conditions of approval. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is Sitka Community Development Corporation.

Conditions of Approval:

1. A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
2. Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
3. Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
4. The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
5. Any grading or geotechnical work performed or required on the property

shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.

6. Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition, CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.

7. Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to use of any driveways, parking lots, or access points.

Motion PASSED 3-1.

Parmelee/Windsor moved to APPROVE findings that:

- a. That the proposed planned unit development complies with the comprehensive plan by providing for the enhancement of the quality of life in Sitka through the development of affordable housing options; and
- b. That the PUD would not be injurious to public health, safety, and welfare as conditioned.
- c. That the proposal complies with procedures outlined in Titles 21 and 22 of Sitka General Code.

Motion PASSED 4-0.

G

Public hearing and consideration of a conditional use permit request for a short-term rental at 1820 Edgecumbe Drive. The property is also known as Lot 12C Standerwick Subdivision. The request is filed by Zachary and Jacqueline Foss. The owners of record are Zachary and Jacqueline Foss.

Pierson described the request. The unit is on the second story of an attached garage and is inhabited by a long-term renter. The owners live in the attached primary unit. The applicants request to rent the apartment while the long-term renter is out of town. Access is from an easement and the lot is greater than the minimum square footage. No comments have been received. Staff recommend approval.

Jacqueline Foss stated that the staff report was accurate.

No public comment.

Spivey stated appreciation that this wouldn't take a unit away from the long-term rental pool.

Pohlman/Windsor moved to APPROVE findings that:

1. ...The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, the short-term rental will operate periodically while the long-term renter travels.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to

accommodate visitors that do not impact surrounding residential neighborhoods any more than typical residential uses.

3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced, specifically, through the provision of a rental overview.

Motion PASSED 4-0.

Pohlman/Windsor moved to **APPROVE** the conditional use permit application for a short term rental at 1820 Edgecumbe Drive subject to the attached conditions of approval. The property is also known as Lot 12C Standerwick Subdivision. The request is filed by Zachary and Jacqueline Foss. The owners of record are Zachary and Jacqueline Foss.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
8. Owners shall provide renters with a brief rental overview including respecting the residential neighborhood and regarding directions and traffic circulation patterns to mitigate any potential traffic impacts.
9. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

Motion PASSED 4-0.

H

Public hearing and consideration of a conditional use permit request for a short-term rental at 112 Toivo Circle. The property is also known as Lot 7 Fleming Subdivision. The request is filed by John and Alison Dunlap. The owners of record are John and Alison Dunlap.

Pierson described the request. The house is listed for sale and the owners seek to rent the unit short-term until the house is sold. The unit is a 3 bedroom 3 bathroom single-family structure. Access is from a city street and parking is sufficient. Staff recommend approval. Scarcelli clarified that the permit would carry over to the new owner but would expire if the permit was not used. Scarcelli stated that conditional use permits run with the land.

Applicant was not present.

Susanne Shaye stated concern for precedent of granting the rental on the small street with no secondary way out, dust on the dirt road, and bears. Bruce White of 105 Toivo Circle stated concern for a lack of information in the notice. White stated that the road is tight and there is no on-street parking. White questioned if the permit would be a way to sweeten the pot for potential owners. White stated concern for changing the atmosphere of the neighborhood. Sheila Finkenbinder stated she has owned a home that is rented long term and listed for sale at the same time, and it is difficult.

Pohlman/Parmelee moved to POSTPONE to the third Tuesday of April.

Motion PASSED 4-0.

BREAK 8:50 - 9:00

I Public hearing and consideration of a conditional use permit for an accessory dwelling unit at 415 DeArmond Street. The property is also known as Lot 12 and a portion of Lot 11 Block 26 Spruce Glen Subdivision. The request is filed by Sheila Finkenbinder. The owner of record is Sheila Finkenbinder.

Pierson described the request. The request for an accessory dwelling unit requires a conditional use permit because the lot has a variance, the units would access from separate streets, and the unit would be in addition to a duplex. The property is bounded on one side by multi-family housing and on the other by a zero-lot line that accesses from both DeArmond and Andrews Streets. The applicant has spoken with Public Works about new utilities and access. The owner occupies one unit and has a conditional use permit for a bed and breakfast in that unit. Conditions of approval would be that fencing would remain in place except where necessary to be removed for access, that the owner would occupy one unit, and that operations would be in line with plans submitted. Staff recommend approval.

Finkenbinder stated that she's okay with the conditions of approval but has some concern about the fencing as she is the only property in the neighborhood with fencing.

Windsor stated that he thinks it's a perfect idea. Spivey stated that it's a unique situation and he's for it.

Windsor/Pohlman moved to APPROVE findings that:

1. ...The proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity, specifically, that the neighborhood is currently developed with single family and multifamily properties; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, that the required parking is provided, fencing provides screening, and utilities will be installed consistent with Public Works requirements.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, request conforms to Comprehensive Plan Section 2.2.16 which states, "Improve the

availability of affordable housing, both long-term and short-term, to accommodate working families, seasonal workers, and students” by creating an additional dwelling unit.

3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced, specifically, one unit shall be inhabited by the owner to ensure that operations maintain neighborhood harmony and fencing shall be maintained for the life of the ADU to maintain the appearance of a single-family property.

Motion PASSED 4-0.

Windsor/Parmelee moved to **APPROVE** the conditional use permit application for an accessory dwelling unit at 415 DeArmond Street subject to the attached conditions of approval. The property is also known as Lot 12 and Portion of Lot 11 Spruce Glen Subdivision. The request is filed by Sheila Finkenbinder. The owners of record are Sheila Finkenbinder.

Conditions of Approval:

1. The facility shall be operated consistent with the application, plans, and narrative that were submitted with the request.
2. One unit shall be inhabited by the owner to ensure that operations maintain neighborhood harmony.
3. With the exception of the necessary access point from Andrews Street, fencing shall remain throughout the life of the ADU to maintain the appearance of a single-family property.

Motion PASSED 4-0.

J

Public hearing and consideration of a conditional use permit for a marijuana cultivation operation at 1210 Beardslee Way. The property is also known as Lot 1B Mick's Resubdivision. The request is filed by Justin Brown for AKO Farms LLC. The owner of record is Martin Enterprises, Inc.

Scarcelli explained the location. The building would be built to submitted plans if the permit was approved. This permit is only for cultivation, although the applicant plans to eventually apply for other permits. Scarcelli stated that the submitted state application addresses such concerns as diversion, odor control, and security. Staff recommends approval.

Justin Brown stated that the state application packet is comprehensive, and Spivey agreed that the application was thorough.

No public comment.

Spivey stated appreciation for submission of the state application with the city application.

Pohlman/Windsor moved to **APPROVE** findings that that there are no negative impacts present that have not been adequately mitigated by the attached conditions of approval

Motion PASSED 4-0.

Pohlman/Parmelee moved to **APPROVE** the conditional use permit request filed by Justin Brown for AKO Farms, LLC marijuana cultivation at 1210 Beardslee

Way, in the Industrial zoning district subject to the 12 attached conditions of approval. The property is also known as Lot 1B Mick's Resubdivision. The owner of record is Martin Enterprises, Inc.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved Conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking and traffic circulation plan.
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The permittee shall report, annually, to the planning commission on gross sales, sales tax amounts, complaints, police or other law or regulation enforcement activity, and summary of operations.
12. The permit is subject to review should there be a meritorious complaint, impact to public health safety or welfare, or violation of a condition of approval. The review may occur at the discretion of the Planning Director or by motion of the Planning Commission to address meritorious issues or complaints that may arise. During this review, based on the evidence provided, existing code and conditions of approval, the permit may be amended or revoked to address impacts to public health, safety, and welfare.

Motion PASSED 4-0.

K

Public hearing and consideration of a preliminary plat of a minor subdivision at 180 Price Street. The property is also known as Tract 1B Mountain View Phase II Subdivision. The request is filed by Jeremy Twaddle for Mountain View Estates. The owner of record is Mountain View Estates, LLC.

Spivey stated that he has a business relationship with the applicant but believed that he could participate fairly. The commission allowed him to

participate.

Scarcelli described the property, previous subdivisions of the land, and this minor subdivision request. Three lots would access via an easement to Molly Lane and one would continue to access from Price Street. The applicant proposes height restrictions for resulting lots 1-3 to protect views of houses on Molly Lane. Other city staff have raised concerns for development constraints of a small net size on lot 1, but the applicant intends this lot for a small house. Molly Lane is substandard, so additional access from this street should be considered. Overall, staff recommends approval subject to conditions of approval. Windsor asked if a future owner could get a variance for the proposed height restrictions. Scarcelli stated no, that these restrictions are a private agreement and could only be changed by all involved parties agreeing to a plat modification. Scarcelli stated that if the commission wished, a plat note could be included to state that no variances shall occur. Pohlman stated concerns for setback reduction variances.

Jeremy Twaddle came forward. Spivey asked if Twaddle plans on a guardrail for safety on the narrow access easement. Twaddle stated that they have not, but they would address that at the construction phase as opposed to the platting phase. Twaddle stated that lots 7, 8, and 9 stair step up the hill. Twaddle stated that he met with the owners of those lots and determined maximum heights for development on the new lots that would be acceptable to the owners. Scarcelli pointed out that Twaddle is voluntarily making the height limitations. Twaddle asked for clarification on proposed condition of approval 3. Scarcelli discussed the applicant's options regarding referenced agreements and the inclusion of mobile home park lines on the plat. In regard to condition of approval 4, Twaddle stated he had no problems putting dashed lines on the plat but didn't want to restrict himself or give away property rights.

No public comment.

Pohlman stated interest in adding a condition of approval that no variances be granted. Scarcelli gave some options. Pohlman stated that she does not find a basis for future variances.

Twaddle stated that understands but considers the condition of approval regarding variances to be nitpicky and onerous. Pohlman stated that there have been variances on nearby properties and she would not like to see that continue. Twaddle stated that he understands if this condition will be placed on all future subdivisions. Windsor stated that the commission has been discussing reducing variances.

Pohlman/Parmelee moved to APPROVE findings:

- a. That the proposed minor subdivision preliminary plat complies with the comprehensive plan by providing for the development of additional developable property with suitable access and utilities;
- b. That the proposed minor subdivision preliminary plat complies with the Subdivision Code as conditioned; and
- c. That the minor subdivision preliminary plat would not be injurious to the public health, safety, and welfare and further that the proposed Plat Notes and Conditions of Approval protect the harmony of use and the public's health, safety and welfare.

Motion PASSED 4-0.

Pohlman/Windsor moved to **APPROVE** the minor subdivision preliminary plat of Mountain View Phase III Subdivision. This approval is subject to the attached conditions of approval. The request is filed by Jeremy Twaddle, Managing Partner for Mountain View Estates, LLC. The owner of record is Mountain View Estates, LLC.

Conditions of Approval:

1. All applicable subdivision regulations, including but not limited to 21.12.010, 21.12.030, 21.32.160, and 21.40, be followed and any deviations from code be corrected prior to recording of the final plat (e.g. flagging, easements, easement area details, any note language requiring minor amendment, and monumentation).
2. That the agreements regarding easements, maintenance, and building restrictions be referenced by a plat notation, and also recorded.
3. That the owners of adjacent Lot 9 and 10, who have a subservient property interest in the existing access and utility easements, agree and be a party to all future agreements regarding those existing access and utility easements.
4. All existing trailer site lines shall be detailed on the revised plat for the project or some form of site plan or agreement shall be recorded to secure and clarify existing tenants' property rights as they relate to trailer sites on Lot 4.
- 5) The commission currently finds no factual basis for future setback variances.

Motion PASSED 4-0.**L**

Public hearing and consideration of a platting variance for substandard lot dimensions at 422 and 430 Kogwanton Street. The properties are also known as Lots 47A and 113 of Baranof Island Housing Authority Subdivision No. 1 and Portion of Lot 47 Block 2 US Survey 2542. The request is filed by Baranof Island Housing Authority. The owners of record are Baranof Island Housing Authority and William Anderson.

Pierson described the request. The intent is to clear up an encroachment so 430 Kogwanton can be sold. Three legal lots exist but act as two lots. One lot is 53 square feet and unbuildable. The variance is required because the resulting lots will be less than required development standards. Two houses are constructed on the lots and are under separate ownership. The proposal would move lots toward conformance by clearing up an encroachment and dissolving a small unbuildable lot. At the time of the demolition and reconstruction of 422 Kogwanton in 2010, the State Historic Preservation Office gave the project a designation of "No Historic Properties Affected." Scarcelli clarified that a small encroachment would still exist on an adjacent lot owned by Mr. Anderson. Scarcelli stated that the owners have done a fair job of clearing up encroachments but a small encroachment would still exist. This is the opportunity to get things cleaned up.

Cliff Richter represented Baranof Island Housing Authority. Don Anderson represented 430 Kogwanton Street. Richter stated that the purpose of the replat is to be able to sell 422 Kogwanton. Richter stated that it would be a significant cost difference to include the additional lot in the replat.

No public comment.

Spivey stated that it's a significant extra cost to correct an encroachment on one's own property.

Pohlman/Parmelee moved to APPROVE findings:

- 1) That the proposed replat complies with the Comprehensive Plan and Sitka General Code Titles 21 and 22 by moving the property toward code conformance;
- 2) The tract to be subdivided is of such unusual size and shape or topographical conditions that the strict application of the requirements of this title will result in undue and substantial hardship to the owner of the property, specifically, that existing lots are 53, 3058, and 2726 square feet in a zone with a minimum square footage of 8000 square feet; and
- 3) That the replat would not be detrimental to the public safety, or welfare, or injurious to adjacent property.

Motion PASSED 4-0.

Pohlman/Parmelee moved to APPROVE the platting variance request for 422 and 430 Kogwanton Street. The replat would merge three lots into two lots. The properties are also known as Lots 47A and 113 of Baranof Island Housing Authority Subdivision No. 1, Portion of Lot 47 Block 2 US Survey 2542. The request is filed by Baranof Island Housing Authority. The owners of record are Baranof Island Housing Authority and William Anderson.

Motion PASSED 4-0.

M

Public hearing and consideration of a subdivision replat at 422 and 430 Kogwanton Street. The properties are also known as Lots 47A and 113 of Baranof Island Housing Authority Subdivision No. 1 and Portion of Lot 47 Block 2 US Survey 2542. The request is filed by Baranof Island Housing Authority. The owners of record are Baranof Island Housing Authority and William Anderson.

Pierson described the request. The intent is to clear up an encroachment so 430 Kogwanton can be sold. Three legal lots exist but act as two lots. The approved variance is required because the resulting lots will be less than required development standards. Two houses are constructed on the lots and are under separate ownership. The proposal would move lots toward conformance by clearing up an encroachment and dissolving a small unbuildable lot. At the time of the demolition and reconstruction of 422 Kogwanton in 2010, the State Historic Preservation Office gave the project a designation of "No Historic Properties Affected." Staff recommended approval.

Cliff Richter represented BIHA and Don Anderson represented 430 Back (Kogwanton) Street.

No public comment.

Pohlman/Windsor moved to APPROVE findings:

- 1) That the proposed replat complies with the Comprehensive Plan and Sitka General Code Titles 21 and 22 by moving the property toward code conformance;
- 2) That the existing lots are substandard sized with existing encroachments

and the proposed replat moves the properties toward code conformity; and
3) That the replat would not be injurious to public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Parmelee moved to **APPROVE** the replat request for 422 and 430 Kogwanton Street. The replat would merge three lots into two lots. The properties are also known as Lots 47A and 113 of Baranof Island Housing Authority Subdivision No. 1, Portion of Lot 47 Block 2 US Survey 2542. The request is filed by Baranof Island Housing Authority. The owners of record are Baranof Island Housing Authority and William Anderson.

Motion PASSED 4-0.

N

Public hearing and consideration of a variance request for 205 Crabapple Drive. The request is for the reduction of the front setback from 20 feet to 10 feet for the construction of a carport. The property is also known as Lot 23 Lakeview Heights Subdivision. The request is filed by Aaron and Emily Routon. The owners of record are Aaron and Emily Routon.

Pierson described the request. The applicant previously received a variance for a reduction in the front setback from 20 to 16 feet and the side from 8 to 6 feet. After the approval, the applicant determined that he had to modify his plans and is now requesting a front setback reduction from 20 feet to 10 feet. Pierson stated that alternative configurations are possible, the lot is relatively flat, and staff recommend denial. Scarcelli explained that in previous jurisdictions where he worked, zero variances were granted. The fair thing to do is not to grant variances but to change development standards across the board. Scarcelli clarified that plans state an 8 foot setback but written communication says 10 feet.

Aaron Routon clarified that the request is for 10 feet. Spivey noted that there is also a carport and asked why he doesn't build toward the back. Routon stated that the soil is poor and costs were higher than budgeted. Routon stated that he did not want to block his neighbor's view of Mt. Edgecumbe. Routon read signed statements of support from neighbors. Routon stated that approximately six feet is undeveloped between the pavement and his property line. Pohlman asked if there were any neighbors who did not support the project and Routon said no. Routon stated that Comprehensive Plan Section 2.4.1 supports his proposal. Routon stated that 7 of the 9 houses on the road have carports. Routon said the carport would be see-through.

Cliff Richter stated that BIHA interacts a lot with families who move to town and can't find housing. Families sometimes that they need to move up and can't find affordable housing for the next step.

Pohlman asked if 207 Crabapple has a variance. Pierson explained that it is possible that the structure predates setback requirements. Windsor asked why be strict on this application as compared with others. Scarcelli stated that he has made it clear that he is against variances, and the fair thing to do is change development standards. Scarcelli stated that the commission denied a 12 foot front setback for Clyde Bright. Level of community support is not a legal basis to support a variance. Pohlman stated concern for the neighbor's existing carport near the property line, and the applicant is trying to be a good neighbor by protecting the neighbor's view. Pohlman stated that Kogwanton has a lot of

nonconformities. Spivey stated that he's nearly always against front setback reductions because there is usually another way. Spivey stated support for changing development standards across the board. Parmelee stated that the rear of the lot is unbuildable. Pierson reminded commissioners that the prepared findings are in favor of denial of the request. Scarcelli requested that the applicant provide staff with soil analysis information and stated that staff would prepare findings for approval at the next meeting.

Parmelee/Windsor moved to APPROVE the variance request for 205 Crabapple Drive with the conditions that the carport not be enclosed in the future and that the applicant will provide soil information to staff. The variance is for the reduction of the front setback from 20 feet to 10 feet for the expansion of a house and construction of a carport. The property is also known as Lot 23 Lakeview Heights Subdivision. The request is filed by Aaron and Emily Routon. The owners of record are Aaron and Emily Routon.

Motion PASSED 3-1.

VIII. ADJOURNMENT

Spivey adjourned at 10:36 PM.

ATTEST: _____
Samantha Pierson, Planner I



CITY AND BOROUGH OF SITKA

Minutes - Draft

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Debra Pohlman
Randy Hughey
Richard Parmelee

Tuesday, April 18, 2017

7:00 PM

Harrigan Centennial Hall

I. CALL TO ORDER AND ROLL CALL

Chair Spivey called the meeting to order at 7:00 PM.

Present: Spivey, Windsor, Pohlman, Hughey, Parmelee
Absent: Knox (Assembly Liaison) - excused

II. CONSIDERATION OF THE AGENDA

Spivey noted that item L was pulled from the agenda.

III. CONSIDERATION OF THE MINUTES

A Approval of the April 4, 2017 meeting minutes.

Pohlman/Parmelee moved to APPROVE the April 4, 2017 meeting minutes.

Motion PASSED 5-0.

IV. PERSONS TO BE HEARD

No public comment.

V. PLANNING DIRECTOR'S REPORT

B Director's Report - April 18, 2017.

Scarcelli drew attention to the attachments, an economic trends newsletter and county health rankings. Scarcelli stated that Smart Growth America applauded the draft housing chapter of the comprehensive plan. Scarcelli stated that the clerk's office held a recent commissioner training, and future director's reports will include some training components.

VI. REPORTS

C Planning Regulations and Procedures.

D Annual report submitted by Corrie Bosman for a bed and breakfast at 629 Degroff Street. No action required.
No discussion.

VII. THE EVENING BUSINESS

E Approval of findings of fact for a variance request for 205 Crabapple Drive. The request is for the reduction of the front setback from 20 feet to 10 feet for the construction of a carport. The property is also known as Lot 23 Lakeview Heights Subdivision. The request is filed by Aaron and Emily Routon. The owners of record are Aaron and Emily Routon.
Pierson gave a brief recap of the proposal and the motion of approval at the March meeting. Pierson stated that a motion to approve the findings is required for final approval.

Emily Routon came forward to represent the item.

No public comment.

No commissioner discussion.

Windsor/Parmelee moved to adopt and APPROVE the required findings for major structures or expansions as discussed in the staff report.

1. Required Findings for Variances Involving Major Structures or Expansions. Before any variance is granted, it shall be shown:

- a) That there are special circumstances to the intended use that do not apply generally to the other properties, here, that the lot’s soil is of poor quality and restricts cost-effective development;**
- b) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, here, the ability to economically expand an existing home and construct covered parking;**
- c) 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, specifically, that the open carport would minimize view impacts to pedestrians and motorists; and**
- d) That the granting of such will not adversely affect the Comprehensive Plan: specifically, the variance is in line with Comprehensive Plan Section 2.4.1 which states, “To guide the orderly and efficient use of private and public land in a manner which maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations,” by allowing for the cost-effective expansion of a single-family structure in the R-1 zone.**

Motion PASSED 5-0.

F Discussion and direction regarding a Critical Areas Ordinance.

Scarcelli gave an overview of the August 18, 2015 landslide and subsequent actions. Scarcelli stated that insurance and financing questions are

speculative at this point. No insurance agency in Sitka will currently provide difference in conditions (DIC) insurance, although a property in the vicinity of the Kramer slide was able to obtain a DIC policy. Scarcelli stated that he has not heard back from any of the lenders he contacted. Scarcelli stated that the ordinance wouldn't be the source of insurance and finance complications, but those would be more related to the hazard mapping. Staff recommend moving the ordinance forward to the Assembly and listing any concerns. Scarcelli read a memo from Assembly Liaison Kevin Knox encouraging the commission to move the ordinance forward to the Assembly.

No public comment.

Windsor stated that he thinks the ordinance has been well thought out and he's 100% behind it. Hughey stated that the ordinance is about the best we can do. Pohlman stated that she's okay moving forward.

Hughey/Parmelee moved to advance the ordinance to the Assembly with the RECOMMENDATION of approval.

Motion PASSED 3-2 with Spivey and Pohlman voting against.

G

Public hearing and consideration of a preliminary plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation.

Scarcelli stated that the proposal has gone through several approvals and now it is coming forward for final approval before being forwarded to the Assembly for approval. Scarcelli used photos to show the lot, flagging, and the retaining wall. Scarcelli stated that the easement running between the lots have been expanded since the preliminary approval resulting from discussions between the applicant, Planning, and Public Works staff. Density is appropriate for the zone. The property will exceed parking requirements. DOT will require consultation regarding driveway and drainage. Windsor asked about the handling of property tax. Scarcelli stated that taxation of the land will depend in part on the wording of the homeowner agreement. Further, property tax is out of the purview of the Planning Commission and is a business decision of the owner. Scarcelli stated that the lessee of 725 Siginaka Way will pay property tax.

Spivey asked Hughey to recuse himself and Hughey stepped down.

Hughey spoke as the applicant and stated that the homeowners will pay property tax on the land. Hughey stated that he has been working with the vet clinic owners on parking. Hughey stated that the plat outlines the maximum buildable area and the properties will not require variances. Hughey stated that the Sitka Community Land Trust (SCLT) is working on a name for the site and are open to suggestion. Ben Kraft came forward and stated that the front three lots will fit one-bedroom or two-bedroom homes.

Scarcelli read a letter from the owners of the vet clinic, Victoria Vosburg, and Burgess Bauder, who have objections to the parking layout. Scarcelli stated that each property owner is responsible for providing the appropriate amount of parking on their own lot. Scarcelli noted that SCLT is making good faith

efforts to work with their neighbors.

Spivey stated that he has heard from numerous community members that this is not the right approach, and stated his belief that it's not the best use of the property. Parmelee stated that he believed the general consensus was that this is a good use of the property, and stated his only concern is that the property will be aesthetically pleasing. Spivey stated that there's a difference between affordable housing and affordable homeownership. Windsor thinks this is a good test model. Parmelee stated that this model is working well down south. Pohlman stated that she is ready to move forward.

Windsor/Parmelee moved to APPROVE the final plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust subject to the attached conditions of approval. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is Sitka Community Development Corporation.

Conditions of Approval:

1. A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
2. Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
3. Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
4. The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown and noted on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
5. Any grading or geotechnical work performed or required on the property shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.
6. Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition, CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.
7. Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to use of any driveways, parking lots, or access points.
8. All easement, access, and utility agreements shall be approved by Public Works and the Planning and Community Development Department prior to recording. Such agreements shall be referenced on the plat, via a note, and shall be recorded prior to Final Plat being recorded.

Motion PASSED 3-1 with Spivey voting against.

H

Public hearing and consideration of a preliminary plat of a minor subdivision at 180 Price Street. The property is also known as Tract 1B Mountain View Phase II Subdivision. The request is filed by Jeremy Twaddle for Mountain View Estates. The owner of record is Mountain View Estates, LLC.

Spivey stated that he has a business relationship with the applicant but that he

can act fairly.

Scarcelli gave an overview of past plats and the proposed plat. Access to lots 1, 2, and 3 will be from an easement off of Molly Lane. Some concern has been raised for the net size of lot 1. Lot 1 exceeds the 6000 square foot minimum square footage requirement for the C-2 zone. Scarcelli stated that condition of approval #4 in the written staff report should be stricken. Staff recommend approval.

Jeremy Twaddle represented Mountain View Estates. Twaddle stated that a minor change was made to the height restriction on lot 3.

No public comment.

Parmelee/Windsor moved to APPROVE findings:

- a. That the proposed minor subdivision final plat complies with the comprehensive plan by providing for the development of additional developable property with suitable access and utilities;
- b. That the proposed minor subdivision final plat complies with the Subdivision Code as conditioned; and
- c. That the minor subdivision final plat would not be injurious to the public health, safety, and welfare and further that the proposed Plat Notes and Conditions of Approval protect the harmony of use and the public's health, safety and welfare.

Motion PASSED 5-0.

Hughey/Parmelee moved to APPROVE the minor subdivision final plat of Mountain View Phase III Subdivision. This approval is subject to the attached conditions of approval. The request is filed by Jeremy Twaddle, Managing Partner for Mountain View Estates, LLC. The owner of record is Mountain View Estates, LLC.

a. Conditions of Approval:

1. All applicable subdivision regulations, including but not limited to 21.12.010, 21.12.030, 21.32.160, and 21.40, be followed and any deviations from code be corrected prior to recording of the final plat (e.g. flagging, easements, easement area details, any note language requiring minor amendment, and monumentation).
2. That the agreements regarding easements, maintenance, and building restrictions be referenced by a plat notation, and also recorded.
3. That the owners of adjacent Lot 9 and 10, if they have a property interest in the existing access and utility easements, agree and be a party to all future agreements regarding those existing access and utility easements.

Motion PASSED 5-0.

Public hearing and consideration of a conditional use permit for a marijuana consumption lounge at 1321 Sawmill Creek Road Suite K. The property is also known as US Survey 2729. The request is filed for Michelle Cleaver for Weed Dudes. The owner of record is Eagle Bay Inn, LLC.

Scarcelli described the location and tenants of the structure. Marijuana retail was approved for the site and is currently operating. The request is for a marijuana consumption lounge. The state regulating board continues to

postpone approval of guidelines for consumption lounges. Tourist season is near and tourists may not otherwise have a legal place to consume marijuana. Scarcelli stated that he has not heard back from the Municipal Attorney. Scarcelli stated that he does not recommend moving forward until he can discuss the matter with the Municipal Attorney. Scarcelli recommends to postpone the item to the next meeting.

Michelle Cleaver stated that she is trying to do the responsible thing and mitigate marijuana nuisances. Cleaver stated that Seattle is currently experiencing problems with people smoking in public, and she is concerned that tourists will smoke in our parks and on our sidewalks. Cleaver stated that the draft state regulations identify the maximum amount that people can consume on-site. Cleaver stated that a bud tender will monitor consumption levels, and she is considering a shuttle back to town. Scarcelli stated appreciation for Mrs. Cleaver's proactive approach to addressing on-site consumption issues. Scarcelli stated that in his correspondence with the state regulatory office, he has critiqued the slow process. Scarcelli stated he is willing to approve the applicant's building permit prior to conditional use permit approval if she is willing to accept the risk.

Scarcelli read a letter from Gary Smith, who was concerned for exhaust and impacts on the neighborhood.

Windsor/Pohlman moved to POSTPONE this request until the state promulgates rules.

Motion PASSED 5-0.

BREAK 8:08-8:15

J

Public hearing and consideration of a major amendment to a conditional use permit for marijuana cultivation at 4614 Halibut Point Road. The property is also known as Lot 3 Carlson Resubdivision. The request is filed by Aaron Bean for Green Leaf, Inc. The owners of record are Connor and Valorie Nelson.

Spivey stated that he has a business relationship with the property owner but receives no financial gain.

Scarcelli stated that this is a major amendment to an approved marijuana cultivation facility in order to add additional floor space for cultivation. The property has access via easement. Scarcelli stated that staff are not aware of any sensitive uses in the buffer area. Scarcelli stated that staff have not observed odor to be an issue. Green Leaf has two separate conditional use permits, one for cultivation and one for retail. Any future amendment to the retail conditional use permit, such as for on-site consumption, would require Planning Commission approval. Further, any addition to the cultivation conditional use permit would require Planning Commission approval. Staff recommend approval of the major amendment.

Aaron Bean, owner of Green Leaf, came forward. Bean stated that the additional square footage would be 1000 square feet.

No public comment.

Hughey/Windsor moved to **APPROVE** findings that the zoning code has been followed, that the comprehensive plan has consulted, and that there are no negative impacts present that have not been adequately mitigated by the attached conditions of approval for the proposed major amendment to the exiting marijuana cultivation conditional use.

Motion PASSED 5-0.

Hughey/Windsor moved to **APPROVE** the major amendment to the existing marijuana cultivation conditional use permit request filed by Aaron Bean at 4614 Halibut Point Road, in the C-2 General Commercial and Mobile Home zone. The property is also known as Lot 3 of Carlson Resubdivision. The owners of record are Connor K. Nelson and Valorie L. Nelson.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).
9. Odor Control shall include reasonable best means (such as high quality Commercial HEPA filter or HVAC systems) to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received, the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The permittee shall report, annually, to the planning commission on gross sales, sales tax amounts, complaints, police or other law or regulation enforcement activity, and summary of operations.
12. The permit is subject to review should there be a meritorious complaint, impact to public health safety or welfare, or violation of a condition of approval. The review may occur at the discretion of the Planning Director or by motion of the Planning Commission to address meritorious issues or

complaints that may arise. During this review, based on the evidence provided, existing code and conditions of approval, the permit may be amended or revoked to address impacts to public health, safety, and welfare.

Motion PASSED 5-0.

K

Public hearing and consideration of a conditional use permit request for a short-term rental at 112 Toivo Circle. The property is also known as Lot 7 Fleming Subdivision. The request is filed by John and Alison Dunlap. The owners of record are John and Alison Dunlap.

Pierson described the request. The applicants' intent is to rent out their 3 bedroom 3 bathroom single-family house until it is sold, although conditional use permits run with the land. Neighbors have raised concerns for bears, parking, and neighborhood impacts. Pierson stated that these concerns can be mitigated with conditions of approval, and staff recommend approval. Scarcelli stated that conditional uses are to be approved if there are not impacts or if impacts can be mitigated. Scarcelli stated that concerns for parking and bears have been brought up before for other properties and staff have created more strict conditions of approval in response. Scarcelli stated that if the conditions of approval are violated, staff would revoke the permit or issue warning when appropriate. Pohlman and Windsor asked about placing a condition of approval that the permit will expire when the property is sold. Scarcelli stated that staff are looking into sunset clauses, but it appears that Alaska errs on the side of private property rights.

John and Alison Dunlap came forward to represent their request. They have lived in the home since 2001 and are selling it since they are empty nesters and now live on a boat. John stated that the house has been on the market for 9 months and they would like to get some income until the house is sold. Alison stated that they intend to use VRBO and will have an outside housecleaner. Alison stated that it will be much quieter with a renter versus their large family.

Bruce White and Suzanne Shea stated that they live across from the applicant and have concerns. White stated that when they bought the house that the neighborhood could include vacation rentals. White stated that the neighborhood is a small area, and someone recently blocked him in his driveway. White has concerns for the neighborhood, dust, and congestion. White stated concerns for enforcement of conditions and management of trash. White stated he is here for the long-term but the short-term rental could impact resale of his house. Shea is concerned for the precedent for converting a residential property to commercial. Shea stated that she bought her house with the understanding that it is in a residential neighborhood.

Pierson read a letter of support from John Hardwick.

Morrison stated that he lives next door at 114 Toivo and stated that he shares some of the same concerns as Bruce White. Three other houses are not occupied year-round. If those houses were granted short-term rental permits, long-term residents would be outnumbered.

Hughey asked Scarcelli about sunset clauses, and Scarcelli stated that it is not an option. Scarcelli shared a case law example of adult oriented business in Anchorage. Scarcelli stated that there is potential for a temporary conditional use permit in the future but not in current code. Scarcelli recommended

against asking the applicants to voluntarily give up their permit upon sale as it could be considered a government taking.

Alison Dunlap stated that she understands her neighbors' concerns and that there have been several years when her family was the only family living on the street during the winter. Dunlap stated that the short-term rental would decrease traffic. Dunlap stated that she has a potential buyer and would be happy to see the permit expire once the house is sold. Dunlap stated that she believes renters will create minimal trash.

Hughey noted that this request is not significantly different than other short-term rental requests. Spivey and Hughey stated support for limiting density of short-term rentals. Scarcelli stated that staff will come back with a variety of options for managing short-term rentals. Parmelee stated that his neighborhood has long-term and short-term rentals, and the long-term rentals generate more traffic and can be otherwise problematic. Parmelee stated that at least with a short-term rental there is regular monitoring. Pohlman stated that the public process is important but she's uncomfortable that the permit is in perpetuity. Scarcelli stated that future owners may not know that the permit is in place.

Hughey/Parmelee moved to APPROVE findings that:

1. ...The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, the lot exceeds size requirements and foliage provides buffers.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to accommodate visitors that do not impact surrounding residential neighborhoods any more than typical residential uses.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced, specifically, through the provision of a rental overview.

Motion PASSED 5-0.

Hughey/Parmelee moved to APPROVE the conditional use permit application for a short term rental at 112 Toivo Circle subject to the attached conditions of approval. The property is also known as Lot 7 Fleming Subdivision. The request is filed by John and Alison Dunlap. The owners of record are John and Alison Dunlap.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number

of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.

5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.

6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.

7. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

8. To mitigate against the risk and impact of bears from the short term rental, the property owner shall assure all trash is deposited in trash receptacles that are stored in bear proof areas (whether enclosed garage or other bear proof area) and only placed on street for collection after 4am on trash collection day. Should this condition not be followed the CUP shall be revoked.

9. To mitigate against parking and traffic impacts, property owner shall provide detailed parking and traffic rules, and shall ensure all parking for all uses (residential or short-term rental) shall occur off-street, on-site and further that should on-street parking occur at any time, the conditional use permit shall be revoked.

10. The property owner shall communicate to renters that a violation of these conditions of approval will be grounds for eviction of the short-term renters.

11. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

Motion PASSED 5-0.

L PULLED - Public hearing and consideration of a conditional use permit request for a two-unit short-term rental at 3411 Halibut Point Road. The property is also known as Lot 9 US Survey 2752. The request is filed by Todd and Julie White. The owners of record are Todd and Julie White.

M Public hearing and consideration of a conditional use permit request for a short-term rental at 103 Scarlett Way. The property is also known as Lot 3A Wingert Subdivision Lot 3 and 4 Lot Line Adjustment. The request is filed by Ty and Valerie Barkhoefer. The owners of record are Ty and Valerie Barkhoefer.

Pierson described the request. The owners occupy the property and seek to rent out extra bedrooms when available, particularly during the summer. Three bedrooms and 2 bathrooms are available for renters in addition to a kitchen and living room. The lot is large and provides plenty of parking. Conditions of approval will address concerns for bears. Staff recommend approval.

Ty and Val Barkhoefer came forward to explain the request. Val stated that they have a large home and wish to rent out the extra space in the summer. Ty and Val stated agreement with conditions of approval.

Windsor/Parmelee moved to APPROVE findings that:

1. ...The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the

vicinity of, the site upon which the proposed use is to be located, specifically, the large lot provides sufficient buffers between properties;.

2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to accommodate visitors that do not impact surrounding residential neighborhoods any more than typical residential uses.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced, specifically, through the provision of a rental overview.

Motion PASSED 5-0.

Windsor/Parmelee moved to **APPROVE** the conditional use permit application for a short term rental at 103 Scarlett Way subject to the attached conditions of approval. The property is also known as Lot 3A Wingert Subdivision Lot 3 and Lot 4 Lot Line Adjustment. The request is filed by Ty and Valerie Barkhoefer. The owners of record are Ty and Valerie Barkhoefer.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
8. To mitigate against the risk and impact of bears from the short term rental, the property owner shall assure all trash is deposited in trash receptacles that are stored in bear proof areas (whether enclosed garage or other bear proof area) and only placed on street for collection after 4am on trash collection day. Should this condition not be followed the CUP shall be revoked.
9. To mitigate against parking and traffic impacts, property owner shall provide detailed parking and traffic rules, and shall ensure all parking for all uses (residential or short-term rental) shall occur off-street, on-site and further that should on-street parking occur at any time, the conditional use permit shall be revoked.
10. The property owner shall communicate to renters that a violation of these conditions of approval will be grounds for eviction of the short-term renters.
11. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

Motion PASSED 5-0.

N

Public hearing and consideration of a conditional use permit for a short-term rental at 1703 Edgecumbe Drive. The property is also known as Lot 9G Gibson Kitka Snowden Subdivision. The request is filed by Ryan and Greta Refshaw. The owners of record are Ryan and Greta Refshaw.

Spivey stated that he has a business relationship with the owner but has no financial gain at stake.

Pierson described the request. The structure is a duplex that accesses from Edgecumbe Drive. The owners live upstairs and they seek to rent the downstairs unit. The downstairs unit has two bedrooms and one bathroom. They wish to operate the short-term rental primarily during the summer and possibly have longer rentals during the off-season. Sufficient parking is available on-site. Staff recommend approval.

Ryan Refshaw stated that they would be managing the rental themselves. Refshaw stated agreement with the conditions of approval

Pierson read a letter from Christopher and Kamala Carroll with concerns for noise. The Carrolls stated that they would be okay if one unit was rented short-term and the owners lived on-site.

Parmelee/Hughey moved to APPROVE findings that:

1. ...The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, the short-term rental will operate primarily during tourist season.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to accommodate visitors that do not impact surrounding residential neighborhoods any more than typical residential uses.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced, specifically, through the provision of a rental overview.

Motion PASSED 5-0.

Parmelee/Pohlman moved to APPROVE the conditional use permit application for a short term rental at 1703 Edgecumbe Drive subject to the attached conditions of approval. The property is also known as Lot 9G Gibson Kitka Snowden Subdivision. The request is filed by Ryan and Greta Refshaw. The owners of record are Ryan and Greta Refshaw.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.

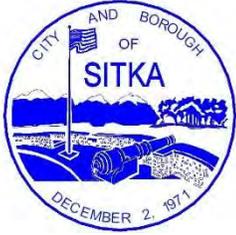
- 4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
- 5. The Planning Commission, at its discretion, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
- 6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
- 7. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
- 8. To mitigate against the risk and impact of bears from the short term rental, the property owner shall assure all trash is deposited in trash receptacles that are stored in bear proof areas (whether enclosed garage or other bear proof area) and only placed on street for collection after 4am on trash collection day. Should this condition not be followed the CUP shall be revoked.
- 9. To mitigate against parking and traffic impacts, property owner shall provide detailed parking and traffic rules, and shall ensure all parking for all uses (residential or short-term rental) shall occur off-street, on-site and further that should on-street parking occur at any time, the conditional use permit shall be revoked.
- 10. The property owner shall communicate to renters that a violation of these conditions of approval will be grounds for eviction of the short-term renters.
- 11. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

Motion PASSED 5-0.

VIII. ADJOURNMENT

Chair Spivey adjourned at 9:20 PM.

ATTEST: _____
Samantha Pierson, Planner I



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Planning Commission
From: Kevin Knox - Assembly Liaison
Subject: Critical Areas Ordinance
Date: April 16, 2017

I apologize for not being able to be a part of the discussions in the last two commission meetings regarding the proposed Critical Areas Ordinance. I wanted to submit some comments for this meeting as I think it is important that we move the Ordinance forward to the Assembly for further public discussion and debate.

The Planning Commission has brought forward some very important discussion items and necessary scrutiny regarding the draft language. This process has enhanced staff's research and understanding of the impact and necessity of the proposed Ordinance immensely.

The future mapping and risk zone definitions, as you know, will need some mitigation in order for developers and residents to affordably and knowledgeably continue to find lands in Sitka to develop. The proposed ordinance will offer options for development by allowing property owners to understand the risks and to choose to accept or mitigate those risks. It also could provide some protections to the financial interests of the City and Borough of Sitka in providing landowners those options.

With that mapping already underway it becomes more and more critical that the Assembly consider the Ordinance proposal. With the comments and thoughts from the Planning Commission, staff research and considerations, furthering public debate at the Assembly level is now necessary. I am confident that the discussion will be robust and would encourage the Planning Commission to continue to be engaged in that process.

Samantha Pierson

From: Randy Hughey <randywhughey@gmail.com>
Sent: Saturday, February 25, 2017 11:03 AM
To: Maegan Bosak; Michael Scarcelli; Samantha Pierson
Subject: FW: Landslide ordinance

Please see the note from Andrew Thoms:

From: Andrew Thoms [mailto:andrew@sitkawild.org]
Sent: Saturday, February 25, 2017 9:39 AM
To: Randy Hughey
Subject: Landslide ordinance

Randy:
Just a quick note that after I read that Landslide ordinance article in the Sentinel I think that we need to add that you can't rent out properties that are built in a landslide Zone I think there's a lot of risk that those areas become low rent areas and high risk and that the most in need are in Risk because of financial situations.
We can talk more if you want.
Andrew

sent from phone

February 2, 2016



Excellence. Innovation. Service. Value.

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Submitted To:
Mr. Michael Harmon, P.E.
Public Works Director
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99555

By:
Shannon & Wilson, Inc.
400 N 34th Street, Suite 100
Seattle, Washington 98103

21-1-22168-001

February 2, 2016

Mr. Michael Harmon, P.E.
Public Works Director
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, AK 99555

**RE: SOUTH KRAMER AVENUE LANDSLIDE: JACOBS CIRCLE TO
EMMONS STREET, SITKA, ALASKA**

Dear Mr. Harmon:

This letter report presents our research, observations, discussions, analyses, conclusions, and recommendations regarding the South Kramer landslide that occurred in Sitka, Alaska, on August 18, 2015. The landslide caused three fatalities, the destruction of one residence, and the damage of another residence. It is our understanding that more than 50 landslides were documented to have occurred in the Sitka area on August 18 (Prussian, 2015). The purpose of our work is to aid the City and Borough of Sitka (CBS) in understanding the landslide in relation to the existing Kramer Avenue residential development and to offer input to CBS as it considers future development in this area. This study concentrated on the portion of Kramer Avenue between Jacobs Circle and Emmons Street.

The scope of Shannon & Wilson, Inc.'s (Shannon & Wilson's) services included:

1. Review of existing published geologic literature and scientists' reports about the recent landslide.
2. Discussions with local officials and scientists familiar with the geology and the August 18, 2015, landslide.
3. Field reconnaissance of the lower part of the Harbor Mountain hillside and the Kramer Avenue residential development between Jacobs Circle and Emmons Street.
4. Runout analysis of the debris flow.
5. Meetings with the CBS Assembly and staff.
6. Preparation of this report with our findings.

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Our work was authorized in a contract signed by Mr. Mark Gorman, CBS city administrator, on November 11, 2015. The contract was amended on December 9, 2015, to include a limited field reconnaissance.

SITE DESCRIPTION

The South Kramer landslide is located north of downtown Sitka on the western flank of Harbor Mountain, as shown in the Vicinity Map, Figure 1. It initiated near the top of a ridge, at the southern end of the west-facing slope of Harbor Mountain. The debris from the debris flow came to rest near the southern end of Kramer Avenue, as shown in Figure 2.

The topography in the vicinity of the landslide is variable. Harbor Mountain rises to about elevation 2,000 feet. The face of the mountain has slope inclinations that exceed 100 percent, and the slope on which the landslide initiated reportedly is inclined at about 85 percent (Landwehr and others, 2015). The slope maintains inclinations steeper than 70 percent down to between elevations 260 and 320 feet at which point it gradually flattens. Along Kramer Avenue, the slope inclination is reduced to 12 to 14 percent.

Kramer Avenue is located on a terrace that is about 400 to 600 feet wide and is continuous for about one and a quarter miles (Figure 2). This area is locally known as the “Benchlands.” From the western edge of the Benchlands, the slope steepens down through the residential areas of Sand Dollar Drive and Whale Watch Drive. Another terrace is located to the west of these streets. Halibut Point Road is situated on this lower bench, a raised marine terrace. The sea is directly west of Halibut Point Road.

Little of Kramer Avenue is presently developed. Roads along the Benchlands are in place. A water tank is constructed on the slope above the northern end of Emmons Street (Figure 3), and distribution is established to the south of it. A sewer main extends from the southern end of Kramer Avenue northward to the Emmons/Kramer intersection. The only part of Kramer Avenue on which residences have been built is the southern end. One of these houses was destroyed by the landslide; another was damaged. Several other houses further south were undamaged.

The natural vegetation on the mountainside consists of a dense stand of conifers, including spruce and hemlock, and intermixed stands of red alder (USKH, Inc., 2008). Undergrowth is highly variable, ranging from very dense to sparse. We understand that the west-facing side of

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Harbor Mountain has not been logged by the U.S. Forest Service. On the private property to the west of the U.S. Forest Service property, trees have been removed for the Benchlands streets and for utilities and residential lots at the southern end of the Benchlands.

We understand the landslide occurred at about 9:30 a.m. on August 18, 2015. It initiated on undisturbed U.S. Forest Service forest land near elevation 1,350 feet, traveled about 3,000 feet down an unnamed channel (Gould and others, 2015), and ended at about elevation 110 feet on Kramer Avenue. The upper part of the headscarp (Figure 2) is located at a drainage divide between the west- and south-facing slopes of Harbor Mountain. The initiation zone was estimated to be about 50 (Landwehr and others, 2015) to 85 feet wide (Gould and others, 2015), 90 feet long, and 6 to 10 feet deep (Landwehr and others, 2015). Along its path, it locally deposited but mostly scoured the channel of colluvium. In the upper portion of the path, the channel was scoured to bedrock (Figure 4). The path ranged from 40 to 70 feet wide, as shown in Figure 5. We understand that soil is exposed in the headscarp, but no additional blocks of cracked or detached soil are imminently in danger of falling from the headscarp (Prussian, 2015).

From aerial photographs and from field observations, it appears that the first pulse of the debris flow left the channel and plowed into the woods near elevation 240 feet, as indicated in Figures 2 and 3. This was likely the result of an upslope, straight segment of the channel and the debris wanting to maintain a straight line. After the first pulse, the bulk of the debris followed the existing channel that was directed toward the residence at 430 Kramer Avenue. The debris killed three people, and destroyed one residence and damaged another. Upon reaching Kramer Avenue, the debris encountered a low berm on the south side of the road that appears from photographs to have been 2 to 3 feet higher than Kramer Avenue. Farther south along the western side of Kramer Avenue, fill was mounded 8 to 10 feet high in an earthfill berm. When the debris flow encountered these berms, it turned southward down the road. It came to a stop about 400 feet from the point at which it reached Kramer Avenue, as shown in Figures 2, 3, and 6.

We understand that the more southerly earthfill berm (Figure 6) is a temporary stockpile of soil that was placed by the development contractor for future site grading in Tract C.

WEATHER

We understand that the Sitka area had incurred above-normal precipitation in the 2½ months before the August 18 landslide. For June and July 2015, rainfall was 15.13 inches, whereas the

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normal total for those two months is 7.0 inches; more than double the normal (YourWeather Service, 2015). For August 2015, 3.23 inches of rain had fallen in the first 17 days of the month, about normal rainfall.

On August 18, an anomalous area of upper level high pressure was positioned over the northeastern Pacific. This upper level pattern steered a heavy rain system toward the central Alaska panhandle (Jacobs and others, 2015) on August 18.

Between 4:00 and 10:00 am on August 18, the Sitka area received 2.5 to 3.25 inches of precipitation, considered by the National Weather Service to be a, “very exceptional and extreme weather and hydrologic event.” (Jacobs and others, 2015) The National Weather Service reported that rainfall in the mountains of the Sitka area could have exceeded the recorded amounts due to orographic effects. Moderate winds of 11 to 17 miles per hour from the southwest were recorded at the Sitka Airport during this storm.

GEOLOGIC CONDITIONS

Harbor Mountain is geologically diverse, comprised of metamorphic bedrock and glacial, volcanic, and mass wasting soils. The mountain is cored by Sitka greywacke, a slightly metamorphosed sandstone (Karl and others, 2015). The rock is moderately hard, light brown, and fine to medium grained. In the Kramer Avenue area, it outcrops sporadically in road cuts along Kramer Avenue and Halibut Point Road.

The greywacke is overlain by glacial till, a compact to dense, gray, poorly graded gravel with silt, sand, and cobbles (Yehle, 1974; Golder Associates, 2008). The till probably covers bedrock throughout the area, but is only exposed in several road cuts. It stands steeply in the cuts, because it was overridden by ice. Test pits logged by Golder Associates indicate that the till is at least 2 feet thick to more than 13 feet thick in the subject area. Only one test pit encountered bedrock beneath the till.

Till is overlain by volcanic ash, a product of eruptions of Mount Edgecumbe. The ash at the Kramer Avenue site is reportedly comprised of deposits from two eruptions (Rhiele, 1996). The ash is described in the Golder Associates report as loose to compact, brown, gray, red, and yellow, silty sand with a trace clay. This report indicates that the deposit (two combined eruptive

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deposits) is 1.5 to 7 feet thick in the study area. One test pit did not expose ash. It was observed in all road cuts in the Kramer Avenue area.

Locally draping the above geologic units is landslide debris. This diamict is a mixture of the weathered bedrock, till, and ash. It is described as compact, gray, silty sand with trace clay, gravel, cobbles, and boulders in the Golder Associates report, and ranges from 1.5 to 18.5 feet thick where encountered. Four of the 12 test pits in the study area contained no landslide debris. It appears to have accumulated in the Benchlands at the foot of debris flow channels that head on Harbor Mountain. No surficial exposures of landslide debris were observed. Our only knowledge of its locations and characteristics in the study area comes from the Golder Associates report.

Groundwater is perched in this area. In the Golder report, groundwater levels ranged from 1.5 to 8.5 feet below ground surface. Numerous springs, as noted in Figure 3, emerge from the hillside. In some cases, they form the heads of through-going surface streams. In other cases, they infiltrate back into the ground and pop out farther downslope. In some areas, such as Tract C, most of the ground is covered with standing water, likely perched on ash or till.

The Light Detection and Ranging (LiDAR) hillshade image (Figure 2) of the study area is informative but enigmatic. On a very broad scale, it has been suggested by others that the west-facing slope of Harbor Mountain collapsed in ancient times, spreading landslide debris into the ocean, one remnant of which is a shoreline protrusion. There is no evidence in outcrop or exposure of debris of such a widespread event, and the LiDAR image does not unequivocally support such a hypothesis.

The LiDAR image does support the hypothesis that the Benchlands is, in part, constructed of landslide materials supplied by repeated debris flows along several discrete chutes that originate on Harbor Mountain. The depositional distribution of the landslide debris also supports this idea. No landslide debris is observed or reported to the west of Kramer Avenue.

CONCLUSIONS

In our opinion, the South Kramer debris flow was a natural event. There is no evidence that human actions, past or recent, had an influence on the initiation of this landslide. Five

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contributing factors that appear to have influenced this mass wasting event are: (a) above-normal precipitation in the 2½ months prior to August 18, (b) very steep slopes in the initiation zone, (c) a bedrock hollow that concentrated groundwater and channeled failed soil to the bottom of the slope, (d) weak soil in the initiation zone, and (e) exposure to high winds on the initiation ridge.

The intense storm of August 18, 2015, was judged to be extraordinary by the National Weather Service. This extraordinary event was added to 2½ months of more than twice the normal precipitation for Sitka. The rainfall intensity combined with the other contributing factors was the major factor for this landslide, in our opinion. Debris flows normally initiate on slopes steeper than about 70 percent. The inclination of the slope at the initiation zone of this debris flow was 85 percent, and susceptible to failure.

Bedrock hollows, areas where the topography is convergent, are at particular risk of failure because they are capable of concentrating groundwater, thereby lowering the stability of accumulated soils in the swale.

The soils in the headwall of the debris flow consisted of colluvium, ash, and glacial till. The colluvium is weak because it accumulated from sloughing of surrounding formations. The ash is also weak because it was never overridden and compacted by glacial ice and has low strength. Ash soils are also typically hydrophylic and impermeable creating perched water and can cause an elevated groundwater level in the soil above it.

Although high winds may not have been recorded at the Sitka Airport on August 18, the position of the landslide initiation zone is on a ridge that is vulnerable to south and southwestern winds. During strong winds, the trees in this area would be especially prone to rocking and opening up cracks in the ground surface, thereby allowing relatively fast infiltration of rainfall. Studies in southeastern Alaska have shown wind and windthrow to be a factor in landslides (Buma and Johnson, 2015) in the region.

RUNOUT ANALYSIS

In order to assess the potential future risk to infrastructure and residential development in the Kramer Avenue area between Jacobs Circle and Emmons Street, runout modeling was performed using an empirical-based computer program developed for debris flows in the Queen Charlotte

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Islands at the University of British Columbia (Fannin and Bowman, 2007). We judge this program to be appropriate for use in Sitka owing to its regional application, and the similarity of topography of western British Columbia terrain and that of southeastern Alaska.

The model utilized is UBCDFLOW, in which the main factors are the initial volume in the initiation zone, and the channel widths and runout slope angles over channel reaches of similar character (University of British Columbia [UBC] Civil Engineering Department, 2014). The channel widths and runout angles were readily obtained by recent LiDAR data and photographs; however, the initial volume of soil is based on observations by others, and only a best estimate, because the shape of the original topography in the headscarp area cannot be known.

We performed several iterations of the model to calibrate it, and then ran five scenarios (see Figure 3):

1. The full length of the channel along which the August 18 debris flow moved, deflected by the berms on the west side of Kramer Avenue (Terminus 1).
2. The full length of the channel along which the August 18 debris flow moved, if the berms along the west side of Kramer Avenue had not been in place (Terminus 2).
3. The northern tributary chute originating at the top of Harbor Mountain, deflected by the berms on the west side of Kramer Avenue (Terminus 3).
4. The northern tributary chute originating at the top of Harbor Mountain without the berms on the west side of Kramer Avenue (Terminus 4).
5. The northern branch of the August 18 debris flow that ended in the woods uphill from Kramer Avenue (Terminus 5).

The locations of the distal ends of the modeled runouts are presented in Figure 3. Modeling indicated that another debris flow along the August 18 alignment would end up in the same place as before, assuming that the berms on the west side of Kramer Avenue were left in place. If the berms were not in place on August 18, the debris could potentially have runout into Tract C about 400 feet southwest of Kramer Avenue. If the August 18 debris flow deposit had continued straight westward through the woods, as shown in Figures 2 and 3, it could have reached Kramer Avenue. Modeling of this side branch of the debris flow showed that once the debris flow material leaves the channelized section of the creek and becomes a uniform unchannelized slope, the debris slows and deposits relatively quickly, as shown in Figure 3. The modeling does not

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take the roughness of the in-place trees into account, so it would probably come to rest sooner than the model indicates.

The bedrock hollow in the August 18 initiation zone has mostly emptied out and the channel below has been scoured, so the future hazard from that source is likely low; however, a tributary creek/hollow to the north that extends to the top of Harbor Mountain has the potential to fail and recreate a similar or larger debris flow than the August 18 event. This bedrock hollow is about 700 feet higher in elevation than the initiation zone of the August 18 debris flow.

If this higher bedrock hollow failed in a manner similar to the August 18 debris flow, the model predicts that it would flow down Kramer Avenue about 400 feet beyond the Kramer Avenue debris deposit, assuming the berms were in place. Without the berms in place, this modeled debris flow would move about 580 feet southwest of Kramer Avenue, reaching residences on the eastern side of Whale Watch Drive and Sand Dollar Drive.

RISK ZONES AND DEVELOPMENT RECOMMENDATIONS

The implication of the runout analysis is that residences, utilities, and roads in the path of the identified potential debris flow paths are at high risk. However, the modeling analysis cannot be relied upon singularly. It is a supplement for geologic judgment and experience. In the case of the southern end of Kramer Avenue, the use of LiDAR hillshade images is most instructive. They show the corridors of erosion/incision and deposition, as well as relative ages of the related landforms, factors of particular importance in informing land use decisions.

Based on our assessment of the modeling, field observations, and LiDAR images, we have created three categories of risk in the Jacobs Circle/Emmons Street area for debris flows originating on Harbor Mountain. The three categories described below range from high to low. There are **no** no-risk zones in the study area.

The high-risk zone is in and adjacent to the recent debris flow path and two other debris flow paths that were identified in the field and on the LiDAR hillshade image. They have incised channels and uneven, hummocky, and lobate topography. We recommend no new residential development or transportation and utility corridors through this area without extensive study and protective measures. If any new development or redevelopment is contemplated for these areas, a geotechnical evaluation should be performed by a licensed civil engineer specializing in

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geotechnical practice or professional geologist experienced in mass wasting processes. The evaluation should include subsurface explorations, evaluation of the hazard and risk from debris flows, and design of debris flow mitigation or protective measures. Such reports should be reviewed by a third-party for completeness and appropriateness.

Some existing residences are in the high-risk zone. Although this report does not attempt to assess or predict the risk to any individual parcel or structure, it may be prudent for those property owners to evaluate their exposure, obtain professional assistance, and take protective action, as discussed above.

Three moderate risk zones were identified, as shown in Figure 3. They are either buffer areas between high- and low-risk zones, or areas that offer slightly higher risk than low, as discussed below. One is the buffer zone adjacent to the debris chute high-risk zone on the northern edge of the study area. Another buffer zone is located downhill (west) of Tract C. Another moderate zone is located uphill of Emmons Street where there appear to be deposits of ancient, relict debris flows. The channel that originally supplied debris to this area is presently incapable of delivering debris to this same area, in our opinion; however, if the adjacent incised creek/swale should become blocked during a debris flow, the relict channel could potentially deliver debris to this area again. If any new development or redevelopment is contemplated for these areas, a geotechnical evaluation should be performed and reviewed in the same manner as recommended above for high-risk zones.

The low-risk debris flow zones are areas that are unlikely to be impacted by debris flows; however, they should be evaluated by a professional, as described above to confirm that condition. They may be subject to other geotechnical issues such as local slope instability, high groundwater level, spring seepage, and soft ground.

CONCEPTUAL MITIGATION MEASURES

In our opinion, it is not possible or practical to prevent debris flows from originating in the undisturbed, natural ground on the western slope of Harbor Mountain.

Mitigation measures have been designed and built throughout the world to protect existing and new structures and infrastructure. They can be categorized into two types: containment and diversion. Containment measures consist of excavated basins with or without outlet structures.

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This type of mitigation normally requires a large space; not readily available in this study area for individual property owners, but potentially possible for groups of lots, if reconfiguration of lot lines is possible.

Wire mesh nets are also used to contain debris flow material, but need to be applied to a relatively narrow confined channel. Their use in this area could be assessed.

Diversion measures consist of earth berms and structural walls capable of deflecting the hypothesized debris volume. They can be effective for the properties downhill from the protective works, but the deflected debris can then be deposited on adjacent property.

CLOSURE

The conclusions and recommendations in this letter report are based on a review of published and unpublished literature, discussions with other professionals familiar with the landslide, and a visual examination of the surface conditions as they existed during the time of our field reconnaissance. No subsurface explorations were performed for this study. This work has been performed using practices consistent with geologic and geotechnical industry standards in the region for slope stability; however, prediction of slope movement with absolute certainty is not possible with currently available scientific knowledge. As with any steep slope, there are always risks of instability that present and future owners must accept. Such risks include extreme or unusual storm events and forest fire, among others. If conditions described in this letter report change, we should be advised immediately so that we can review those conditions and reconsider our conclusions and recommendations.

The runout modeling analysis cannot be relied upon singularly. It is an empirical model. Although similar to topographic conditions in the Queen Charlotte Islands, the Harbor Mountain topography may be different, and therefore lead to different runout distances than those described in this letter report. Other factors such as water content, surface roughness, and routing may also contribute to differences between modeled runout distances and actual distances. It is a supplement for geologic judgment and experience.

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February 1, 2016
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Recommendations included in this letter report are presented to assist CBS. Shannon & Wilson has included the enclosed, "Important Information About Your Geotechnical/Environmental Report," to assist you and others in understanding the use and limitations of our reports.

We appreciate the opportunity to be of service. If you have any questions or concerns, please contact me.

Sincerely,

SHANNON & WILSON, INC.



William T. Laprade
Senior Vice President

WTL:KLB/wtl

Enc: References (2 pages)
Figure 1 – Vicinity Map
Figure 2 – Site Plan – LiDAR Hillshade
Figure 3 – Runout Analysis and Debris Flow Risk
Figure 4 – Photograph of Debris Flow Initiation Zone
Figure 5 – Photograph of Debris Flow Chute
Figure 6 – Photograph of Debris Flow Deposit on Kramer Avenue
Important Information About Your Geotechnical/Environmental Report

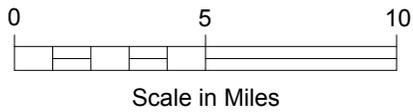
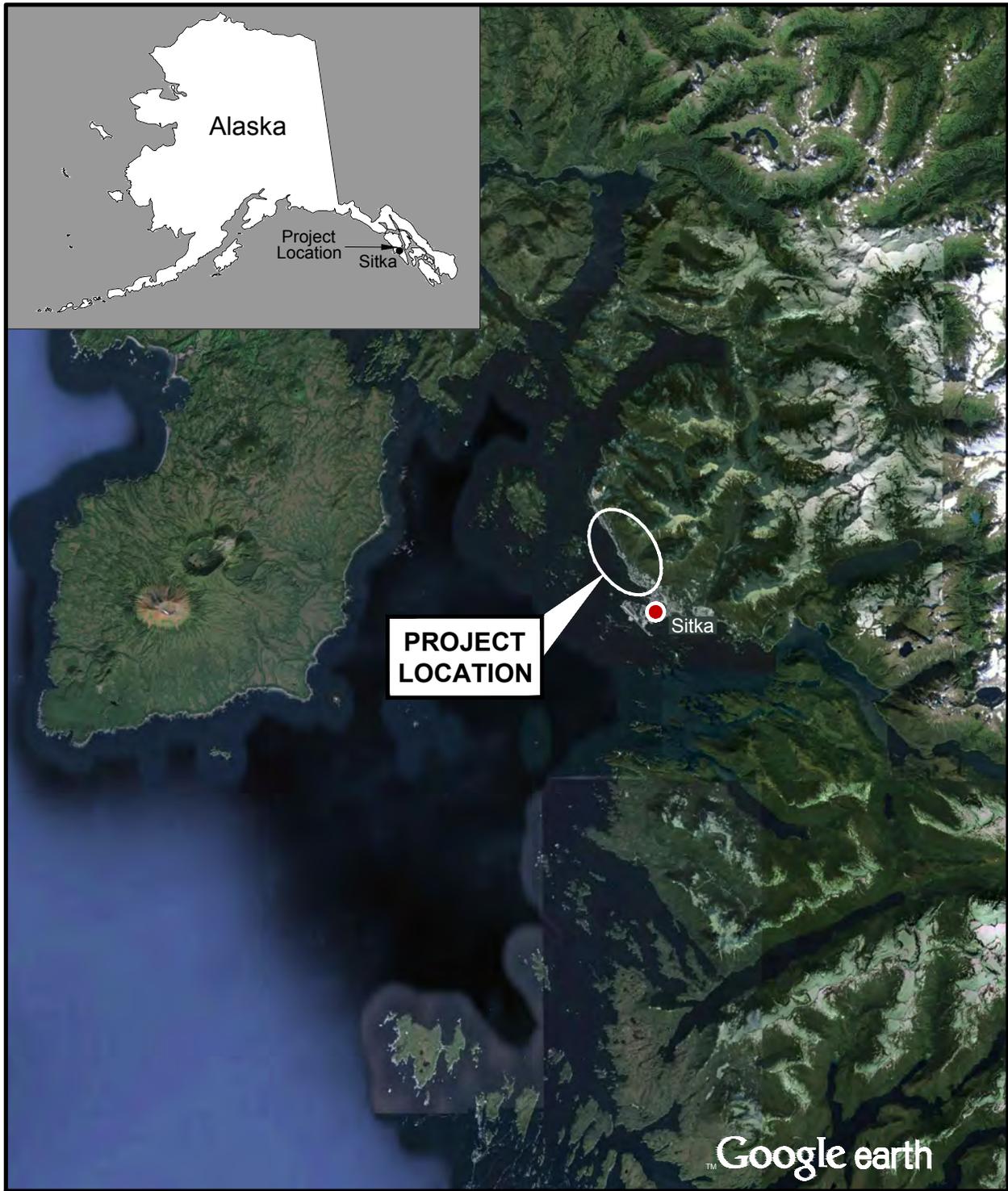
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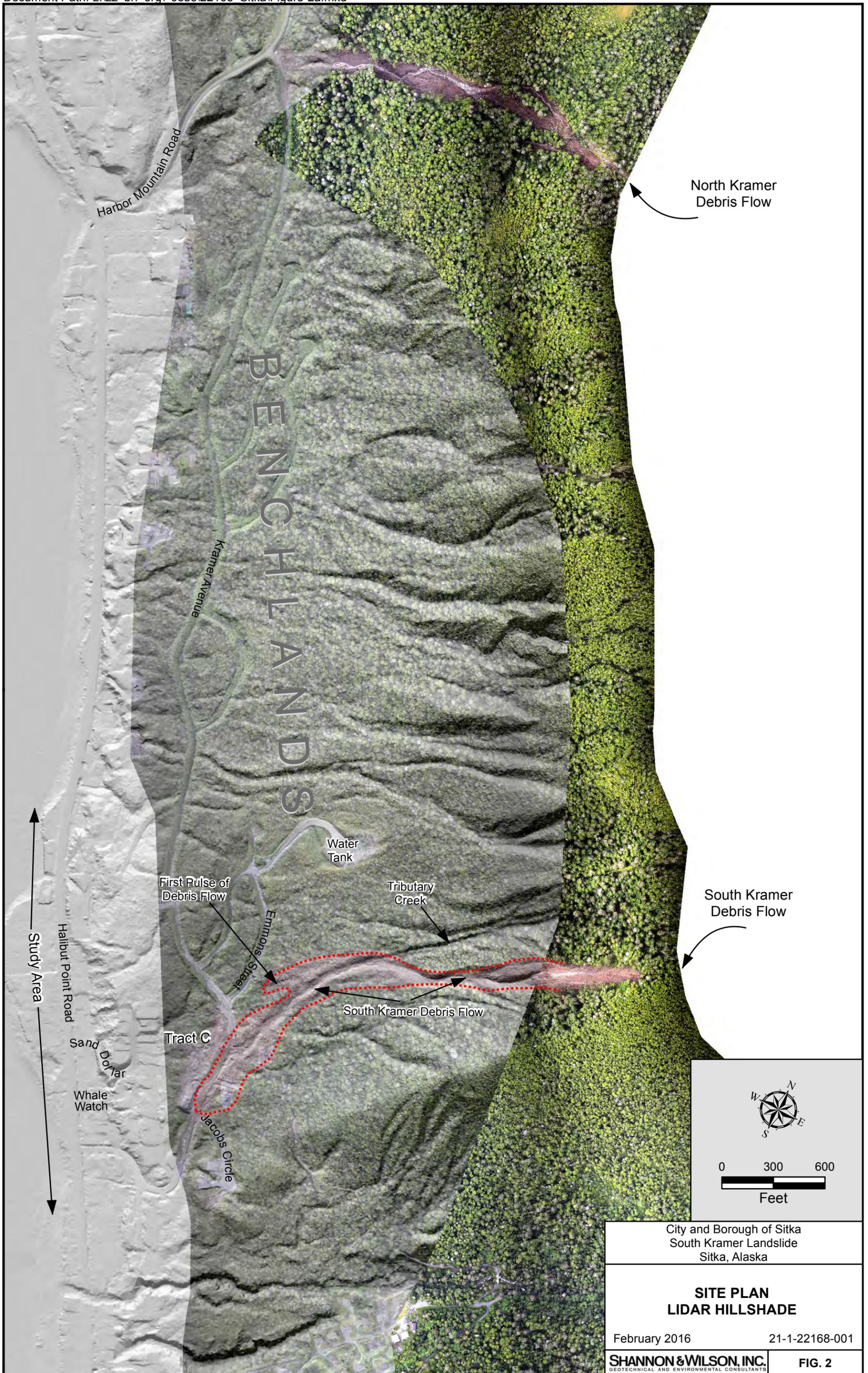
Available: <http://www.yourweatherservice.com/weather/sitka/united-states/usak0224>, accessed December 2015.



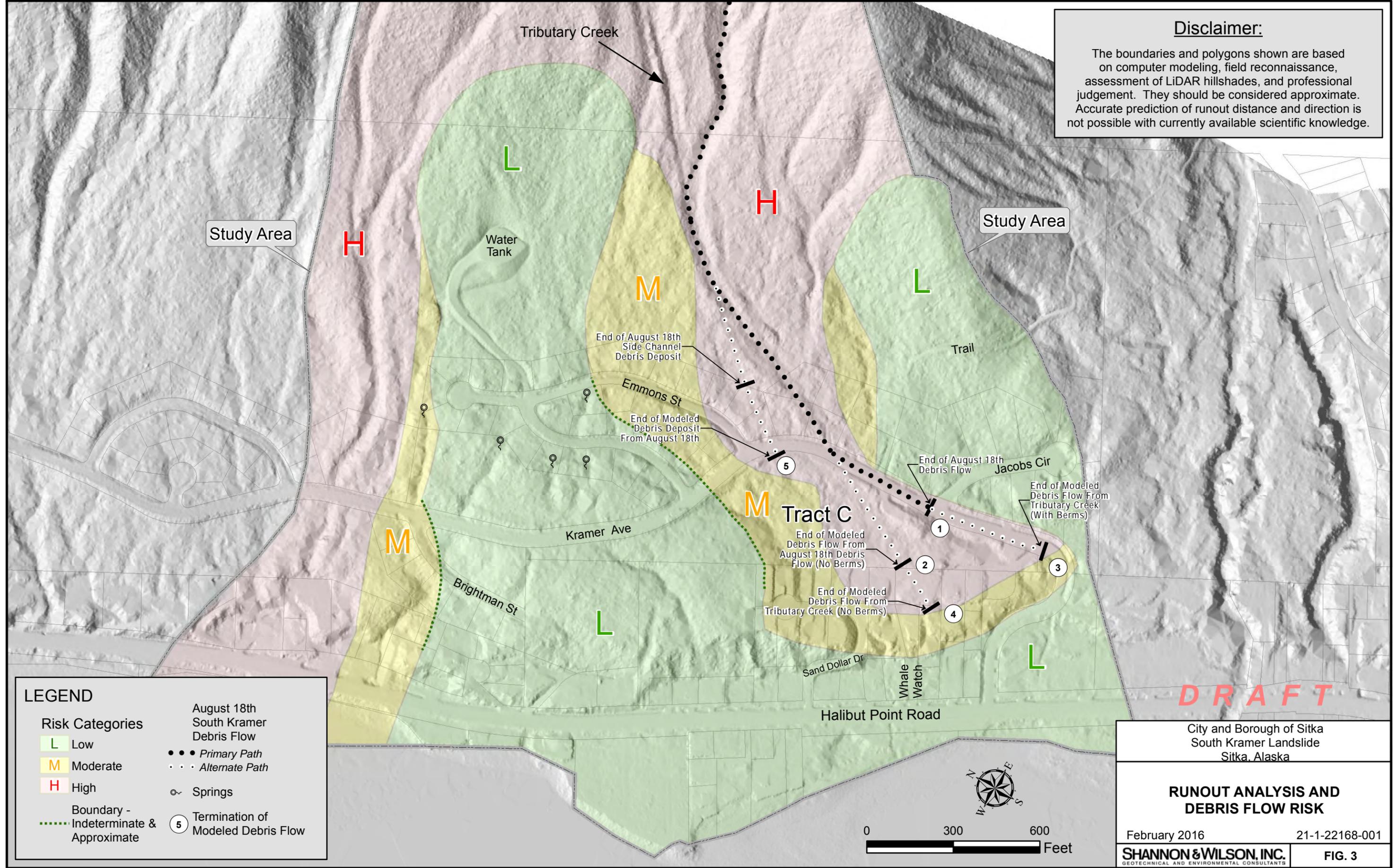
NOTE

Map adapted from aerial imagery provided by Google Earth Pro, Image © 2015 Terrametrics, Image IBCAO, Image © 2015 DigitalGlobe, and Image Landsat, reproduced by permission granted by Google Earth™ Mapping Service.

City and Borough of Sitka South Kramer Landslide Sitka, Alaska	
VICINITY MAP	
February 2016	21-1-22168-001
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Disclaimer:
 The boundaries and polygons shown are based on computer modeling, field reconnaissance, assessment of LiDAR hillshades, and professional judgement. They should be considered approximate. Accurate prediction of runout distance and direction is not possible with currently available scientific knowledge.



LEGEND

Risk Categories	August 18th South Kramer Debris Flow
L Low	••• Primary Path
M Moderate	••• Alternate Path
H High	○ Springs
Boundary - Indeterminate & Approximate	⑤ Termination of Modeled Debris Flow

DRAFT

City and Borough of Sitka
 South Kramer Landslide
 Sitka, Alaska

**RUNOUT ANALYSIS AND
 DEBRIS FLOW RISK**

February 2016 21-1-22168-001

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FIG. 3



City and Borough of Sitka
South Kramer Landslide
Sitka, Alaska

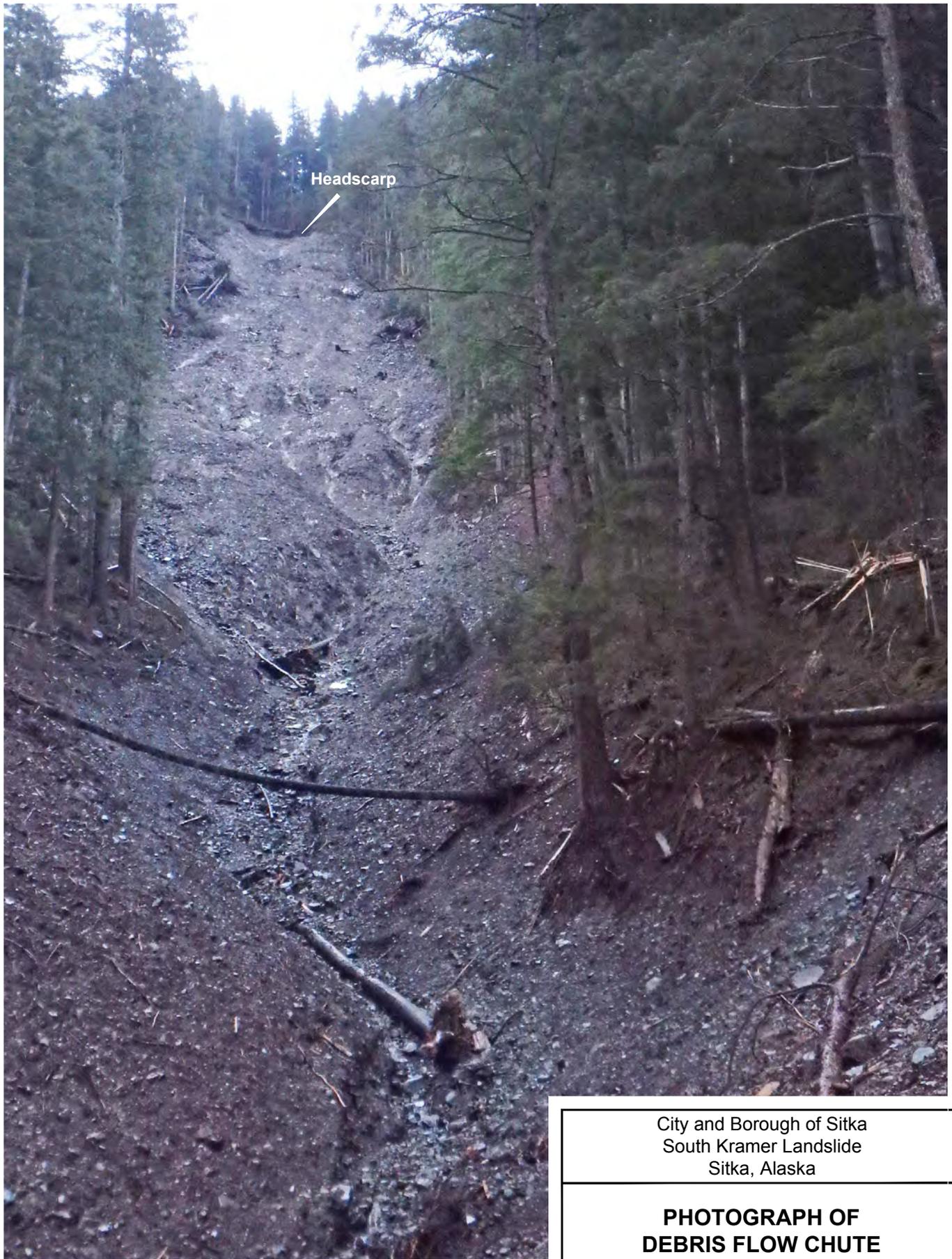
**PHOTOGRAPH OF DEBRIS FLOW
INITIATION ZONE**

February 2016

21-1-22168-001

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FIG. 4



City and Borough of Sitka
South Kramer Landslide
Sitka, Alaska

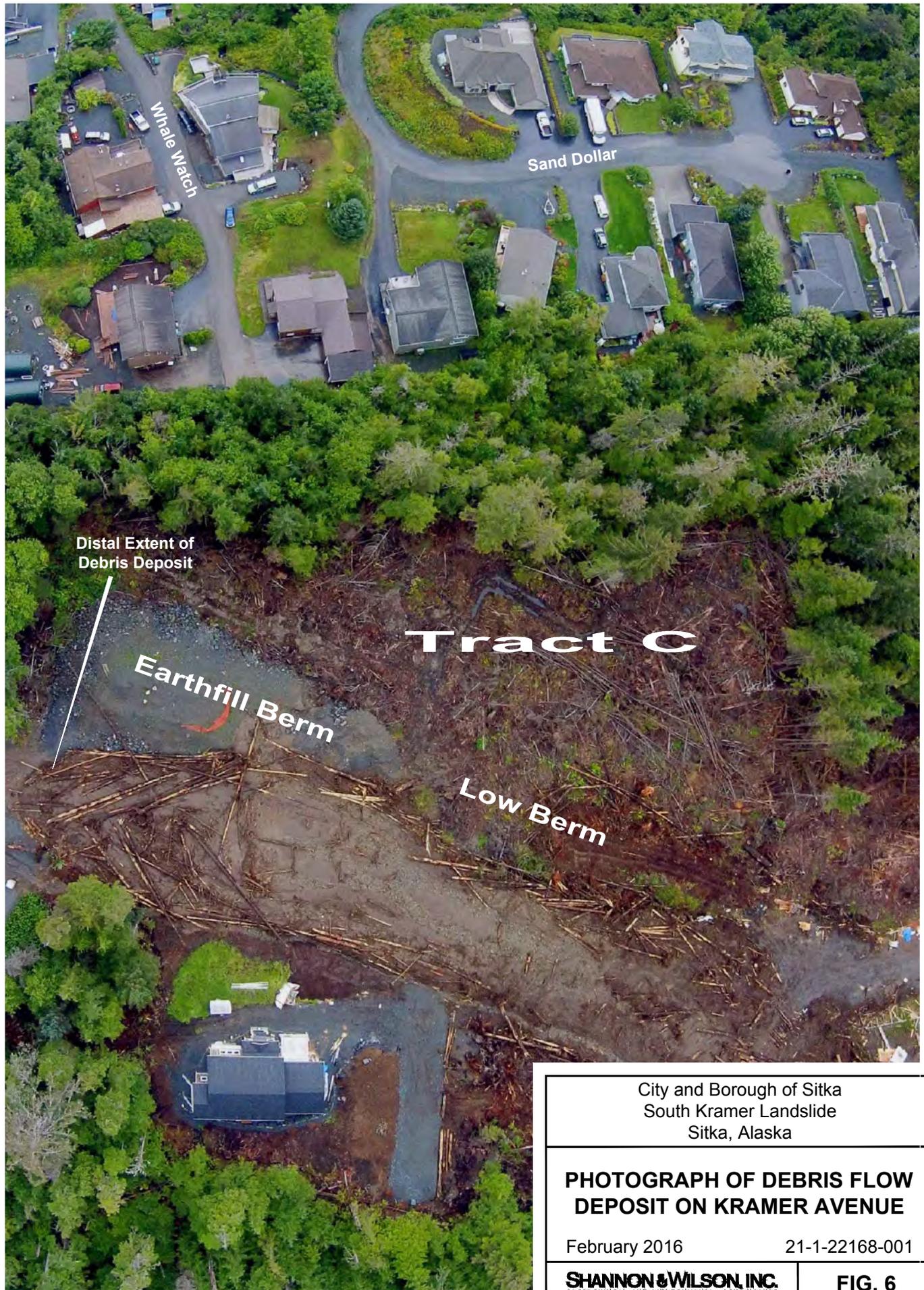
**PHOTOGRAPH OF
DEBRIS FLOW CHUTE**

February 2016

21-1-22168-001

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FIG. 5



City and Borough of Sitka South Kramer Landslide Sitka, Alaska	
PHOTOGRAPH OF DEBRIS FLOW DEPOSIT ON KRAMER AVENUE	
February 2016	21-1-22168-001
SHANNON & WILSON, INC. <small>GEOTECHNICAL AND ENVIRONMENTAL CONSULTANTS</small>	FIG. 6



Date: February 2, 2016
To: Mr. Michael Harmon, P.E.
City and Borough of Sitka, Alaska

IMPORTANT INFORMATION ABOUT YOUR GEOTECHNICAL/ENVIRONMENTAL REPORT

CONSULTING SERVICES ARE PERFORMED FOR SPECIFIC PURPOSES AND FOR SPECIFIC CLIENTS.

Consultants prepare reports to meet the specific needs of specific individuals. A report prepared for a civil engineer may not be adequate for a construction contractor or even another civil engineer. Unless indicated otherwise, your consultant prepared your report expressly for you and expressly for the purposes you indicated. No one other than you should apply this report for its intended purpose without first conferring with the consultant. No party should apply this report for any purpose other than that originally contemplated without first conferring with the consultant.

THE CONSULTANT'S REPORT IS BASED ON PROJECT-SPECIFIC FACTORS.

A geotechnical/environmental report is based on a subsurface exploration plan designed to consider a unique set of project-specific factors. Depending on the project, these may include: the general nature of the structure and property involved; its size and configuration; its historical use and practice; the location of the structure on the site and its orientation; other improvements such as access roads, parking lots, and underground utilities; and the additional risk created by scope-of-service limitations imposed by the client. To help avoid costly problems, ask the consultant to evaluate how any factors that change subsequent to the date of the report may affect the recommendations. Unless your consultant indicates otherwise, your report should not be used: (1) when the nature of the proposed project is changed (for example, if an office building will be erected instead of a parking garage, or if a refrigerated warehouse will be built instead of an unrefrigerated one, or chemicals are discovered on or near the site); (2) when the size, elevation, or configuration of the proposed project is altered; (3) when the location or orientation of the proposed project is modified; (4) when there is a change of ownership; or (5) for application to an adjacent site. Consultants cannot accept responsibility for problems that may occur if they are not consulted after factors which were considered in the development of the report have changed.

SUBSURFACE CONDITIONS CAN CHANGE.

Subsurface conditions may be affected as a result of natural processes or human activity. Because a geotechnical/environmental report is based on conditions that existed at the time of subsurface exploration, construction decisions should not be based on a report whose adequacy may have been affected by time. Ask the consultant to advise if additional tests are desirable before construction starts; for example, groundwater conditions commonly vary seasonally.

Construction operations at or adjacent to the site and natural events such as floods, earthquakes, or groundwater fluctuations may also affect subsurface conditions and, thus, the continuing adequacy of a geotechnical/environmental report. The consultant should be kept apprised of any such events, and should be consulted to determine if additional tests are necessary.

MOST RECOMMENDATIONS ARE PROFESSIONAL JUDGMENTS.

Site exploration and testing identifies actual surface and subsurface conditions only at those points where samples are taken. The data were extrapolated by your consultant, who then applied judgment to render an opinion about overall subsurface conditions. The actual interface between materials may be far more gradual or abrupt than your report indicates. Actual conditions in areas not sampled may differ from those predicted in your report. While nothing can be done to prevent such situations, you and your consultant can work together to help reduce their impacts. Retaining your consultant to observe subsurface construction operations can be particularly beneficial in this respect.

A REPORT'S CONCLUSIONS ARE PRELIMINARY.

The conclusions contained in your consultant's report are preliminary because they must be based on the assumption that conditions revealed through selective exploratory sampling are indicative of actual conditions throughout a site. Actual subsurface conditions can be discerned only during earthwork; therefore, you should retain your consultant to observe actual conditions and to provide conclusions. Only the consultant who prepared the report is fully familiar with the background information needed to determine whether or not the report's recommendations based on those conclusions are valid and whether or not the contractor is abiding by applicable recommendations. The consultant who developed your report cannot assume responsibility or liability for the adequacy of the report's recommendations if another party is retained to observe construction.

THE CONSULTANT'S REPORT IS SUBJECT TO MISINTERPRETATION.

Costly problems can occur when other design professionals develop their plans based on misinterpretation of a geotechnical/environmental report. To help avoid these problems, the consultant should be retained to work with other project design professionals to explain relevant geotechnical, geological, hydrogeological, and environmental findings, and to review the adequacy of their plans and specifications relative to these issues.

BORING LOGS AND/OR MONITORING WELL DATA SHOULD NOT BE SEPARATED FROM THE REPORT.

Final boring logs developed by the consultant are based upon interpretation of field logs (assembled by site personnel), field test results, and laboratory and/or office evaluation of field samples and data. Only final boring logs and data are customarily included in geotechnical/environmental reports. These final logs should not, under any circumstances, be redrawn for inclusion in architectural or other design drawings, because drafters may commit errors or omissions in the transfer process.

To reduce the likelihood of boring log or monitoring well misinterpretation, contractors should be given ready access to the complete geotechnical engineering/environmental report prepared or authorized for their use. If access is provided only to the report prepared for you, you should advise contractors of the report's limitations, assuming that a contractor was not one of the specific persons for whom the report was prepared, and that developing construction cost estimates was not one of the specific purposes for which it was prepared. While a contractor may gain important knowledge from a report prepared for another party, the contractor should discuss the report with your consultant and perform the additional or alternative work believed necessary to obtain the data specifically appropriate for construction cost estimating purposes. Some clients hold the mistaken impression that simply disclaiming responsibility for the accuracy of subsurface information always insulates them from attendant liability. Providing the best available information to contractors helps prevent costly construction problems and the adversarial attitudes that aggravate them to a disproportionate scale.

READ RESPONSIBILITY CLAUSES CLOSELY.

Because geotechnical/environmental engineering is based extensively on judgment and opinion, it is far less exact than other design disciplines. This situation has resulted in wholly unwarranted claims being lodged against consultants. To help prevent this problem, consultants have developed a number of clauses for use in their contracts, reports, and other documents. These responsibility clauses are not exculpatory clauses designed to transfer the consultant's liabilities to other parties; rather, they are definitive clauses that identify where the consultant's responsibilities begin and end. Their use helps all parties involved recognize their individual responsibilities and take appropriate action. Some of these definitive clauses are likely to appear in your report, and you are encouraged to read them closely. Your consultant will be pleased to give full and frank answers to your questions.

The preceding paragraphs are based on information provided by the
ASFE/Association of Engineering Firms Practicing in the Geosciences, Silver Spring, Maryland



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-114 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/20/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Consideration and award of the request for proposals submitted for the available funds (\$38,000) in the Fisheries Enhancement Fund

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Fisheries Enhancement.pdf](#)
[Sitka Sound Science Center submittal.pdf](#)
[AK Longline Fisherman's Assoc. submittal.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

I MOVE TO make \$38,000 in the Fisheries Enhancement Fund available for disbursement.

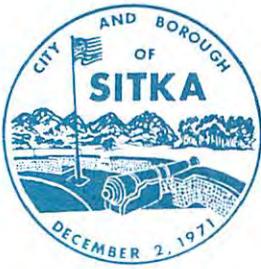
Step 2

POSSIBLE MOTIONS

I MOVE TO award \$_____ to the Sitka Sound Science Center. (*Note: \$38,000 requested*)

I MOVE TO award \$_____ to the Alaska Longline Fisherman's Association. (*Note: \$15,000 requested*)

Note: \$38,000 is available for disbursement from the Fisheries Enhancement Fund. A total of \$53,000 has been requested.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: Mayor Hunter and Members of the Assembly

From: Phillip M. Messina, Interim Administrator 

Date: June 19, 2017

Re: FY2017 Fisheries Enhancement Fund Proposals

The Fisheries Enhancement Fund was established by Ordinance 2006-38 and approved by voters in 2006.

The amount available for disbursement from the FY2017 budget is \$38,000. Our office received two timely proposals from:

- Sitka Sound Science Center
- Alask Longline Fishermen's Association

By the terms of the Ordinance the two proposals meet the requirements.

The Assembly is required by Ordinance to make a determination of the distribution of funds.

FY17 Fisheries Enhancement Grant Requests

Applicant	FY 2017 Requested	To be Used For	Amount Recommended
Sitka Sound Science Center	\$38,000.00	To continue its hatchery production and enhancement operations	
Alaska Longline Fishermen's Association	\$15,000.00	1) expand apprentice or entry-level deckhand opportunities on commercial fishing boats; 2) facilitate inter-generational transfer of permits and quota to Sitka residents; 3) mentor new fishermen through Sitka-based education and training programs; and 4) expand exports of local fish regionally and statewide through enhanced marketing of ALFA's rapidly growing Alaskans Own program.	
TOTAL	\$53,000.00		\$0.00

Note: \$38,000 is available for disbursement from the Fisheries Enhancement Fund

LEGAL NOTICE

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

Request for Proposals for the disbursement of the available \$38,000 in the Fisheries Enhancement Fund, established by Ordinance 2006-38 and approved by voters in the regular election held October 3, 2006, will be received at the office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska until Friday, June 16, 2017, 2:00 pm. Proposals received after the time fixed for receipt will not be considered.

The proposal should contain the following information:

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

Questions may be directed to Renee Wheat, Admin. Coordinator, 100 Lincoln St., Sitka, Alaska, 747-1808.

Publish: June 2, 9, 14

**SITKA SOUND
SCIENCE CENTER**

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



June 1, 2017

Dear City and Borough Assembly members,

It is a great pleasure to send this proposal request for the Fisheries Enhancement Fund on behalf of the Sitka Sound Science Center (SSSC). The City of Sitka has been a strong support and partner in moving our community forward in salmon enhancement, science research and science education. In addition to our hatchery adding to the common property fishery of Sitka Sound, our visitor programs educate thousands of people about commercial fishing, salmon enhancement, and marine and terrestrial science issues.

The voters approved the Enhancement Funds to be used in part for fisheries enhancement in the Sitka area. Our proposal does exactly what the voters had in mind. SSSC has utilized the dollars from this Fund to provide salmon to the common property fishery in Sitka Sound and Deep Inlet through its operation of the Sheldon Jackson Salmon Hatchery and increasing fishing opportunities near town. In addition, the Sitka Sound Science Center has trained people to work in the salmon enhancement sector and provide support to the aquaculture industry.

Thank you for your past support and for helping us build an organization that is supporting the fishing sector of our community.

Thank you also for your careful consideration of this proposal. I welcome your interest in our organization and invite you to tour the facility with me when it is convenient for you.

All the best,

A handwritten signature in black ink, appearing to read 'Lisa Busch', with a stylized flourish at the end.

Lisa Busch
Executive Director
Sitka Sound Science Center

Application City and Borough of Sitka Fisheries Enhancement Fund

Sitka Sound Science Center

2017

The Sitka Sound Science Center's respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery \$38,000 from the Fisheries Enhancement Fund. The SJ salmon hatchery work aligns perfectly with the purpose of the Fisheries Enhancement Fund. Our facility is permitted for 12 million chums, 3 million pink and 250,000 coho eggs. The Sitka Sound Science Center produces these fish for the commercial, sport and subsistence harvest in Sitka Sound and Deep Inlet. We have a partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs, returning \$6.1 million total value to the fishing fleets of Sitka over the past ten years. The fish Sitka Sound Science Center releases in front of our facility are worth another \$1.5 million over the last 10 years. Our hatchery fish are caught by sport, subsistence and commercial fishermen in Sitka Sound and surrounding waters and our return site adjacent to the Sage Beach provides a unique opportunity for anglers of all ages to catch salmon.

History of the Organization: Sitka Sound Science Center

The Sitka Sound Science Center(SSSC) is a **non-profit 501c3** organization formed in 2007. The Sitka Sound Science Center is dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of Alaska through education and research. Our vision is to build on Sitka's legacy and potential as an educational and scientific community. We have 15 year-round staff members and 14 additional summer employees. We own the 1929-era Sage building that at one time housed the Sheldon Jackson College science classrooms and laboratories. Today we operate the Molly O Ahlgren Aquarium and the **Sheldon Jackson Salmon Hatchery**. Our hatchery contributes to the Sitka Sound common property fishery, the Deep Inlet chum fishery and towards training people in the UAS Fisheries Technology Training Program as well as in the Sitka School District and Mt. Edgecumbe High School. Students in these program are the future of salmon enhancement and fisheries management. This year we provided a new aquaculture hands-on, experiential learning class to Pacific High School students.

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

Today, SSSC delivers high quality science education programs and conducts collaborative research with a number of research institutions from around the nation. SSSC works to conduct research that reflects Sitka's locally relevant scientific questions and in close partnership with fishing interests such as NSRAA, Silver Bay Seafoods, and the Alaska Longline Fishermen's Association.

Our programs:

What's new? This year we made large improvements to the back of the building where hatchery plumbing was outdated. We replaced the olden wooden stairs that enter the hatchery with safer concrete ones, we upgraded the degassing tank and put it below ground and with funding from the City and the National Science Foundation we replaced old saltwater pipes leading from the saltwater intake to the building. We also obtained a back-up generator so that research and hatchery operations can be maintained during a power outage. We continued our strong partnerships with the University of Alaska Southeast Fish Tech program, NSRAA, Sitka School District, Alaska Longline Fishermen's Association, Mt. Edgecumbe High School, Stanford University, University of San Francisco, U.S. Coast Guard Academy, Mote Marine Laboratory, NOAA, USGS and the Alaska Department of Fish and Game

Our dive programs have also grown as the state and the nation become more interested in ocean acidification(OA)and mariculture. University of Santa Cruz conducts dive research on kelp and OA educational programs and has developed a winter dive field course for undergraduates. Our after-school, and summer camps have become enormously popular and our Scientists in the Schools program has been well integrated into the K-12 curriculum for the Sitka School District.

Enhancement

Sitka Sound Science Center is part of the almost \$1 billion aquaculture industry in Alaska. Southeast Alaska hatcheries contribute millions of pounds of fish to commercial, charter, sport, personal use and subsistence fisheries, resulting in the injection of millions of dollars into the Sitka economy. The McDowell study (May 2010) demonstrates how important hatcheries are to our community and regional economy. The SJ Hatchery facility is permitted by the State for 12 million Chums, 3 million Pinks, and 250,000 Coho that return to Crescent Bay, providing important local sport, commercial and charter fishing opportunities near town. Visitors target our fish when fishing near the sea walk and Sage Beach (adjacent to our facility). Our nonprofit organization provides 9 million chum eggs for the Deep Inlet remote release site. **The value of the SSSC's S.J. Hatchery contribution to the Deep Inlet fishery over the last ten years is estimated at \$6.1 million in total value and the commercial catch of fish released from SJ is valued around 1.5 million over the last 10 years.** Because of our location, SSSC-reared salmon are easily accessible to commercial fishermen, recreational and guided sport fishermen including land based sport fishing. The return site adjacent to Sage Beach provides a unique opportunity for anglers to catch salmon from the shore, an opportunity used by children, family

and elders during the salmon return. We also provide salmon carcasses for locals to use for dog food and gardening. In addition, SSSC is training people to work in fisheries enhancement. We have a formal Memorandum of Understanding with the University of Alaska Southeast to provide hands on training to people in the University of Alaska Fisheries Technology Program. **We are the only working training facility hatchery in the State of Alaska, and one of only two in the Pacific Northwest.**

We are part of the State of Alaska \$20 million long term study on the interaction between wild and hatchery chum salmon overseeing the Southeast field crews conducting the research. SSSC continues to conduct controlled research experiments for the hatchery feed company Skretting in which we are testing alternative fish food ingredients. We continue to collaborate on doing research in partnership with University of Alaska Southeast, University of Alaska Fairbanks School of Fisheries, on humpback whales feeding on hatchery released smolt and fry.

SSSC conducts longline fishery research, funded by NOAA, and in partnership with Scripps Institution of Oceanography, the University of Alaska Southeast, the Central Bering Sea Fishermen's Cooperative, and the Alaska Longline Fishermen's Association. We also conduct a number of projects for the National Oceanic and Atmospheric Administration (NOAA) related to oil spills and herring fitness.

Our facility receives approximately 14,000 visitors annually and as part of the visitor experience, we provide them with a history of salmon enhancement and commercial, sport and subsistence fishing in Alaska. We teach visitors about the salmon life cycle, how our community depends on fishing for an economic base and the importance of culture in our relationship with the natural world.

Community Support

Sitka Sound Science Center has a wide breadth of community support as represented by our donation and in-kind support from fish processors such as Silver Bay Seafoods, and Sitka Sound Seafoods; private foundations including the Sitka Permanent Charitable Trust, the Boat Company, Rasmuson Foundation, members, and a breadth of individual donations. We are also supported by Douglas Island Pink and Chum (DIPAC) and the Northern Southeast Regional Aquaculture Association (NSRAA). Our Board of Directors represents a cross section of Sitka. Our board members are: Trish White (chair, owner, White's Pharmacy); Kitty LaBounty (vice chair, UAS); Justin Penny (Wells Fargo), Linda Waller (co-secretary, Sitka Sound Seafoods); Nancy LeClerc-Davidson (co-secretary, retired); Steve Clayton (building contractor); Rob Allen (Sitka Community Hospital administrator, treasurer);; Madison Kosma (UAF graduate student)

Dollars Requested: Sitka Sound Science Center respectfully requests the balance of the fisheries enhancement fund \$38,000

Statement of what will be achieved with the funding: Fisheries Enhancement funding will enable Sitka Sound Science Center to maintain its hatchery production and enhancement operations. The monies from the Fisheries Enhancement Fund go directly into supporting hatchery operations and funding our aquaculture director. This position is responsible for overseeing fish health, tagging fish, water quality monitoring, research operations, facility issues and other essential hatchery tasks that support strong, healthy fish releases. Because of the small size of our facility, cost recovery fishing does not pay all the bills for operations. The funds provided by the fish box tax are vital for our organization, particularly this year with diminished federal and state opportunities for grants and contracts.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka: Sitka Sound Science Center provides fisheries enhancement in many ways. We directly contribute to salmon fishing opportunities for all users in Sitka by:

- Enhance the quantity of fish stocks returning to Sitka Sound by releasing 250,000 Coho, 3 million Chum and 3 million Pink salmon that return to Crescent Bay.
- Enhance and contribute to the Deep Inlet terminal fishery in partnership with NSRAA to release 9 million Chum salmon.

Additionally, we ensure fisheries enhancement into the future by:

- Train adults and students to become competent aquaculture technicians for work at NSRAA or other hatcheries/salmon enhancement projects through on-the-job training and UAS Fisheries Technology class laboratories.
- Introduce K-12 students to fisheries enhancement, science and other marine related disciplines as options for their future careers by providing hands-on laboratories and supporting science curriculum at all Sitka Schools.
- Educate visitors about hatcheries and how salmon enhancement works in conjunction with wild salmon management and conservation in Southeast Alaska
- Educate visitors and residents about the important role of commercial, sport and subsistence fishing to Sitka's economy, lifestyle and culture.
- Provide internship opportunities for college students studying science and to work in science education and hatchery operations during the summer.
- Provide summer employment opportunities for Sitka High School students to work in science education and hatchery operations.

ATTACHED:

Hatchery Pro Forma

SSSC recent Balance Sheet and Support Letter from NSRAA

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

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

1308 Sawmill Creek Road Sitka, Alaska 99835

June 2, 2017

RE: Support for Sitka Sound Science Center 2017 Fish Box Tax Request

Dear Mayor Hunter & Sitka Assembly,

The Sitka Sound Science Center through its operation of the Sheldon Jackson Hatchery fully meets the criteria for receiving the 2017 Fish Box Tax funds in the category for salmon enhancement. SSSC conducts and is committed to salmon enhancement programs that benefit common property fisheries in Sitka. No other entity in Sitka, applying for the funds, fulfills that mission. In addition, SSSC provides several functions that support enhancement programs in important and fundamental ways, including kindergarten to college science education and aquaculture research, as well as providing student/employee salmon hatchery training.

Commercial fishermen have benefited directly from the 12 million chum eggs (increased from 10 million in 2013) associated with the Sheldon Jackson Hatchery permit. If it were not for SSSC operating the hatchery there would be 125,000 fewer adult chum salmon to catch in Sitka Sound each year. The total value of the SJ hatchery chum caught in Deep Inlet by the commercial fleet from 2007 to 2016 is \$6,100,000. These dollars flow through Sitka's economy. While the ex-vessel value accrues to fishermen and the community, it doesn't pay for the SJ hatchery program which is why the box tax is significant and important to SSSC.

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

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

Please support this important enhancement operation in Sitka.

Sincerely,

A handwritten signature in blue ink that reads 'Steve Reifenstuhl'. The signature is fluid and cursive.

Steve Reifenstuhl, General Manager

Northern Southeast Regional Aquaculture Association

11:17 AM
06/01/17
Accrual Basis

Sitka Sound Science Center
Balance Sheet
As of June 1, 2017

	<u>Jun 1, 17</u>
ASSETS	
Current Assets	
Checking/Savings	701,796.98
Accounts Receivable	35,786.34
Other Current Assets	41,798.29
Total Current Assets	<u>779,381.61</u>
Fixed Assets	<u>2,415,120.83</u>
TOTAL ASSETS	<u><u>3,194,502.44</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	56,127.73
Long Term Liabilities	635,109.67
Total Liabilities	<u>691,237.40</u>
Equity	<u>2,503,265.04</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,194,502.44</u></u>



Application to Fisheries Enhancement Fund City and Borough of Sitka

Organization Name:	Alaska Longline Fishermen's Association		
Street 1:	834 Lincoln Street Room 23		
City:	Sitka	State:	AK
Country:	USA	Zip Code:	99835
Telephone No.:	907 747 3400	Extension:	
Mobile:	907 738 3615	Fax:	907 747 3462
Email:	alfafish@acsalaska.net ; alfastaff@gmail.com		
Website:	www.alfafish.org		

Summary of ALFA mission:

The Alaska Longline Fishermen's Association (ALFA) is a non-profit association of independent commercial hook and line vessel owners and crewmembers who promote sustainable harvest of marine fisheries, thriving coastal communities, and healthy marine ecosystems. ALFA represents fishermen in local, state and national marine management forums and actively engages fishermen in marine research, conservation and management to encourage innovative improvement to best fishing practices and promote resource stewardship.

Fisheries Enhancement Fund: Overview of Proposal

Respectfully submitted by: Alaska Longline Fishermen's Association:

Summary

The Sitka-based Alaska Longline Fishermen's Association (ALFA) is an alliance of small boat, commercial fishermen committed to sustainable fisheries and thriving coastal communities. Our members support science-based fisheries management through collaborative research, advocacy and innovation. We work to safeguard ocean health and improve the economic viability of small boat fishing.

This grant application is divided into the following 5 sections:

- History of our Organization (pages 2-3)
- What we will achieve with the Funding (pages 3-5)
- How the project will enhance Sitka's Fisheries (pages 6)
- Timeline and Evaluation of Project (pages 7-8)
- Project Staff (page 8-9)
- Budget (page 10)
- Enclosures (page 11)

The History of our Organization:

ALFA Timeline:

- ALFA was launched in 1978 by fishermen dedicated to protecting fish stocks from foreign fishing and to keeping the economic benefits of commercial fishing in Alaska to benefit local communities.
- ALFA led a successful campaign to rebuild Alaska sablefish and rockfish stocks in the early 1980s, foregoing harvest until stocks rebuilt.
- When U.S.-based factory boats replaced the foreign fleet, ALFA again worked to protect the local fishing fleet and the communities that depend on it.
- In 1991, when the current ALFA executive director was hired, ALFA launched what became a six-year battle to eliminate trawling from the Southeast Alaska fishing grounds that support the local fishing fleet.
- During development of the Alaska halibut/sablefish catch share program, ALFA successfully championed measures to promote sustained participation by Alaska's small boat fleet. At the local level, ALFA actively participated in creating and championing the Sitka Local Area Management Plan, which prioritizes access for Sitka's non-commercial fishing residents to local halibut stocks, and at the national level ALFA has actively advocated for resource and community provisions during the last two and current reauthorizations of the Magnuson-Stevens Act.
- ALFA is also engaged in multiple national networks and willingly shares lessons learned regarding effective policy advocacy with community-based fishing groups from around the nation through the Maine Island Institute, the Marine Fish Conservation Network (MFCN) and the Community Fisheries Network (CFN).
- Since 2000, ALFA has focused on promoting sustainable fisheries policy at the national level and, closer to home, engaging ALFA members in collaborative research to improve our fleet's viability and stewardship.

Organizational Capacity: ALFA operated with a single staff member supported by these revenue sources from 1978 until the late 1990s. In the '90s, ALFA began to build a stronger statewide presence and ALFA staff engaged in national policy development. After deliberative strategic planning in the early 2000s, ALFA expanded staff capacity, formed collaborative partnerships, secured additional grant support, and engaged fishing members in marine research and conservation initiatives. This collaborative research, which was formalized into the Fishery Conservation Network (FCN) in 2009, now attracts grant invitations from scientists and fishing organizations that recognize the skills and expertise that the organization brings to the table. Core ALFA operations are supported by fishermen memberships, local and marine businesses, and an annual seafood raffle/fundraiser.

Staffing: ALFA currently has six staff members, 5 FTE, 1 part-time office manager.

Standing: ALFA does not hold any debt and is well recognized as a force for sustainable community-based fisheries at both the state and national level.

Core Goals from ALFA's 2016-2017 Strategic Planning: ALFA is deeply engaged in supporting the next generation of fishermen. Thirty years ago, a young person who wanted to fish commercially needed a boat, some fishing gear, and a sense of adventure to get started in the business. Today young fishermen face staggering entry level costs, high operating costs, and a level of risk that is equivalent to buying a starter hotel, instead of a starter house, as a first step in home-ownership.

Between 1975 and 2014, Alaska's rural communities experienced a net loss of over 2,300 limited entry permits.¹ Federal quota has also become concentrated into fewer hands and migrated from rural communities and often out of state. Because few alternative employment opportunities exist in these communities, losing access means losing livelihood and, ultimately, losing community.² Central to the mission of ALFA is the belief that Alaska needs a vibrant and sustainable fishing industry supporting economically empowered and self-sufficient Alaska communities. This includes ensuring that emerging fishermen have access to a career in the fisheries, including a path towards direct ownership. We are committed to helping young fishermen overcome these obstacles, and to ensuring that Sitka continues to have a strong economic base in commercial fisheries.

What we will achieve with funding from the Sitka FEP:

In 2016, ALFA received \$10,000.00 from the FEP. ALFA's 2017 FEP proposal is seeking \$15,000.00 and builds upon the success of our 2016 FEP project.

ALFA's 2017 FEP proposal includes the following four objectives: 1) expand apprenticeship or entry-level deckhand opportunities on commercial fishing boats; 2) facilitate inter-generational transfer of permits and quota to Sitka residents; 3) mentor new fishermen through Sitka-based education and training programs; and 4) expand

¹ Rachel Donkersloot & Courtney Carothers (2016) *The Greying of the Alaskan Fishing Fleet*, Environment: Science and Policy for Sustainable Development.

² Rachel Donkersloot & Courtney Carothers (2016) *The Greying of the Alaskan Fishing Fleet*, Environment: Science and Policy for Sustainable Development.

exports of local fish regionally and statewide through enhanced marketing of ALFA's rapidly growing Alaskans Own program.

In this proposal we will outline the success of the 2016 FEP project as well as describing ALFA's goals for 2017.

Thank you: First, thanks to the generous support of CBS, ALFA achieved all the objectives within our 2016 FEP project and are ready to take our young fishermen's initiative to scale. The initiative is expanding and attracting both attention and financial support from other parts of the State, as well as the lower 48. With continued support from the City's Fishery Enhancement Program we will build on existing success to secure the economic benefits of Sitka's fishing future within our community.

Objective 1: Expand apprentice and entry-level deckhand opportunities: Since inception, our deckhand apprentice program has served over 40 individuals. Over the past year, 16 young people, including 12 women, participated in ALFA's deckhand apprentice program, gaining critical commercial fishing experience as a "greenhorn" or learning about a new fishery. Over 1/4th of apprentices trained secured full-time employment in fisheries, and one went on to purchase her own boat. At this point, demand for apprentice opportunities has exceeded the capacity of our pilot program, which works with one skipper and one boat. To meet demand, ALFA staff and deckhand apprentice program graduate Alyssa Russell worked this past winter with skipper Eric Jordan to develop a curriculum and training guide to formalize the process tested in our pilot apprentice program and guide expansion. Materials to prepare young fishermen will soon be available at alfafish.org. We are currently working on materials to train additional ALFA skippers to host apprentices, and hope to complement written materials with a short video and in-person training during the fall 2017. We have submitted a grant proposal to the National Fish and Wildlife Foundation (NFWF) to: 1) complete curricula and host skipper training programs in Sitka to increase program capacity; 2) share materials outside Sitka to catalyze and coordinate apprentice programs in other parts of the state; 3) develop apprentice program outreach materials for Sitka Schools; and 4) coordinate internship opportunities for UAS fisheries students. NFWF requires a 50% match; support from the Sitka Fisheries Enhancement Program would support ALFA in leveraging NFWF funding and providing additional entry-level opportunity in Sitka.

Objective 2: Facilitate inter-generational transfer of OS and permits and entry-level opportunity to Sitka residents: Over the past year, ALFA worked with project partners at the Alaska Sustainable Fisheries Trust, The Nature Conservancy and NatureVest to advance Local Fish Fund LLC, an innovative financing program to recapture fishery access in Sitka. To date, Local Fish Fund has facilitated transfer of close to \$1 million of quota share and permits to Sitka residents, with the most recent transfer completed in the first week of June 2017. We are currently finalizing terms with a regional fiscal agent that will guide program expansion as we take Local Fish Fund to scale. We have \$1.2 million in capital pledged by fishermen and \$3 million in program related investment capital pending through NatureVest. ASFT has been awarded \$180,000.00 in committed grant funds for young fishermen committed to the project that again require match.

Support from Sitka FEP will allow us to access these funds and fully launch LFF. Your support in 2016 allowed us to tell our story to major funders and to secure funding to take this project to scale. In order to maintain the critical momentum needed as we take this project to scale, ALFA has an ambitious development plan for 2017. Our strategic planning of 2016-2017 carefully mapped out the diversified revenue streams and earned income so important to organizational resiliency. To outside funders, there is no better indicator of community support and project viability than funding from the City and Borough of Sitka. We are grateful for your consideration.

Objective 3: Mentor new fishermen through Sitka education and training programs: Over the past year, ALFA's Fishery Conservation Network mentoring program included over 100 fishermen. Much of this capacity was through our bathymetric mapping initiative, which assists fishermen in successfully and efficiently harvesting target species while controlling bycatch of non-target species, such as rockfish. Other new participants have benefited from a sperm whale avoidance network, which assisted fishermen operating the in the Chatham Strait sablefish fishery in successfully avoiding depredating sperm whales, who have become adept at removing sablefish from longline gear.

New this year, ALFA dedicated FEP resources to host two Sitka Fishermen Expos, providing workshops and on-board troubleshooting support to local fishermen on new gear types, technology innovations, business and financial planning, fishery projections, and safety equipment. The Fishermen's Expos featured gear manufacturers, software designers, stock assessment scientists and financial experts from Seattle, Homer, Juneau and Sitka, who shared information with the approximately 100 fishermen participants. Strong positive feedback emphasized the ongoing need for these trainings. With continued support, ALFA will plan and host annual or twice annual Expos with trainings focused on topics identified by fishermen, processors, managers or staff.

We are also proud to report that Representatives Don Young and Seth Moulton worked with ALFA and other members of the Fishing Community Coalition to develop and introduce a bill that will establish a national [Young Fishermen's Development Fund](#). If passed and signed into law, the Fund will provide grants of up to \$200,000 to organizations such as ALFA to host education and training opportunities for young fishermen. The bill is based on legislation currently in place to support young farmers, ranchers and aquaculturists. A press release from Representative Young's office on the bill can be found at alfafish.org/media. Senator Sullivan has just introduced a companion bill in the Senate, and Senator Murkowski has enthusiastically voiced her support as well. With ongoing support from the City, we will continue to educate lawmakers of the importance of a fund that invests in the future of young fishermen and, once the bill is passed, we will leverage City funds to access the YFDF to provide additional support and training to Sitka fishermen.

Objective 4: Alaskans Own (AO) Community Supported Fishery program.

Thanks to FEP funding for marketing support in 2016, AO was able to expand exports of local fish regionally and statewide, increasing our sales by over 30%.

AO is a local Community Supported Fishery (CSF) program, similar to Community Supported Agriculture programs, which address an important environmental and socio-economic need by forging stronger consumer-producer relationships. By forward-funding a season of seafood, consumers invest in sustainable harvest and the community-based fishermen who catch their fish. The Alaskans Own (AO) CSF has a solid subscriber base, and every opportunity for exposure has yielded tangible impacts in increased number of subscriptions. There is a clear market demand for Sitka fish, particularly in interior Alaska. With the support of FEP funding, AO will host local producer events and create 2 shareable video shorts that tell the story of small-boat fishing. These would be adapted to promote products for a variety of small-scale producers and direct marketers. 2017 is AO's seventh season of providing premium, locally caught and processed seafood to Sitka residents. Along with providing great seafood, AO provides information about the fish and the fishermen, sharing the commitment of ALFA fishermen to sustainable fisheries and thriving fishing communities. Program growth has been steady, allowing AO to increase consumer base, seafood volume, and product diversity. With support from the City of Sitka FEP, AO tested a food club model that allows people living outside AO CSF subscriber areas to order AO seafood with neighbors and friends to meet shipment minimums. We are expanding this approach in 2017, and adding new products. Also in 2016, AO participated with project partners from Ecotrust and the Oregon Food Innovation Lab to gauge consumer preference for flash frozen vs "fresh" seafood. In a blind taste test, consumers consistently selected the flash frozen seafood over fresh, opening new opportunities to overcome consumer bias against frozen. We plan to put these results to work for AO, Sitka Sound Seafoods and Seafood Producers Cooperative using funding recently awarded to ALFA from the Southwest Alaska Municipal Conference to promote value added seafood manufacturing in Alaska.

How the project will enhance Sitka fisheries:

Funding ALFA's young fishermen's initiative will benefit Sitka's fisheries by ensuring Sitkans continue to have access to adjacent fisheries and that fishing jobs and revenue remain a cornerstone of Sitka's economy. Entry-level opportunities, expanded fishery access, and adequate training will strengthen Sitka's stake in the future of fisheries which will, in turn, strengthen Sitka's economic base. Fishing in Alaska has traditionally offered a way of life that many choose for the tangible connection to the ocean, the independence and self-determination it provides, and the opportunity to work alongside family. This way of life engenders a strong sense of place and a deep commitment to resource stewardship, with fishermen eager to safeguard ocean productivity for their children and grandchildren.

Limited access programs have significantly raised the cost of entry to Alaska's fisheries and are changing the character of the fishing fleet. As the cost of entry to fisheries rises, fishing is increasingly dominated by a more industrial and corporate model of extraction. Bigger operations pressure the system to allow increased consolidation of access privileges and to foster policy that marginalizes small operations. Corporate fishing operations seek profits now while overlooking long-term costs to ecosystem and community health. ALFA's mission is to hold space in the nation's fisheries for small, community-based operations; to ensure policy is scaled to meet the needs of this

conservation-minded fleet; and to create market forces that support the economic success and political leverage of community-based fishermen.

Project Timeline and Evaluation (green denotes quarter when activity will be carried out/achieved)

TIMELINE:

TIMELINE: July 2017-June 2018	2017		2018	
	Q3	Q4	Q1	Q2
Objective 1) Expand apprentice or entry-level deckhand opportunities on commercial fishing boats				
Task 1: Renew contract and requirements for Apprentice Mentorship, select 1-2 fishing vessels for delivery of program				
Task 2: Review and approval of Apprentice Training deployment plan				
Task 3: Release call for applicants				
Task 4: select 10-20 individuals for apprentice opportunity				
Task 5: Submit interim and final report to Sitka FEP				
Activity 2) Facilitate inter-generational transfer of permits and quota to Sitka residents				
Task 1: finalizing terms with a regional fiscal agent that will guide program expansion as we take Local Fish Fund to scale				
Task 2: Activate \$1.2 million in capital pledged by fishermen and finalize \$3 million in program related investment capital pending through NatureVest				
Task 3. Apply to large grantors such as The Nature Conservancy and The Rasmuson Foundation for additional funding to support quota purchases and intergenerational quota transfer.				
Activity 3) Mentor new fishermen through Sitka-based education and training programs				
Task 1: Renew contract and requirements for Mentorship Program,				
Task 2: Review and approval of Training and Educational Plan				
Task 3: Release call for applicants				

Commented [A1]: Alyssa can you update this for the apprentice or entry level deckhand goals?

Alaska Longline Fishermen's Association, Application to FEP

Task 4: Seek funding through federal program to enhance training/mentorship and educational opportunities for fishermen that are otherwise not available for Sitkans.				
<i>Project timeline continued on page 7</i>				

Project Timeline	Q2	Q3	Q1	Q2
Activity 4) Expand exports of local fish regionally and statewide through enhanced marketing of ALFA's rapidly growing Alaskan's Own program.				
Task 1: increase consumer appreciation, access, and consumption of sustainably harvested local seafood through enhanced marketing plans in Seattle, Fairbanks and Juneau				
Task 2: Improve viability and profitability of Alaskans Own through increased partners in Juneau, Seattle and Fairbanks.				
Task 3: increase pounds of locally harvested seafood moved into local farmer's markets, institutions, businesses and restaurants. Bulk buyers identified and secured (a minimum of 10 new bulk purchasers secured in Juneau, Seattle, Fairbanks.)				
Task 4: create two video shorts to use in marketing Sitka Seafood throughout Alaska.				
Task 5: Apply to USDA and other major grantors for development of Alaska's Own (two grants minimum)				

Overall progress will be monitored relative to achieving the metrics and expected results/outcomes identified above.

Both ALFA and ASFT programs will be evaluated individually to ensure each is contributing to organizational mission and strategic plan or is modified to achieve success.

ALFA Management Team

Linda Behnken, ALFA	Ms. Behnken is the Executive Director of ALFA and has served in this capacity since 1991. Ms. Behnken has a BA from Dartmouth College and a Masters in Environmental Science from Yale University. Ms. Behnken served on the North Pacific Fishery Management Council (NPFMC) from 1992-2001 and co-chaired the NPFMC's Essential Fish Habitat
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Alaska Longline Fishermen's Association, Application to FEP

	<p>Committee. Ms. Behnken was awarded the National Fisherman Highliner award in 2009 for her work promoting healthy marine ecosystems and strong coastal communities, and was a keynote speaker at the 2009 Young Fishermen's Summit in Anchorage, Alaska. Ms. Behnken has fished commercially for over 30 years, and served on the North Pacific Fishery Management Council for nine years. Ms. Behnken knows the seafood industry from both the "boots on deck" and policy perspective. As a more than 30-year resident of the remote island community of Sitka Alaska, Ms. Behnken has a deep knowledge of and commitment to rural communities. Ms. Behnken helped launch Alaskans Own to build connections between ALFA's conservation-minded small boat fishermen and consumers who care about local and sustainably sourced seafood. With other talented staff, Ms. Behnken has built ALFA from a minor organization with an annual budget of less than \$50,000 to a well-recognized local, regional and national leader in sustainable fisheries.</p>
<p>Daniel Falvey, ALFA</p>	<p>Mr. Falvey has a BA in resource management and policy from Western Washington University and training in Geographic Information Systems analysis from Penn State World Campus. He has owned/operated commercial fishing vessels in Alaska since 1984. Mr. Falvey served on the Advisory Panel to the NPFMC from 1991-2004, and has served on the Advisory Panel of the North Pacific Research Board since 2010. Mr. Falvey was awarded the National Fisherman Highliner award in 2011. Through his involvement with ALFA, Mr. Falvey has successfully coordinated several cooperative research projects, and is a member of the Council's EM workgroup and Observer Advisory Committee. Mr. Falvey will serve as the project's financial manager and be responsible for contract management, project implementation, and reporting.</p>
<p>Willow Moore, ALFA</p>	<p>Ms. Moore is the Assistant Director of ALFA. After spending the last six years serving as Executive Director of Brave Heart Volunteers, Willow has been delighted to join the dynamic ALFA team. Ms. Moore holds a degree in nursing, an undergraduate degree in psychology and is finishing a Masters of Public Administration in Natural Resource Management degree (Graduation date: December 2016), all from University of Alaska. In 2013 Ms. Moore was the recipient of the Rasmuson educational award for Emerging Leaders and in 2014 was a Rasmuson Foundation Sabbatical award winner. Throughout her 20 years of work in the nonprofit sector, Ms. Moore has specialized in executive management and program development and sustainability, working to build and support business strategies and objectives through effective marketing plans, increased partnerships, developing performance-measurement systems, and improved integration of quality, operational, and financial information. Ms. Moore has lived in Sitka since 2001, and is deeply committed to</p>

Alaska Longline Fishermen's Association, Application to FEP

	locally and sustainably harvested seafood. Ms. Moore and her family were among the program's first subscribers when the Alaskan's Own program was founded.
Alyssa Russell	Alyssa Russell is the Communications Director at the Alaska Longline Fishermen's Association (ALFA). In her work, she focuses on using media (including film, writing, photography, and traditional outlets) to communicate stories and information surrounding best fishing practices, small boat fisheries, and sustainable, local seafood. Alyssa's background is in communications, graphic design, and resource conservation, and prior to working with ALFA she was a communications associate with Conservation International's Policy Center for Environment and Peace. Because of her interest in issues relating to equitable access to local fisheries, she recently joined the steering committee for the Alaska Young Fishermen's Network. She is a young fisherman who crews part-time in Southeast Alaska on a commercial troller; along with her skipper, she has run a small direct salmon marketing business named Alaska Salmon CSF. She was named a summit scholar at this year's 2017 Seaweb Sustainable Seafood Summit. Alyssa is a graduate of Boston University and holds a BS in Public Relations and a BA in International Relations.

Budget

Staff Time (for all 4 objectives)

Description	# of Units	Per Unit Cost	Total
Alfa Staff Time	300	\$40.00	\$12,000.00

Total Staff Time **\$7,000.00**

ALFA staff time to coordinate stakeholder and marketing involvement and outreach, grant reporting, and administration requirements. Duties will be assigned to ALFA staff members as appropriate.

Marketing and Promotion/Printing

Description	# of Units	Per Unit Cost	Total
Outreach materials	4 (1 per each project)	\$750.00	\$3,000.00

Total Printing **\$3,000.00**

For all four objectives outlined in this proposal, ALFA will conduct outreach to consumers, partners, fishermen and local producers in all four objectives outlined above,

Alaska Longline Fishermen's Association, Application to FEP

and will include project updates on the ALFA and AO websites as well as in ALFA newsletters. ALFA/AO will communicate at least monthly with subscribers and businesses carrying AO product via email, email and printed material; and will host events in each subscriber community to build awareness and thank subscribers for their participation as well as to provide outreach opportunities for new subscribers.

*Marketing estimates are based on 3 different quotes from local and state printing vendors.

Enclosed:

ALFA contracts with a third-party bookkeeper and at this time does not have pro forma financial statements. ALFA is audited yearly and if appropriate, ALFA would like to submit extra financial documentation to provide the necessary documentation for the project. Please see enclosed the following attachments, we are happy to provide any necessary further information:

- IRS Non-Profit Status
- ALFA 990
- ALFA Balance Sheet as of May 30th 2017
- ALFA Income Statement as of April 2017

- Latest available ALFA Audited financials 2014-2015 (we are very happy to provide the last five years of audited financial statements if appropriate.)

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

FINANCIAL STATEMENTS

December 31, 2015

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

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CHRISTINE E. HARRINGTON

Certified Public Accountant, LLC

329 Harbor Drive, Suite 210, P.O. Box 1328 Sitka, Alaska 99835 (907) 747-5500

Independent Auditor's Report

Board of Directors
Alaska Longline Fishermen's Association
Sitka, Alaska

I have audited the accompanying financial statements of the Alaska Longline Fishermen's Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

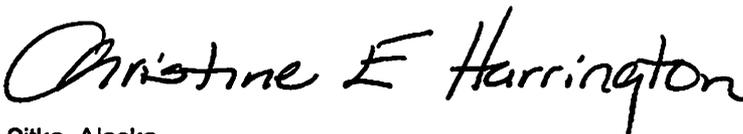
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Longline Fishermen's Association as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Sitka, Alaska
June 28, 2016

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

Assets		
	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 284,848	\$ 148,486
Grants receivable	15,308	35,236
Other receivables	10,000	-
Retail inventory	7,600	7,090
Prepays and deposits	<u>950</u>	<u>500</u>
Total current assets	<u>318,706</u>	<u>191,312</u>
	<u><u>\$ 318,706</u></u>	<u><u>\$ 191,312</u></u>
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 891	\$ 5,825
Accrued payroll taxes	2,133	1,341
Deferred revenue	<u>173,608</u>	<u>62,678</u>
Total current liabilities	176,632	69,844
Net assets:		
Unrestricted, undesignated	<u>142,074</u>	<u>121,468</u>
Total net assets	<u>142,074</u>	<u>121,468</u>
	<u><u>\$ 318,706</u></u>	<u><u>\$ 191,312</u></u>

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues, gains and other support:		
Grant revenue	\$ 234,679	\$ 162,461
Contract revenue	50,353	69,641
Product sales	11,725	3,319
Membership dues	44,480	41,200
Interest	236	302
Fundraising	5,495	5,995
Donations	<u>6,154</u>	<u>713</u>
Total revenues, gains and other support	353,122	283,631
 Expenses and losses:		
Marine conservation and protection	228,863	213,616
Information outreach to public policy forums	49,975	18,660
Management support	<u>53,678</u>	<u>53,248</u>
 Total expenses	 <u>332,516</u>	 <u>285,524</u>
 Change in net assets	 20,606	 (1,893)
 Net assets, beginning of year	 <u>121,468</u>	 <u>123,361</u>
 Net assets, end of year	 <u><u>\$ 142,074</u></u>	 <u><u>\$ 121,468</u></u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015 and 2014

	December 31, 2015				December 31, 2014			
	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Management Support	Total	Marine Conservation and Protection	Information Outreach to Public Policy Forums	Management Support	Total
Expenses:								
Cash operating activities:								
Personal services	\$ 62,053	\$ -	\$ 26,084	\$ 88,137	\$ 37,304	\$ -	\$ 26,479	\$ 63,783
Direct support to target population	29,159	4,864	-	34,023	30,129	4,485	225	34,839
Professional services	35,800	12,482	11,897	60,179	107,386	13,342	9,325	130,053
Travel and conferences	14,363	14,482	-	28,845	19,217	833	5,434	25,484
Small equipment	26,665	-	-	26,665	5,920	-	-	5,920
Other direct costs	60,823	18,147	15,697	94,667	13,660	-	11,785	25,445
	<u>\$ 228,863</u>	<u>\$ 49,975</u>	<u>\$ 53,678</u>	<u>\$ 332,516</u>	<u>\$ 213,616</u>	<u>\$ 18,660</u>	<u>\$ 53,248</u>	<u>\$ 285,524</u>

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from granting and contracting agencies	\$ 415,890	\$ 168,793
Cash received from members and contributors	67,854	51,227
Interest received	236	302
Cash paid to suppliers	(250,273)	(227,537)
Cash paid to employees	(87,345)	(64,125)
	<u>146,362</u>	<u>(71,340)</u>
Net cash provided (used) by operating activities		
Cash flow from investing activities:		
Cash advances to other organizations	(10,000)	-
	<u>(10,000)</u>	<u>-</u>
Net cash used by investing activities		
Net change in cash and cash equivalents	136,362	(71,340)
Cash and cash equivalents, beginning of year	148,486	219,826
Cash and cash equivalents, end of year	<u>\$ 284,848</u>	<u>\$ 148,486</u>
Reconciliation of change in net assets to net cash used by operating activities:		
Change in net assets	\$ 20,606	\$ (1,893)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Changes in assets and liabilities		
(Increase) decrease in grants receivable	19,928	(9,797)
(Increase) in inventory	(510)	(7,090)
(Increase) in prepaids and deposits	(450)	(500)
Increase (decrease) in accounts payable	(4,934)	1,794
Increase (decrease) in payroll taxes payable	792	(342)
Increase (decrease) in deferred revenue	110,930	(53,512)
	<u>125,756</u>	<u>(69,447)</u>
Total adjustments		
Net cash provided (used) by operating activities	<u>\$ 146,362</u>	<u>\$ (71,340)</u>

See notes to financial statements.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Note 1. Organization and Summary of Significant Accounting Policies

A. Organization

Alaska Longline Fishermen's Association ("ALFA") is a non-profit association of independent commercial longline vessel owners and crewmembers who are committed to continuing the sustainable harvest of sablefish, halibut, and groundfish, while supporting healthy marine ecosystems and strong coastal communities through resource stewardship and participation in federal, state, and local forums.

ALFA's income includes membership dues, donations, and grant and contract revenue. During 2015, ALFA administered the following grants and contracts:

Two grants from the Oak Foundation. The first grant had three objectives. One, to establish a rockfish bycatch reporting network to increase the conservation of these resources. Two, to minimize potentially dangerous interaction with sperm whale as a result of the depredation activities of these marine mammals on longline gear. Third, to launch the Alaska Sustainable Fisheries Trust marketing initiative to connect conservation minded consumers with community-based fishermen to foster sustainable harvesting of high quality seafood. The second grant was a core capacity grant to support the ongoing work of ALFA.

Two grants from the National Fish and Wildlife Foundation related to at-sea electronic monitoring ("EM") of the Alaskan halibut and sablefish IFQ (individual fishing quota) fisheries. The first grant is to engage stakeholders in the process of transitioning at-sea monitoring of the Alaskan halibut and sablefish IFQ fisheries from the pilot program stage to an operational program. The first EM project has four objectives:

- Engage stakeholders in developing a workable at-sea monitoring process through collaborative research and outreach;
- Develop local capacity of GOA communities to support Electronic Monitoring;
- Develop a process for timely review of EM data and feedback to the fleet;
- Communicate findings to stakeholders and fishery managers.

The second EM project is to support EM hardware and field support requirements during the 2016 and 2017 pre-implementation period.

Two contracts with the Central Bering Sea Fishermen's Association to continue development and testing of active and passive deterrent strategies for sperm and killer whales, and to conduct tagging operations on sperm whales to track their location and movement.

Two contracts with the Sitka Sound Science Center to coordinate fishing vessel participation in whale deterrent testing programs. The first contract was to deploy underwater cameras to record whale depredation events; the second was to develop a reporting network and tagging program to evaluate whale avoidance measures.

A contract with the Alaska Fisheries Development Foundation to coordinate field work related to collecting base line fuel efficiency data on small Alaskan commercial fishing vessels and developing outreach materials to engage fishery stakeholders on fuel saving techniques.

Grants and contracts were approximately 80% of ALFA's total revenue for each of the years ended December 31, 2015 and 2014.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

B. Basis of Presentation

The accounting records of the ALFA are maintained on the accrual basis of accounting under which revenues are recognized when earned and liabilities and expenses when incurred. Grant revenues are recorded as earned after allowable costs related to the grant have been incurred.

ALFA is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets represent the portion of the net assets of ALFA that are neither permanently nor temporarily restricted.

Temporarily restricted net assets are that portion of net assets restricted by the donor, grantor or other outside parties whose restriction either expires by the passage of time or can be fulfilled and removed by the actions of ALFA. When the restriction expires temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets represent the portion of the net assets from contributions and grants whose use by ALFA is limited by donor-imposed stipulations which neither expire by the passage of time nor can be removed by an action of ALFA.

ALFA has no permanently or temporarily restricted net assets.

C. Revenue Recognition

Grants funds restricted by the donor, grantor, or other outside party for a particular purpose are deemed to be earned when ALFA has incurred expenditures in compliance with the specific restrictions. However, any advance payments on grants received but not used in accordance with the requirements of the grants are reflected as deferred revenue until the grant restriction has been released.

D. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Subsequent Events

ALFA has evaluated subsequent events through the date of the Independent Auditor's Report, which is commensurate with the date the financial statements were available to be issued.

F. Assets, Liabilities and Net Assets

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates market. For the purposes of the statement of cash flows cash equivalents include cash in bank and savings accounts.

Other Receivables

Other receivables include a short-term advance to the Alaska Sustainable Fisheries Trust (ASFT), a nonprofit organization, to provide operating cash. The advance will be repaid with amounts due to ASFT under the

terms of a grant.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. - continued

Property and Equipment

The Organization's only property and equipment is used office furniture and computer equipment. None of these items meet the criteria for capitalization and have been recognized as an expense when purchased

Deferred Revenue

Deferred revenue represents amounts for which the revenue recognition criteria have not been met. In the case of ALFA, deferred revenue results from grant funds received prior to incurring allowable grant costs or contract advances received prior to fulfilling the terms of the contract.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code. The organization's Form 990s, *Return of Organizations Exempt from Income Tax* are subject to possible examination by the Internal Revenue Service until the expiration of the related statute of limitation on those tax returns, which, in general, is three years.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The cost of providing ALFA's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on an estimate by management of time spent supporting each function.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents includes the following at December 31,:

	<u>2015</u>	<u>2014</u>
Demand deposits	\$ 284,227	\$ 148,118
PayPal deposits	500	247
Petty cash	<u>121</u>	<u>121</u>
	<u>\$ 284,848</u>	<u>\$ 148,486</u>

Demand deposits are guaranteed under the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000 of total deposits in a bank. At December 31, 2015 the bank balance was \$364,482. The amount in excess of the FDIC limit was \$114,482, which is uninsured. ALFA has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk to cash.

At December 31, 2014 the bank balance was \$157,679. The entire bank balance was insured at the end of each of the years.

Paypal deposits are held by FDIC insured banks. Individual customer balances are subject to FDIC pass-through deposit coverage up to a total of \$100,000.

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Grants Receivable

Grants receivable at December 31, 2015 and 2014 include amounts due from the National Fish and Wildlife Foundation for allowable expenses under the terms of grants. Management considers grants receivable to be fully collectible at both year-ends. Accordingly, no allowance for doubtful accounts has been recorded.

Note 4. Deferred Revenue

Deferred revenue includes both advances from granting agencies which were not spent or otherwise obligated at the end of the year and advances on contracts with third parties. ALFA recognizes contract income based on the estimated percent of completion at year end.

Deferred revenue includes the following at December 31,:

	<u>2015</u>	<u>2014</u>
Advances from granting agencies	\$ 155,710	\$ 40,906
Unearned contract revenue	<u>17,898</u>	<u>21,772</u>
	<u>\$ 173,608</u>	<u>\$ 62,678</u>

ALFA
Income Statement
January through May 2017

	Jan - May 17
Ordinary Income/Expense	
Income	
4000 · Grant Income	63,191.43
4005 · Contract Income	44,000.17
4010 · Individual Membership Dues	17,400.00
4020 · Business Membership	11,500.00
4030 · Donation Income	629.00
4040 · Fundraising Income	10.00
4050 · Retail Sales	446.75
4060 · Alaskans Own Fish Sales	60,180.85
Total Income	197,358.20
Cost of Goods Sold	
5000 · Cost of Goods Sold	8,346.11
5002 · Credit Card Merchant Fees	1,773.75
5010 · Fish Purchases	20,558.85
5020 · Shipping Supplies/Packaging	723.95
5030 · Freight/Shipping/Air Cargo	886.84
Total COGS	32,289.50
Gross Profit	165,068.70
Expense	
100 · Personnel Services Expense	
110 · Payroll Tax Expense	6,381.12
120 · Director Salary	18,750.00
130 · Salary & Wages	55,020.00
140 · Worker's Comp	1,129.00
Total 100 · Personnel Services Expense	81,280.12
200 · Direct Supp to Target Pop	
220 · Deterrent Gear/Vessel Time	394.00
250 · Dues, Subscript. & Memberships	3,250.00
Total 200 · Direct Supp to Target Pop	3,644.00
300 · Consultants & Contracted	
330 · Accounting	3,142.41
350 · Legal	824.50
360 · Professional Services	7,257.97
370 · Media	3,000.00
Total 300 · Consultants & Contracted	14,224.88
400 · Travel & Conferences	
410 · NPFMC	5,081.42
420 · IPHC	2,504.61
430 · Outreach Travel	2.95
440 · Marketing	804.40
460 · Other Travel	-2,799.20
Total 400 · Travel & Conferences	5,594.18
500 · Equipment & Capital Expenditure	
530 · Computer	1,112.40
500 · Equipment & Capital Expenditure - Other	2,385.89
Total 500 · Equipment & Capital Expenditure	3,498.29

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06/14/17

Accrual Basis

ALFA
Income Statement
January through May 2017

	<u>Jan - May 17</u>
600 - Other Direct Costs	
601 - Postage, Shipping, PO Rental	183.71
602 - Rent	2,585.00
603 - Telephone/Internet	1,232.02
605 - Office	1,249.62
607 - Program	21,753.47
609 - Promotion/Outreach Costs	179.76
610 - Advertising/Printing	1,148.29
645 - Gaming Expense	424.02
680 - Meeting Expense	232.22
695 - Taxes, Licenses & Permit	-100.00
	<hr/>
Total 600 - Other Direct Costs	28,888.11
	<hr/>
Total Expense	137,129.58
	<hr/>
Net Ordinary Income	27,939.12
	<hr/>
Other Income/Expense	
Other Income	
700 - Project Mgmt Earned	9,000.00
720 - Interest/Div Income	98.80
	<hr/>
Total Other Income	9,098.80
	<hr/>
Other Expense	
800 - Project Management/Development	9,000.00
	<hr/>
Total Other Expense	9,000.00
	<hr/>
Net Other Income	98.80
	<hr/>
Net Income	28,037.92
	<hr/> <hr/>

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06/14/17

Accrual Basis

ALFA
Balance Sheet
As of May 31, 2017

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
First Bank Checking 9212	139,843.43
First Bank Savings	66,177.51
Gaming Account	5,694.29
PayPal	1,752.11
PayPal Alaskans Own	1,343.69
Petty Cash	121.40
Total Checking/Savings	214,932.43
Accounts Receivable	
11000 - Accounts Receivable	1,104.50
Total Accounts Receivable	1,104.50
Other Current Assets	
1200 - Undeposited Funds	-513.04
1220 - Loan to ASFT	10,000.00
1500 - Security Deposit	50.00
Total Other Current Assets	9,536.96
Total Current Assets	225,573.89
Fixed Assets	
15000 - Furniture and Equipment	7,090.00
Total Fixed Assets	7,090.00
Other Assets	
18700 - Rent Deposit	300.00
Total Other Assets	300.00
TOTAL ASSETS	232,963.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 - Accounts Payable	1,326.93
Total Accounts Payable	1,326.93
Other Current Liabilities	
Payroll Tax Liability	3,672.30
Sales Tax Payable	77.74
Total Other Current Liabilities	3,750.04
Total Current Liabilities	5,076.97
Total Liabilities	5,076.97
Equity	
32000 - Retained Earnings	199,849.00
Net Income	28,037.92
Total Equity	227,886.92
TOTAL LIABILITIES & EQUITY	232,963.89

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 09 2010

ALASKA LONGLINE FISHERMEN'S
ASSOCIATION
PO BOX 1229
SITKA, AK 99835

Employer Identification Number:
01-0951115
DLN:
600098021
Contact Person:
DENISE L. TAMAYO ID# 95120
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Effective Date of Exemption:
January 6, 2009
Contribution Deductibility:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

Letter 948 (DO/C)

Form **8879-EO**

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2015, or fiscal year beginning, 2015, and ending, 20

2015

Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

Name of exempt organization

**ALASKA LONGLINE FISHERMENS
ASSOCIATION**

Employer identification number

01-0951115

Name and title of officer

**DICK CURRAN
PRESIDENT**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>337,335</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2015 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize Christine E Harrington CPA, LLC to enter my PIN 12345 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2015 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2015 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶ 06/17/16

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

92024612345

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2015 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶ 06/17/16

ERO Must Retain This Form—See Instructions

Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form.

Form **8879-EO** (2015)

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2015 calendar year, or tax year beginning _____, **and ending** _____

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization: **ALASKA LONGLINE FISHERMENS ASSOCIATION**
 Doing business as _____
 Number and street (or P.O. box if mail is not delivered to street address): **PO BOX 1229**
 City or town, state or province, country, and ZIP or foreign postal code: **SITKA AK 99835**

D Employer identification number: **01-0951115**

E Telephone number: **907-747-3400**

G Gross receipts \$: **353,123**

F Name and address of principal officer: **DICK CURRAN**

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) (**6**) ◀ (insert no.) 4947(a)(1) or 527

J Website: **ALFAFISH.ORG**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1978** **M** State of legal domicile: **AK**

H(c) Group exemption number ▶

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: See Schedule O		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	9
	4	Number of independent voting members of the governing body (Part VI, line 1b)	9
	5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	3
	6	Total number of volunteers (estimate if necessary)	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
	7b	Net unrelated business taxable income from Form 990-T, line 34	0
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 261,515 Current Year: 286,914
	9	Program service revenue (Part VIII, line 2g)	12,500 48,753
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	302 236
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,496 1,432
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	281,813 337,335
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	62,614 86,048
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	221,092 230,680
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	283,706 316,728	
19	Revenue less expenses. Subtract line 18 from line 12	-1,893 20,607	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year: 191,312 End of Year: 318,705
	21	Total liabilities (Part X, line 26)	69,843 176,629
	22	Net assets or fund balances. Subtract line 21 from line 20	121,469 142,076

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: **DICK CURRAN** Date: _____
 Type or print name and title: **PRESIDENT**

Paid Preparer Use Only

Print/Type preparer's name: **CHRISTINE E HARRINGTON** Preparer's signature: *[Signature]* Date: **06/17/16** Check if self-employed PTIN: **P00441102**

Firm's name: **Christine E Harrington CPA, LLC** Firm's EIN: _____
 Firm's address: **PO Box 1328 Sitka, AK 99835** Phone no.: **907-747-5500**

Part II Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **316,782** including grants of \$) (Revenue \$ **48,753**)

CONDUCT MARINE RESEARCH ASSOCIATED WITH THE LONGLINE FISHERIES AND ADVOCATE FOR INDUSTRY WITH GOVERNMENT REGULATORY AGENCIES

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **316,782**

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	X	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		X
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	X	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
 Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1a	9		
b	Enter the number of voting members included in line 1a, above, who are independent		
1b	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13		X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12b			
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done		
12c			
13	Did the organization have a written whistleblower policy?		X
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official		X
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **None**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records: **▶**

SPIRITBEAR BOOKKEEPING
SITKA

514 LAKE STREET D

AK 99835

907-747-4888

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) FRANK BALOVICH BOARDMEMBER	1.00 0.00	X						0	0	0
(2) RICHIE DAVIS BOARDMEMBER	1.00 0.00	X						0	0	0
(3) STEVE FISH BOARDMEMBER	1.00 0.00	X						0	0	0
(4) NORM PILLEN BOARDMEMBER	1.00 0.00	X						0	0	0
(5) PHIL WYMAN BOARDMEMBER	1.00 0.00	X						0	0	0
(6) JEFF FARVOUR VICE PRESIDENT	2.00 0.00			X				4,363	0	0
(7) DICK CURRAN PRESIDENT	2.00 0.00			X				4,000	0	0
(8) STEPHEN RHODS TREASURER	2.00 0.00			X				4,000	0	0
(9) TERRY PERENSOVICH SECRETARY	2.00 0.00			X				0	0	0
(10)										
(11)										

Part VIII Statement of Revenue
 Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b	44,480				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	138,755				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	103,679				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f.		286,914				
Program Service Revenue	2a Program Service Revenue	Busn. Code 541700	48,753	48,753			
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f.		48,753				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		236			236	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross rents	(i) Real					
		(ii) Personal					
	b Less: rental exps.						
	c Rental inc. or (loss)						
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
	b Less: cost or other basis & sales exps.						
	c Gain or (loss)						
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a	5,495				
		b Less: direct expenses	b	1,203			
c Net income or (loss) from fundraising events			4,292				
9a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a	11,725					
	b Less: cost of goods sold	b	14,585				
	c Net income or (loss) from sales of inventory		-2,860	-2,860			
Miscellaneous Revenue	11a	Busn. Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			337,335	45,893	0	236	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	78,813			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	7,235			
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	10,503			
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	46,716			
12 Advertising and promotion	5,592			
13 Office expenses	5,055			
14 Information technology				
15 Royalties				
16 Occupancy	64,065			
17 Travel	28,845			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	2,326			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a RESEARCH COSTS	34,023			
b PROGRAM SUPPLIES	26,665			
c VOLUNTEER STIPENDS	6,500			
d OTHER	239			
e All other expenses	151			
25 Total functional expenses. Add lines 1 through 24e	316,728	0	0	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SCP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	68,113	1	218,826
	2 Savings and temporary cash investments	80,873	2	66,021
	3 Pledges and grants receivable, net	35,236	3	15,308
	4 Accounts receivable, net		4	10,000
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	7,090	8	7,600
	9 Prepaid expenses and deferred charges		9	950
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)		191,312	16	318,705
Liabilities	17 Accounts payable and accrued expenses	7,165	17	3,021
	18 Grants payable		18	
	19 Deferred revenue	62,678	19	173,608
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		69,843	26
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	121,469	27	142,076
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	121,469	33	142,076	
34 Total liabilities and net assets/fund balances	191,312	34	318,705	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	337,335
2	Total expenses (must equal Part IX, column (A), line 25)	2	316,728
3	Revenue less expenses. Subtract line 2 from line 1	3	20,607
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	121,469
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	142,076

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2015▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

**ALASKA LONGLINE FISHERMENS
ASSOCIATION**

Employer identification number

01-0951115

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)(6) (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions exclusively for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization

ALASKA LONGLINE FISHERMENS

Employer identification number

01-0951115

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	NATIONAL FISH & WILDLIFE FOUNDATION 1133 FIFTEENTH ST NW SUITE 1100 WASHINGTON DC 20005	\$ 138,755	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	OAK FOUNDATION LTD 55 VILCOM CENTER DRIVE SUITE 340 CHAPEL HILL NC 27514	\$ 79,667	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	CENTRAL BERING SEA FISHERMENS ASSOC 431 W 7TH AVENUE SUITE 204 ANCHORAGE AK 99501	\$ 12,908	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organization is described below.
- ▶ Attach to Form 990 or Form 990-EZ.
- ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization **ALASKA LONGLINE FISHERMENS ASSOCIATION** Employer identification number **01-0951115**

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization

ALASKA LONGLINE FISHERMENS ASSOCIATION

Employer identification number

01-0951115

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.
Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.
Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶ %
 - b Permanent endowment ▶ %
 - c Temporarily restricted endowment ▶ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------------|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
- b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶		

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open To Public Inspection

Name of the organization

ALASKA LONGLINE FISHERMENS ASSOCIATION

Employer identification number

01-0951115

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

1	(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the org.?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
				To	From			Yes	No	Yes	No	Yes	No
				(1)									
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
Total							▶ \$						

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

1	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

2015

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or 990-EZ.

Open to Public Inspection

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

ALASKA LONGLINE FISHERMENS ASSOCIATION

Employer identification number

01-0951115

Form 990 - Organization's Mission

ALFA IS AN ASSOCIATION OF INDEPENDENT LONGLINE FISHERMEN WHO ARE COMMITTED TO CONTINUING THE SUSTAINABLE HARVEST OF SABLEFISH, HALIBUT, AND GROUND FISH, WHILE SUPPORTING HEALTHY MARINE ECOSYSTEMS AND STRONG COASTAL COMMUNITIES.

Form 990, Part VI, Line 6 - Classes of Members or Stockholders

MEMBERSHIP IN THE ORGANIZATION IS AVAILABLE TO ANY INDIVIDUAL WITH AN INTEREST IN LONGLINE FISHERIES. MEMBERSHIP REQUIRES ONLY THE PAYMENT OF ANNUAL DUES.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

BOARD MEMBERS CAN REVIEW AN ELECTRONIC COPY OF FORM 990 PRIOR TO IT BEING FILED.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

DOCUMENTS ARE AVAILABLE FOR REVIEW DURING REGULAR BUSINESS HOURS AT ORGANIZATION OFFICES.

Form 990, Part IX, Line 11g - Other Fees for Services

Description

Program Service

Mgt & General

Fundraising

Other Fees

\$ 46,716

\$ 0

\$ 0

Federal Statements

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>Acquired after 6/30/75</u>	<u>US Obs (\$ or %)</u>
	\$ 236		14			
Total	<u>\$ 236</u>					

Federal Statements

Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Management & General</u>	<u>Fund Raising</u>
Other Fees	\$ 46,716	\$ 46,716	\$	\$
Total	\$ 46,716	\$ 46,716	\$ 0	\$ 0

Form 990, Part IX, Line 24e - All Other Expenses

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Management & General</u>	<u>Fund Raising</u>
TAXES LICENSE & PERMITS	\$ 151	\$ 151	\$	\$
Total	\$ 151	\$ 151	\$ 0	\$ 0



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-115 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Discussion/Direction of use of Commercial Passenger Excise Tax (CPET) funds for a downtown shuttle pilot project

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo CPET.pdf](#)
[Proposal CPET shuttle.pdf](#)
[Info CPET shuttle.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion ~ Direction of use of
Commercial Passenger Excise Tax (CPET)
funds for a downtown shuttle.

POSSIBLE MOTION

I MOVE to approve the use of CPET funds for a
downtown shuttle pilot project and direct the
Administrator to prepare a supplemental budget
ordinance.

City and Borough of Sitka Finance Department

Memo

Thru: Phil Messina, Interim Municipal Administrator
To: City and Borough of Sitka Assembly
From: Jay Sweeney, Chief Finance and Administrative Officer
Date: June 20, 2017
Re: Use of CPET Funding for Downtown Shuttle

Mayor Hunter and Assembly Members,

Administration has received a request from local merchants for an appropriation from the Commercial Passenger Excise Tax (CPET) Fund to fund the operating costs of a downtown shuttle trolley for a limited trial run. The concept of a shuttle trolley is that a free conveyance of some sort (trolley, van, bus) would operate on a fixed circuit through the downtown business district. I have been asked to opine as to whether or not an expenditure of CPET funds for a trolley concept is an eligible use.

Federal law governing the use of CPET funds is contained in 33 USCS(b), and states that fees such as CPET taxes must be used for paying for the cost of a service to a vessel, and, enhancing the safety and efficiency of interstate commerce. In the past, CPET funds have been used as a supplemental funding source for both services that directly impact cruise ship visitors (bus transportation) and as a supplemental funding source for capital improvements that improve the visitation experience of cruise ship passengers, but, which also benefit local residents and visitors who are not arriving via cruise ship.

In 2016, the Division of Legislative Audit, Alaska State Legislature, conducted an audit of the use of CPET funds in accordance with Federal law, and, found that numerous Alaskan communities, including Sitka, were utilizing CPET funds to pay for expenditures not 100% attributable to services provided to cruise ship passengers, or, which were not exclusively used to enhance the safety and efficiency of interstate commerce. In discussions with officials from the Division of Legislative Audit, Administration was informed that use of CPET funds for purposes that improve the visitation experience of cruise ship passengers, but, which also benefit local residents and visitors who are not arriving via cruise ship, were acceptable so long as the Municipality used some auditable criteria in determining the percentage of usage by cruise ship passengers and allocated costs henceforth on a pro rata percentage.

The request for an appropriation of CPET funds to assist with funding of a downtown shuttle trolley could potentially fall in either the category of being fully eligible for CPET funding, or, partially eligible for CPET funding. The discriminating factor between full or partial funding would be whether or not the trolley's operation was limited to cruise ship port call hours. If the trolley were to only operate during port call hours of a cruise ship, then justification could be made that it essentially operates to enhance the efficiency of interstate commerce and is not serving local residents. If, on the other hand, were the trolley to operate on a fixed schedule regardless of whether the schedule coincides with cruise ship port call hours, then the operating costs would be partially eligible for CPET funding, on a percentage basis of port call hours to total operating hours.

The total operating hours for a trolley and the total port call hours are all easily discernable and auditable, so partial reimbursement from CPET funds would meet the auditability criteria set forth by the Division of Legislative Audit.

June 13, 2017

Dear Members of the Assembly and Administrator,

We are bringing this proposal for a downtown people-mover van pilot project before you because of our concern for the vitality of downtown Sitka and are asking for City support. We feel this project would provide valuable information to the Assembly to assist in an upcoming decision regarding the enhancement of visitor experience, and the value of using of CPET funds next year for an expanded version of this project. We are attaching an overview of the proposal, and a letter of support signed by a number of downtown merchants.

We have received positive support from the Sitka Rose Gallery, Refresh Studio, Seasons, Abby's Reflections, Bev's Flowers, Mean Queen Restaurant, Chocolate Moose, Island Artists Gallery, Harry Race Pharmacy, The Fur Gallery, Sitka Tribal Tours, the Russian American Company, I Love Sitka, Fisherman's Eye Gallery, The Artists Cache, Wintersong Soaps,

One downtown business was neutral, stating that they did not feel they would benefit from and would not want to be expected to pay for the service.

We have worked diligently to make this as inclusive a proposal as possible, and at this point there has been no negative feedback. The estimate of cost for this project is \$60/hour during hours of operation. We are attempting to offset some of that cost through advertising and the use of a donated van.

Most of the merchants see the value of self-assessing in return for advertising on the van and we are working on developing that process. However, without some level of support from the City of Sitka, we will probably not be able to get this project in place in time to assess; 1. enhancements in the visitor experience; 2. assistance for persons with disabilities; 3. Improvement in sales for downtown venues; and 4. Increased tax revenues to the city.

We will have canvassed the majority of downtown merchants prior to the June 27th Assembly meeting and will bring updated information and a number of supportive business representatives to that meeting.

Thank you for your attention and we hope you will be able to provide City of Sitka support for this trial proposal.

Pat Kehoe,

Member, Island Artists Gallery

907-738-6620; islandpainter@hotmail.com

June 12, 2017

Downtown Merchants and Assembly members

We, at the Island Artists Gallery are interested in **increasing the summer tourism traffic to the entire downtown area**. We have a larger number of cruise ship tourists this year, and want to explore ways to ensure that visitors truly experience all of vibrant and lively downtown Sitka. We believe a downtown People-Mover van would assist to enhance the cruise ship visitor experience this summer, boost visitor spending and city sales tax revenue.

Visitor arrival location heavily influences downtown traffic patterns. We believe a people-mover will have a positive effect on these patterns as well as increase visitor enjoyment by facilitating connections between cruise ship passengers and merchants located **all throughout** downtown. This is not a replacement for walking our downtown area, rather an added amenity that can provide an overview of downtown Sitka, assist visitors with disabilities, and drive positive revenues to merchants and to the city via sales tax. Our vision to accomplish this includes the following but is open to improvements:

For the remainder of this season, a pilot project will offer free visitor transportation on a 14-passenger van looping from the Centennial Building through downtown. The vans will depart from Centennial Hall every 15 minutes during cruise ship hours with scheduled stops 1) in front of Bayview Building, 2) near Mountain Miss and Seasons, 3) in front of the Russian Orthodox Church, 4) across from Harry Race, then looping around Harbor Drive with 5) a stop near the intersection of Harbor Drive and Airport Way near the Mean Queen, Silver Basin, and Bev's Flowers and 6) back to the Centennial Building. This route would be varied with a loop that completes the Lincoln St. stops and then goes down Katlian St. to the Naa Kahidi in time for the dance shows, before returning to the Centennial Building. Other route variations that improve visitor access to Sitka's downtown may be considered for this pilot.

Downtown businesses would be asked to keep records of the effect of the people mover on their foot traffic and sales. This would provide information about the impact of the pilot and how to improve it, while helping the City make an informed decision about any future use of CPET funds.

We are gathering information on how much it would cost to **immediately implement this initiative for summer 2017**. We will be presenting this proposal to the assembly to keep them involved in the process and possibly to seek economic development funds as a block grant for the pilot. We are working with downtown merchants to self-fund this pilot with participating businesses receiving on-board advertising and coupon book inclusion.

In the long-term vision: a people-moving vehicle looping only the downtown area with scheduled stops essentially as above. We would love to see this be an electric people mover bus painted a lively local design with music, encouraging people to visit and explore downtown, with a reader board map showing current location and surrounding venues listed. Potentially CPET funds could be utilized for this in a manner that enhances the cruise ship visitor experience allowing them to enjoy all of the downtown region's many charms in a way that does not compete with existing transportation, especially aiding visitors with disabilities. Again, this is designed to improve the visitor experience in Sitka and increase traffic to all the downtown venues.

Regards,

Pat Kehoe

Member, Island Artists Gallery,

islandpainter@hotmail.com; 907-738-6620

June 8, 2017

Actions in Support of the Downtown People Mover Pilot Proposal

We are bringing a proposal for a "People Mover" pilot project, before the Assembly on June 13 in the Persons to be Heard slot. If you are in support of this trial project, please assist us with the following:

1. Email the Assembly with your comments prior to the meeting. assembly@cityofsitka.org is the link for all members of the Assembly. If you could also send an email to islandpainter@hotmail.com with your same comments, we can attempt to adjust this proposal to address concerns and benefit as many entities as possible.
2. Sign the following form with your business name, your signature, and a yes/no as to your willingness to self-assess the impact of the people mover on your business
3. If you have any questions or concerns, please email or call Pat Kehoe

Downtown People Mover Pilot Proposal

We want to increase the summer tourism traffic to the entire downtown area. We believe that a people mover will accomplish this by facilitating connections between cruise ship passengers and merchants located all throughout downtown. We don't see this as a replacement for those walking our downtown area, but as an added amenity that can provide an overview of downtown Sitka, assist visitors with disabilities, and drive positive revenues to merchants and via the city sales tax. Our proposal, which is preliminary and open to improvements and suggestions, is as follows.

For the remainder of this season, a pilot project will offer free visitor transportation on a 14-passenger van looping from the Centennial Building through downtown. The vans will depart from Centennial Hall every 15 minutes during cruise ship hours with scheduled stops 1) in front of Bayview Building, 2) near Mountain Miss and Seasons, 3) in front of the Russian Orthodox Church, 4) across from Harry Race, then looping around Harbor Drive with 5) a stop near the intersection of Harbor Drive and Airport Way near the Mean Queen, Silver Basin, and Bev's Flowers and 6) back to the Centennial Building. This route would be varied with a loop that completes the Lincoln St. stops and then goes down Katlian St. to the Naa Kahidi in time for the dance shows before returning to the Centennial Building. These are proposed routes. They can be modified to best meet visitor and merchant needs.

Sponsors providing financial assistance will receive advertising on board the van and other benefits such as inclusion in a coupon book if they choose to participate.

Downtown businesses would be asked to keep records of the effect of the people mover on their foot traffic and sales. This would provide information about the impact of the pilot and how to improve it, while helping the City make an informed decision about potential use of CPET funds to fund a future downtown people-mover system.

At this point costs are estimated for month of July. The van/ vans may be donated; Salary 70-140 hours, \$10-12/hour (tips should be good), fuel?, Insurance ?, fees? Signage?, salary for scheduling/administration ?

Letter in Support of the Downtown People Mover Pilot Proposal

By signing this form, you indicate your support of the Downtown People Mover Pilot Proposal.

Name of Business	Signature in Support of Pilot Project	Would Consider Self-Assessment Y/N
Sitka Flowers & The Chocolate Moose	Angela Vitad	Yes
Bees Flowers & gifts-	Bev Frost-Wright	Yes
Tongass Threads	manager Amanda Marquardt	Yes
Alaska Pure Sea Salt Co.	Karyn Michener	Yes
WATER Colors of ALASKA	ASD	yes
PATRICIA BAR	BAYVIEW PUB	YES
Island Artists Gallery	yes	yes

see back page

Wintersong Soaps	yes	yes
Abby's Reflections	yes	
Russian American Co	yes	yes
Far Gallery	yes	yes
Fisherman's Eye	yes	
Artists Cache	yes	
Tribal Tours	yes	
Refresh	yes	yes
Seasons	yes	yes
Harry Race	yes	yes
Robertson's Gallery	yes	

From: Patricia
To: [Maegan Bosak](mailto:Maegan.Bosak)
Subject: RE: Downtown van pilot
Date: Friday, June 16, 2017 11:13:52 AM

Maegan, I will try to provide answers, I was hoping you and I could meet with Mark, because he has some of the answers. Mark told me that the Administrator has discretionary Economic Development funds that he felt could be used for something like this. I suspect we would need **\$5000**. I am still getting quotes on what existing transit people would require to run this. We should have more exact numbers by the 27th. But if we wait until we have solid numbers to put it on the Agenda, we will not be able to be running in time to provide the valuable service, and information I believe this will deliver. It is slightly chicken and egg material, because it is hard for businesses to sign on financially until they know what they are getting. I have had really strong interest in advertising on the shuttle from downtown merchants.

2. This is a pilot project for determining usefulness. The hours would vary, we would initially try to follow the cruise ship hours, starting 1 hour after any ship with more than 500 passengers reaches port, and ending 1 to 1 ½ hours prior to their leave-taking. **An average of 6 hours/day 5 days**, but this would be adjusted probably downward depending on ridership.

3. Mark thought that the Visitors' Bureau would make sense, and they would be able to do so IF the Administrator tasked them with operating and overseeing the project. The other option is the Revitalize Sitka group which is under the non-profit Alaska Association of Historic Preservation. **That organization will then ensure that insurance is in place and monitor other details.**

4. The point of the City using economic development money for this project is to allow the City to be hands-off on these details and NOT be awarding this money to the provider of the service, so the City does not have to decide between various providers, which would require that RFP. Chris asked, or was asked to provide, the Assembly a proposal for CPET funds to run the shuttle. That was in direct competition with other transit providers. **We are looking at a one-time pilot project that would monitor on-off patterns to determine whether this shuttle benefits visitors, downtown businesses, and the City. If it shows positive results, we have plans for a more extensive program in the future that would hopefully receive CPET funds in addition to other funding. That proposal would be brought before the Assembly asking for an RFP.**

Thanks very much, I hope this answers your questions adequately. Pat

From: Maegan Bosak [mailto:maegan.bosak@cityofsitka.org]
Sent: Thursday, June 15, 2017 1:47 PM
To: Patricia <islandpainter@hotmail.com>
Subject: Downtown van pilot

Hi Pat,

Reading through the materials you dropped off to the Clerk's Office, I have a few questions:

1. How much money are you asking for?
2. What are the hours that the shuttle would be running?
3. What agency would be overseeing this? Specifically in regards to employees, insurance, etc.
4. An earlier proposal was submitted to the Assembly for a similar service and turned down. The Assembly's reasoning was that a fair RFP process needed to happen prior to next season, so that all interested parties would have the opportunity to bid. What makes this proposal different?

These are all questions that Assembly members may ask, so I hope to answer them prior to the meeting.

I'll let you know if I think of any more.

Thanks,

Maezan Borak

Community Affairs Director

City and Borough of Sitka

907.747.1824



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-116 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Approve a renewal of a retail marijuana store license for Anna M. Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Weed Dudes.pdf](#)
[Planning info Weed Dudes.pdf](#)
[Application Weed Dudes.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the renewal of a retail marijuana store license for Weed Dudes and forward this approval to the Alcohol and Marijuana Office without objection.



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 Hunter and Assembly Members
From: Melissa Henshaw, Acting Municipal Clerk
Date: June 21, 2017
Subject: Renewal Application for a Retail Marijuana Store License

A memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received. Although not objecting, the Planning Department has included a memo, citizen petition, and a staff report. Also attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a renewal of a retail marijuana store license for the following applicant:

License #:	10220
License Type:	Retail Marijuana Store
Licensee/Applicant:	Anna M. Cleaver
D.B.A.:	Weed Dudes
Physical Address:	1321 Sawmill Creek Road, Suite J; Sitka, AK
Designated Licensee:	Anna M. Cleaver

Recommendation: Approve the renewal of a retail marijuana store license for Weed Dudes and forward this approval to the Alcohol and Marijuana Control Office without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Phillip Messina, Municipal Administrator
Mayor Hunter and Members of the Assembly

From: Michael Scarcelli, Planning and Community Development Director *MS*
Samantha Pierson, Planner I

Subject: Marijuana Retail License Renewal – Weed Dudes

Date: June 22, 2017

The Planning Commission approved the marijuana retail license for Weed Dudes on May 17, 2016. To date, Weed Dudes is in full compliance with all state law and local regulations regarding marijuana retail business.

In May 2017, the business's agent had filed for a major amendment to the conditional use permit for an on-site consumption lounge. Action on that proposal was postponed pending state promulgation of onsite consumption regulations by the state Alcohol and Marijuana Control Board.

In response to the proposed amendment, the Planning Department received a citizen complaint with 70 signatures regarding a variety of objections to marijuana business¹ at Sawmill Creek Plaza due to alleged impacts to the adjacent neighborhood.

Staff investigated and found merit to the complaint regarding odor impacts, but those were not caused by this business. Moreover, the offending business, Northern Lights Indoor Gardens, LLC, took immediate corrective action that included revamping the filtration system and ordering more carbon filters. Staff was satisfied that the odor impacts were mitigated to adequate levels in a commercial district. Staff addressed these concerns and the subsequent remedial steps taken in a June 20th report to the Planning Commission, which is attached. In addition, Weed Dudes took immediate corrective action to address another issue regarding screening of their storefront, which was an original condition of approval. Overall, the businesses have been very responsive to these concerns. Staff will remain cognizant of the concerns raised by the neighboring citizens and do further study into mitigation measures that support the local commercial district and residential uses within it.

RECOMMENDED ACTION: Approval of the license renewal.

¹ The complaint was in response the proposed Conditional Use Permit Amendment of Weed Dudes, but implicated Northern Lights Indoor Gardens, LLC, due to the nature of the objections. The original letter as well as staff's response is attached.

May 15, 2017

Planning Department Board

100 Lincoln Street

Sitka AK 99835

Re: Notice of Application and Public Hearing CUP 17-09

Dear Members of The Board:

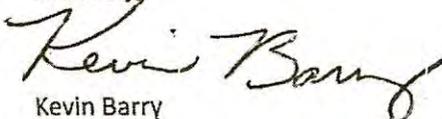
My name is Kevin Barry and I live at 105 Lillian Dr. I am strongly opposed to the requested CUP 17-09 before the Board tonight. Additionally, several residents of Lillian Dr. and other concerned Sitka residents have signed their concurrence with rejecting this proposal.

Our primary items of concern are:

1. Neighborhood of many children
 - a. Family oriented area – not supported by marijuana sales development nearby
 - i. Two years ago, the mall housed a pet store, hotel, theater, restaurant and woodshop
 - ii. Today, two marijuana businesses and potentially a marijuana smoking lounge
 - iii. Business model that requires security of "high level steel bars" not neighborhood friendly
 - iv. Children from Lance Dr., Price St., Lillian Dr. and others use the pedestrian path to await the school bus at a bus stop 50' from the entrance to the mall building. Potential impacts of inebriated drivers is foolhardy. Afternoon school bus times and current student rider numbers for this stop are:
 1. Baranof Bus, 8 to 10 students at arriving at 2:50PM
 2. Blatchley Bus, 20 students arriving at 3:40PM
 3. High School Bus, 20 students arriving at 3:45PM
2. Concern for area quality
 - a. Negative impacts to home resale values
 - b. Odor control is a significant concern.
 - c. Hours are listed as "Unknown." How can we adequately comment on this item?
 - d. This business activity should be in city areas that allow activity for persons 21+, not at the perimeter of a sizeable residential neighborhood.

We would strongly urge the Planning Department to reject this Conditional Use Permit Application.

Sincerely,



Kevin Barry

105 Lillian Dr.

907-738-7270 C

907-747-0533 H

Mindy Barry

Karen Krupa

~~William Ward~~

Jessica N. Charlton

Pauge Bernhardt

Erin Seehafer

Richard Krupa

Michael Harmon

Krystal Strong

Janelle Lass

David Lass

Natalie Voron

Chris Voron

~~Kelly Buxton~~

Andrea Colvin

Taylor Colvin

Brittany Richardson

Laven Kenny

Kathy Forvester

Janet M. Schwartz

Jennifer Tulloh

Christina Bachmeier

Mindy Barry

Karen Krupa

William Ward

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Taylor Colvin

Brittany Richardson

Laven Kenny

Kathy Forvester

Janet M. Schwartz

Jennifer Tulloh

Christina Bachmeier

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Jennifer Davis

My M. Fedell

Peggy Fedoroff

[Handwritten signature]

Misty Feenstra

Heather Lockwood

Mindy Bartolaba

MIKE BARTOLABA

Amy L. Martens

[Handwritten signature]

Jen Dill

Teal West

Mike West

Ramon Quevedo

Jennifer Davis

Megan Fondell

Peggy Fedoroff

Cynthia Duncan

Misty Feenstra

Heather Lockwood

Mindy Bartolaba

MIKE BARTOLABA

Amy L. Martens

Pete Martens

Jen Dill

Teal West

Mike West

Sue Conrad
Maia Y. Nendra
Ashley Green
Tyler Green
Dhana Tweedle
Kathi Jones
Jeanette Forah
Jill Lecrone
Jennifer Oen
Kristine Hoke
Megan Bahst
Kirstin Karsunku
Heather Gluth
Lisa Hutter
Barbara Webb
Matthew Burrows
Stephanie Peterson
Kate Mullin
Jacki Horton
Nicki McArthur
Sharon Balovich
Leslie Young

Sue Conrad
Maia Y. Nendra
Ashley Green
Tyler Green
Dhana Tweedle
Kathi Jones
Jeanette Forah
Jill Lecrone
Jennifer Oen
Kristine Hoke
Megan Bahst
Kirstin Karsunku
Heather Gluth
Lisa Hutter
Barbara Webb
Matthew Burrows
Stephanie Peterson
Kate Mullin
Jacki Horton
Nicki McArthur
Sharon Balovich
LESLIE YOUNG



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: June 15, 2017

From: Michael Scarcelli, PCDD Director

To: Planning Commission

Re: Report on Marijuana Businesses and Complaints Received at Sawmill Creek Plaza

The Planning and Community Development Department has received a signed letter¹ that urged the denial of a conditional use permit amendment for Weed Dudes. The argument requesting denial was based on several points that to sum included 1) Family/residential neighborhood not supported by marijuana business, 2) Traffic/pedestrian concerns with “inebriated” drivers, 3) Negative impact to home resale value, 4) Odor impacts, and 5) Unknown hours of operations. To sum, staff believe only the odor and lack of hours of operation concerns have any merit. However, all complaints are moot as the permit consideration was postponed pending state adoptions of regulations for on-site consumption and more the odor impacts were not attributable to the specific business in question. Further, there is concern that some signers of the group form letter were not informed of the specifics of what they were signing.

1. Which use doesn't fit: pot or home?

- a. The letter signers argue that the marijuana business is not a good fit for the area.
 - i. I would respond that the code not only within the purpose section of the C-1 and C-2 districts, but also highlighted by the title of the zone and all the use tables clearly and unequivocally establishes the C-1 and C-2 zoning districts as commercial zones that also allow residential uses.² In this case the residential use, while at times a permitted use, occurred under a planned unit development or cluster housing development a form of conditional use. The marijuana use has received a conditional use

¹ Letter dated May 15, 2017 addressed to Planning Department Board, signed by Kevin Barry of 105 Lillian Drive and approximately 69 other citizens (attached).

² SGC Tables 22.16.015-1, -3, -4, -5, and -6; & SGC 22.16.080

permit with conditions of approval as well as a state license. The business is regulated by state law, local ordinance, and conditions of approval. The balance between commercial and residential use is complex in this area due to the dynamic nature of the types of uses that can and are occurring. It is an area that has a stark mix of light to heavy commercial and even industrial type uses up against residential uses. It would be my suggestion that all uses in this type of area should be more tolerant of the range of other uses due to this mix. While residential use is important to a community, so is having areas where commercial business can occur and expand.

2. Traffic and Pedestrian Impacts & Inebriated Driving

- a. The concern is that with large numbers of school aged children and a school bus drop-off/pick-up location nearby that potential inebriated drivers could create potential impacts.
 - i. Intoxicants can intoxicate. There is/are other businesses in the plaza that could be the nexus of such inebriated drivers. Assuming for point of argument that Weed Dudes is found to be the cause, an additional condition of approval to mitigate the impact of inebriated drivers could be drafted (such as all consumption clients shall be provided shuttle service, or shall be educated on the laws of driving, public safety, and also shall not be served if driving, etc.). Staff will further review best practices regarding identifying and mitigating traffic safety impacts, including consultation with state troopers and local police to prepare appropriate recommendations for future reviews.

3. Negative Home Resale Impacts

- a. The concern is that the marijuana business will impact the resale of homes.
 - i. There is no objective resale information that shows a statistical drop in home values in that area. More, even if there was, it would have to be directly attributed to this marijuana business to support a denial. With residential homes up against high intensity commercial and industrial type uses and junkyards it is difficult at best to attribute home value impact to the marijuana business. Staff will further investigate whether there are indications of negative impact to home values.

4. Odor Impacts

- a. Odor control was a significant concern.

- i. There is support for this concern. Staff site investigation did result in observations of marijuana odor within the immediate vicinity of Northern Lights Indoor Gardens. This odor control issue was not attributable to Weed Dudes, but to another business. That aside, it is important to understand the context of how and why that occurred. My understanding is that during a power outage the exhaust and air 'scrubbing' system went off. When the power went back on, the exhaust fans reversed direction. In addition, there was a supply issue with carbon filters. Both of these situations have been corrected. The business has installed baffles and taken steps to have back-up filters to avoid a repeat. It is further suggested that the business have back-up power supply to avoid lack of air scrubbing should a power outage occur again (which is likely). Staff will continue to monitor the odor issue and new odor control measures. Should there be additional odor issues, staff will bring back the specific offending business or businesses for review and consideration of the conditional use permit.

5. Unknown hours of Operation

- a. Concern is that the public did not know the hours of operation.
 - i. Staff has some concern about hours of operation. State marijuana business regulations will limit hours of operation of a retail establishment. These regulations will be stricter than what has been the historical precedent of hours of operation for all other conditional use business currently operating in Sitka in comparable zoning districts. More, a variety of permissible businesses could operate in a C-1 or C-2 zone without restriction as to hours. To address this concern, staff will request detailed hours of operation for all future amendments.



June 14, 2017

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org; melissa.henshaw@cityofsitka.org;
maegan.bosak@cityofsitka.org; Michael.scarcelli@cityofsitka.org
Reuben.yerkes@cityofsitka.org; planning@cityofsitka.org; brian.hanson@cityofsitka.org

License Number:	10220
License Type:	Retail Marijuana Store
Licensee:	ANNA M CLEAVER
Doing Business As:	WEED DUDES
Physical Address:	1321 Sawmill Creek Road Suite #J Sitka, AK 99835 - 9645
Designated Licensee:	ANNA M CLEAVER
Phone Number:	907-623-0605
Email Address:	weeddudessitka@gmail.com

AMCO has received a complete renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.035(c)(2).

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

Erika McConnell

Erika McConnell
Director



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Anna Michelle Cleaver	License Number:	10220		
License Type:	Retail Marijuana Store				
Doing Business As:	Weed Dudes				
Premises Address:	1321 Sawmill Creek Road, Suite #J				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Anna Michelle Cleaver
Title:	owner

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

ANC

I certify that I have not committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

ANC

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

ANC

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

ANC

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

ANC

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

ANC

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

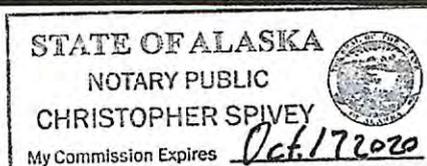
Anna Michelle Cleaver
Signature of licensee

[Signature]
Notary Public in and for the State of Alaska

Anna Michelle Cleaver
Printed name of licensee

My commission expires: *Oct 17 2020*

Subscribed and sworn to before me this 9th day of May, 2017.





Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	ANNA M CLEAVER	License Number:	10220		
License Type:	Retail Marijuana Store				
Doing Business As:	WEED DUDES				
Physical Address:	1321 Sawmill Creek Road, Suite #J				
City:	Sitka	State:	AK	Zip Code:	99835 - 9645
Designated Licensee:	ANNA M CLEAVER				
Email Address:	weeddudessitka@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
1	Proof of Right to Possession of licensed premises

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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COMMERICAL LEASE AGREEMENT

EAGLE BAY INN

1321 SAWMILL CREEK ROAD SUITE

SITKA, ALASKA 99835

This lease is made this first day of January 2017 by and between Eagle Bay Inn LLC and Anna Michelle Cleaver, Weed Dudes. In consideration for the mutual promises and covenants contained herein, and for good and valuable consideration, the parties hereby agree as follows:

Eagle Bay Inn LLC leases to Anna Michelle Cleaver, Weed Dudes rents from the landlord the following described premises: Bay J of the Sitka Business Plaza. Eagle Bay Inn LLC is aware this is for a Marijuana Retail Business.

The term of this lease shall be for 1 year commencing January 1, 2017 and ending January 1, 2018.

Anna Michelle Cleaver, Weed Dudes shall pay Eagle Bay Inn LLC as rent \$14,000.00 in equal montly installments of \$1200.00 these payments shall include sales tax.

This lease is subject to all present and future mortgages affecting the premises.

Anna Michelle Cleaver, Weed Dudes shall use and occupy the premises only as a business: this is subject at all times to the approval of Eagle Bay Inn LLC.

Anna Michelle Cleaver, Weed Dudes agrees at her own expense to furnish all utilities and heating expense.

Anna Michelle Cleaver, Weed Dudes shall purchase at her own expense liability insurance in the amount of one million dollars, or have it in the business insurance policy, for the premises and shall provide a copy to the landlord, Eagle Bay Inn LLC.

Ann Michelle Cleaver, Weed Dudes shall be responsible for the snow and ice removal at the back and front of the business entrance. Snow removal of the parking lot shall be provided by Eagle Bay Inn LLC. During heavy snow, the tenant will comply with all parking and removing vehicles as needed.

Anna Michelle Cleaver, Weed Dudes shall comply with all rules and regulations, ordinances codes and laws of all Eagle Bay Inn LLC members.

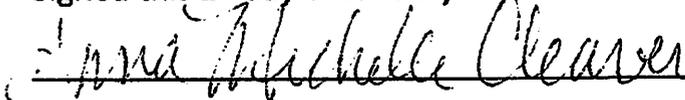
Anna Michelle Cleaver, Weed Dudes agrees that she will not permit or engage in any activity that will affect an increase in the rate of insurance for the building or commit any nuisance thereon.

At the end of this 1 year lease Anna Michelle Cleaver, Weed Dudes shall have the right to renew or to surrender and deliver the premise in the same condition (subject to any additions, alterations, or improvements, if any) as presently exists, reasonable wear and tear excluded.

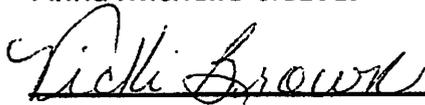
Upon default in any term or condition of this lease, Eagle Bay Inn LLC shall have the right to undertake any or all other remedies permitted by law.

This lease shall be binding upon and insure the benefit of the parties, their heirs, successors and assigns.

Signed this 1st day of January 2017

 _____

Anna Michelle Cleaver

 _____

Vicki Brown



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marjuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

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Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	ANNA M CLEAVER	License Number:	10220
License Type:	Retail Marijuana Store		
Doing Business As:	WEED DUDES		
Physical Address:	1321 Sawmill Creek Road, Suite #J		
City:	Sitka	State:	AK
		Zip Code:	99835 - 9645
Designated Licensee:	ANNA M CLEAVER		
Email Address:	weeddudessitka@gmail.com		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
1	Entity Documents - sole proprietor

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Business License # 1032760

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

WEED DUDES

1321 SAWMILL CREEK ROAD #J SITKA AK 99835

owned by

ANNA M CLEAVER

is licensed by the department to conduct business for the period

January 06, 2017 through December 31, 2018
for the following line of business:

42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Chris Hladick

Alcohol & Marijuana Control Office

License Number: 10220

License Status: Active

License Type: Retail Marijuana Store

Doing Business As: WEED DUDES

Business License Number: 1032760

Designated Licensee: ANNA M CLEAVER

Email Address: weeddudessitka@gmail.com

Local Government: Sitka (City and Borough of)

Community Council:

Latitude, Longitude: 57.028890, -135.182940

Physical Address: 1321 Sawmill Creek Road
Suite #J
Sitka, AK 99835-9645
UNITED STATES

Licensee #1

Type: Individual

Name: ANNA M CLEAVER



Date of Birth: 05/14/1962

Phone Number: 907-623-0605

Email Address: weeddudessitka@gmail.com

Mailing Address: 100 Bahovec Court
Sitka, AK 99835-9645
UNITED STATES

Note: No entity officials entered for this license.

Note: No affiliates entered for this license.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-117 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Approve a renewal of a retail marijuana store license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Northern retail.pdf](#)
[Planning info Northern Lights.pdf](#)
[Application Northern retail.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the renewal of a retail marijuana store license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Office without objection.



City & Borough of Sitka
Municipal Clerk's Office
100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



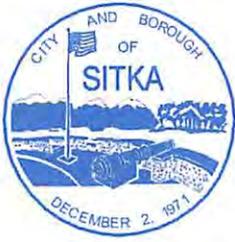
Memorandum

To: Mayor Hunter and Assembly Members
From: Melissa Henshaw, Acting Municipal Clerk
Date: June 21, 2017
Subject: Renewal Application of a Retail Marijuana Store License

A memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received. Although not objecting, the Planning Department has included a memo, citizen petition, and a staff report. Also attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a renewal of a retail marijuana store license for the following applicant:

License #:	10138
License Type:	Retail Marijuana Store
Licensee/Applicant:	Northern Lights Indoor Gardens, LLC
D.B.A.:	Northern Lights Indoor Gardens, LLC
Physical Address:	1321 Sawmill Creek Road, Suite O and P; Sitka, AK
Designated Licensee:	Micah Miller and Michael Daly

Recommendation: Approve the renewal of a retail marijuana store license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Control Office without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Phillip Messina, Municipal Administrator
Mayor Hunter and Members of the Assembly

From: Michael Scarcelli, Planning and Community Development Director *MS*
Samantha Pierson, Planner I

Subject: Marijuana Cultivation and Retail License Renewals – Northern Lights Indoor Gardens

Date: June 22, 2017

The Planning Commission approved the marijuana cultivation and retail licenses for Northern Lights Indoor Gardens on May 17, 2016. The business's agent submitted an annual report to the Planning Department on April 20, 2017 detailing the first year of operations. The Planning Commission considered the report at their May 16, 2017 meeting, with no action required. To date, Northern Lights Indoor Gardens is in full compliance with all state law and local regulations regarding marijuana retail and cultivation business.

In May 2017, the Planning Department received a citizen complaint with 70 signatures regarding a variety of objections to marijuana business¹ at Sawmill Creek Plaza due to alleged impacts to the adjacent neighborhood. Staff investigated and found merit to the complaint regarding odor impacts. Northern Lights Indoor Gardens, LLC, took immediate corrective action that included revamping the filtration system and ordering more carbon filters. Staff was satisfied that the odor impacts were mitigated to adequate levels in a commercial district. Staff addressed these concerns and the subsequent remedial steps taken in a June 20th report to the Planning Commission. Overall, the businesses have been very responsive to these concerns. Staff will remain cognizant of the concerns raised by the neighboring citizens and do further study into mitigation measures that support the local commercial district and residential uses within it.

RECOMMENDED ACTION: Approval of the license renewals.

¹ The complaint was in response to the proposed Conditional Use Permit Amendment of Weed Dudes, but implicated Northern Lights Indoor Gardens, LLC, due to the nature of the objections. The original letter as well as staff's response is attached.

May 15, 2017

Planning Department Board

100 Lincoln Street

Sitka AK 99835

Re: Notice of Application and Public Hearing CUP 17-09

Dear Members of The Board:

My name is Kevin Barry and I live at 105 Lillian Dr. I am strongly opposed to the requested CUP 17-09 before the Board tonight. Additionally, several residents of Lillian Dr. and other concerned Sitka residents have signed their concurrence with rejecting this proposal.

Our primary items of concern are:

1. Neighborhood of many children

a. Family oriented area – not supported by marijuana sales development nearby

- i. Two years ago, the mall housed a pet store, hotel, theater, restaurant and woodshop**
- ii. Today, two marijuana businesses and potentially a marijuana smoking lounge**
- iii. Business model that requires security of "high level steel bars" not neighborhood friendly**
- iv. Children from Lance Dr., Price St., Lillian Dr. and others use the pedestrian path to await the school bus at a bus stop 50' from the entrance to the mall building. Potential impacts of inebriated drivers is foolhardy. Afternoon school bus times and current student rider numbers for this stop are:**

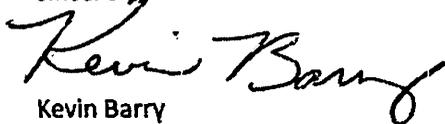
- 1. Baranof Bus, 8 to 10 students at arriving at 2:50PM**
- 2. Blatchley Bus, 20 students arriving at 3:40PM**
- 3. High School Bus, 20 students arriving at 3:45PM**

2. Concern for area quality

- a. Negative impacts to home resale values**
- b. Odor control is a significant concern.**
- c. Hours are listed as "Unknown." How can we adequately comment on this item?**
- d. This business activity should be in city areas that allow activity for persons 21+, not at the perimeter of a sizeable residential neighborhood.**

We would strongly urge the Planning Department to reject this Conditional Use Permit Application.

Sincerely,



Kevin Barry
105 Lillian Dr.

907-738-7270 C

907-747-0533 H

Mindy Barry

Karen Krupa

~~William Ward~~

Jessica N. Charlton

Pauge Bernhardt

Erika Seehafer

Richard Topf

Kealoha Harmon

Jeremy Strong

Janelle Lass

David Lass

Natalie Voron

Chris Voron

~~Kelly Buxton~~

Andrea Colvin

Taylor Colvin

Brittany Richardson

Laven Kenny

Kathy Forrester

Janet M. Schwartz

Jennifer Lulloh

Christina Bachmeier

Mindy Barry

Karen Krupa

William Ward

Jessica N. Charlton

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Erika Seehafer

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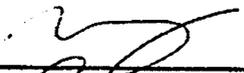
Janet M. Schwartz

Jennifer Lulloh

Christina Bachmeier

Signature

printed name



Janet Nick

M. Cole

Jenni Brooks

Linda L. Fredrickson

Terry Pike

Angela M. Pirtle

Elizabeth Warren

Diana Erickson

Marlie Loomis

Jacqueline Hedrick

Nicole Piggis

Jennine Brooks

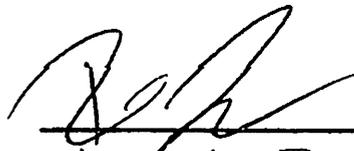
Linda L. Fredrickson

TERRY PIKE

Angela M. Pirtle

Elizabeth Warren

Diana Erickson



Jennifer Davis

Mr. M. Fiddell

Peggy Fedoroff



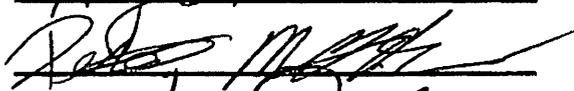
Misty Feenstra

Heather Lockwood

Mindy Bartolaba

MIKE BARTOLABA

Amy L. Martens



Jen Dill

Teal West

Mike West

Ramon Quevedo

Jennifer Davis

Megan Fondell

Peggy Fedoroff

Cynthia Duncan

Misty Feenstra

Heather Lockwood

Mindy Bartolaba

MIKE BARTOLABA

Amy L. Martens

Pete Martens

Jen Dill

Teal West

Mike West

Sue Conrad
Maia Y. Nendra
Ashley Green
Tyler Green
Diana Tweedle
Kathi Jones
Jeanette Forah
Jill Lecrone
Jennifer Oen
Kristine Hoke
Megan Bahst
Kirstin Karsunkin
Heather Gluth
Lisa H. Hunter
Barbara Webb
Matthew Burrows
Stephanie Peterson
Kate Mullin
Jacki Horton
Nicki McArthur
Sharon Balovich
Leslie Young

Sue Conrad
Maia Y. Nendra
Ashley Green
Tyler Green
Diana Tweedle
Kathi Jones
Jeanette Forah
Jill Lecrone
Jennifer Oen
Kristine Hoke
Megan Bahst
Kirstin Karsunkin
Heather Gluth
Lisa H. Hunter
Barbara Webb
Matthew Burrows
Stephanie Peterson
Kate Mullin
Jacki Horton
Nicki McArthur
Sharon Balovich
LESLIE YOUNG



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: June 15, 2017

From: Michael Scarcelli, PCDD Director

To: Planning Commission

Re: Report on Marijuana Businesses and Complaints Received at Sawmill Creek Plaza

The Planning and Community Development Department has received a signed letter¹ that urged the denial of a conditional use permit amendment for Weed Dudes. The argument requesting denial was based on several points that to sum included 1) Family/residential neighborhood not supported by marijuana business, 2) Traffic/pedestrian concerns with “inebriated” drivers, 3) Negative impact to home resale value, 4) Odor impacts, and 5) Unknown hours of operations. To sum, staff believe only the odor and lack of hours of operation concerns have any merit. However, all complaints are moot as the permit consideration was postponed pending state adoptions of regulations for on-site consumption and more the odor impacts were not attributable to the specific business in question. Further, there is concern that some signers of the group form letter were not informed of the specifics of what they were signing.

1. Which use doesn't fit: pot or home?

- a. The letter signers argue that the marijuana business is not a good fit for the area.
 - i. I would respond that the code not only within the purpose section of the C-1 and C-2 districts, but also highlighted by the title of the zone and all the use tables clearly and unequivocally establishes the C-1 and C-2 zoning districts as commercial zones that also allow residential uses.² In this case the residential use, while at times a permitted use, occurred under a planned unit development or cluster housing development a form of conditional use. The marijuana use has received a conditional use

¹ Letter dated May 15, 2017 addressed to Planning Department Board, signed by Kevin Barry of 105 Lillian Drive and approximately 69 other citizens (attached).

² SGC Tables 22.16.015-1, -3, -4, -5, and -6; & SGC 22.16.080

permit with conditions of approval as well as a state license. The business is regulated by state law, local ordinance, and conditions of approval. The balance between commercial and residential use is complex in this area due to the dynamic nature of the types of uses that can and are occurring. It is an area that has a stark mix of light to heavy commercial and even industrial type uses up against residential uses. It would be my suggestion that all uses in this type of area should be more tolerant of the range of other uses due to this mix. While residential use is important to a community, so is having areas where commercial business can occur and expand.

2. Traffic and Pedestrian Impacts & Inebriated Driving

- a. The concern is that with large numbers of school aged children and a school bus drop-off/pick-up location nearby that potential inebriated drivers could create potential impacts.
 - i. Intoxicants can intoxicate. There is/are other businesses in the plaza that could be the nexus of such inebriated drivers. Assuming for point of argument that Weed Dudes is found to be the cause, an additional condition of approval to mitigate the impact of inebriated drivers could be drafted (such as all consumption clients shall be provided shuttle service, or shall be educated on the laws of driving, public safety, and also shall not be served if driving, etc.). Staff will further review best practices regarding identifying and mitigating traffic safety impacts, including consultation with state troopers and local police to prepare appropriate recommendations for future reviews.

3. Negative Home Resale Impacts

- a. The concern is that the marijuana business will impact the resale of homes.
 - i. There is no objective resale information that shows a statistical drop in home values in that area. More, even if there was, it would have to be directly attributed to this marijuana business to support a denial. With residential homes up against high intensity commercial and industrial type uses and junkyards it is difficult at best to attribute home value impact to the marijuana business. Staff will further investigate whether there are indications of negative impact to home values.

4. Odor Impacts

- a. Odor control was a significant concern.

- i. There is support for this concern. Staff site investigation did result in observations of marijuana odor within the immediate vicinity of Northern Lights Indoor Gardens. This odor control issue was not attributable to Weed Dudes, but to another business. That aside, it is important to understand the context of how and why that occurred. My understanding is that during a power outage the exhaust and air 'scrubbing' system went off. When the power went back on, the exhaust fans reversed direction. In addition, there was a supply issue with carbon filters. Both of these situations have been corrected. The business has installed baffles and taken steps to have back-up filters to avoid a repeat. It is further suggested that the business have back-up power supply to avoid lack of air scrubbing should a power outage occur again (which is likely). Staff will continue to monitor the odor issue and new odor control measures. Should there be additional odor issues, staff will bring back the specific offending business or businesses for review and consideration of the conditional use permit.

5. Unknown hours of Operation

- a. Concern is that the public did not know the hours of operation.
 - i. Staff has some concern about hours of operation. State marijuana business regulations will limit hours of operation of a retail establishment. These regulations will be stricter than what has been the historical precedent of hours of operation for all other conditional use business currently operating in Sitka in comparable zoning districts. More, a variety of permissible businesses could operate in a C-1 or C-2 zone without restriction as to hours. To address this concern, staff will request detailed hours of operation for all future amendments.



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

June 14, 2017

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org; melissa.henshaw@cityofsitka.org;
maegan.bosak@cityofsitka.org; Michael.scarcelli@cityofsitka.org
Reuben.verkes@cityofsitka.org; planning@cityofsitka.org; brian.hanson@cityofsitka.org

License Number:	10138
License Type:	Retail Marijuana Store
Licensee:	Northern Lights Indoor Gardens, LLC
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC
Physical Address:	1321 Sawmill Creek Road Suite O and P Sitka, AK 99835
Designated Licensee:	Michael Daly
Phone Number:	907-747-5858
Email Address:	dalys@gci.net

AMCO has received a complete renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.035(c)(2).

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

Erika McConnell

Erika McConnell
Director



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10138
License Type:	Retail Marijuana Store		
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC		
Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	Sitka	State:	AK
		Zip Code:	99835
Designated Licensee:	Michael Daly		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Entity Documents 25 pages
-----------------	---------------------------

OFFICE USE ONLY

Received Date:	Payment Submitted Y/N:	Transaction #:
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Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	Northern Lights Indoor Gardens, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
 Entity #: 10028235
 Status: Good Standing
 AK Formed Date: 3/25/2015
 Duration/Expiration: Perpetual
 Home State: ALASKA
 Next Biennial Report Due: 1/2/2019
 Entity Mailing Address: 501 CHARTERIS ST, SITKA, AK 99835
 Entity Physical Address: 1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Michael Daly
 Registered Mailing Address: 501 CHARTERIS STREET, SITKA, AK 99835
 Registered Physical Address: 501 CHARTERIS STREET, SITKA, AK 99835

OFFICIALS

AK Entity #	Name	Titles	Shc Owned
	Micah Miller	Member, Manager	50
	Michael Daly	Member	50

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
3/25/2015	Creation Filing	Click to View	Click to View

Alaska Entity #10028235

State of Alaska
Department of Commerce, Community and Economic Development
Corporations, Business and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Northern Lights Indoor Gardens, LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective March 25, 2015.

A handwritten signature in black ink, appearing to read "Chris Hladick".

Chris Hladick
Commissioner

**NORTHERN LIGHTS INDOOR GARDENS, LLC
OPERATING AGREEMENT**

This Agreement is entered into this 27 day of Feb, 2016, by and between MICAH S. MILLER, of 1710 Halibut Point Road, Sitka, Alaska 99835, and MICHAEL S. DALY, of 501 Charteris Street, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"Act" means the Alaska Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Balance" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"Affiliate" means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

"Agreement" means this Operating Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Commerce and Economic Development.

"General Manager" means the Person or his successor.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

"Member Nonrecourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

- (i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and
- (ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and
- (iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and
- (iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"*Regulation*" or "*Regulations*" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"*Transfer*" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2 *Name of the Company.* The name of the Company shall be "Northern Lights Indoor Gardens, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3 *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4 *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5 *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 501 Charteris Street, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6 *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Michael Daly.

2.7 *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

Article III Capital

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

Article IV Allocations and Distributions

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to Section 4.2.3.4.1 and before any further allocation of Profit pursuant to Section 4.2.1.3, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in Sections 4.3.1 and 4.3.2 are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under Section 4.1 or 4.2, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under Sections 4.1 and 4.2.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this Article IV (other than those pursuant to Sections 4.3.2.1 and 4.3.2.2), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 4.3.1 is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Article V, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this Section 4.3.2.1 shall be made as described in Regulation Sections 1.704-2(f) and (j). This Section 4.3.2.1 is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under Section 706 of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under Section 704(b) of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

Article V Management

5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

- 5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;
- 5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;
- 5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;
- 5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;
- 5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;
- 5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;
- 5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;
- 5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;
- 5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;
- 5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;
- 5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and
- 5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however,* that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which

indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

Article VI Admissions and Transfers

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

Article VII Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with Section 4.2.3.4 of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Article VIII Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

2-27-2016
Date

Micah S. Miller
Micah S. Miller

2-27-2016
Date

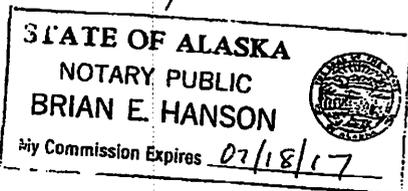
Michael J. Daly
Michael J. Daly

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICAH S. MILLER.



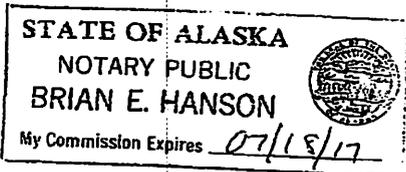
Brian E. Hanson
Notary Public in and for Alaska

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICHAEL J. DALY.



Brian E. Hanson
Notary Public in and for Alaska

EXHIBIT A
Northern Lights Indoor Gardens, LLC
Members
02/26/16

<u>Member / Address</u>	<u>Capital Contribution</u>	<u>Percent Ownership Interest</u>
Micah S. Miller 1710 Halibut Point Road Sitka, Alaska 99835	N/A	50%
Michael J. Daly 501 Charteris Street Sitka, Alaska 99835	N/A	50%



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Michael Daly				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>Form MJ-20</p> <p>Michael DALY - 2 pages</p> <p>Micah Miller - 2 pages</p> <p>Lorraine Daly - 2 pages</p> <hr/> <p>6 pages</p>
-----------------	---

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10138
License Type:	Retail marijuana Store		
Doing Business As:	Northern Lights Indoor Gardens		
Premises Address:	1321 Sawmill Creek Road, Suite O & P		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Michael Daly
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

--



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

ms

I certify that I have not committed any civil violation of AS04, AS17.38, or 3 AAC306 in the previous two calendar years.

ms

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC306.035(b)(4).

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC306.015(e)(1), in the business for which the marijuana establishment license has been issued.

ms

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

ms

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

ms

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

ms

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS17.38 and 3 AAC306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

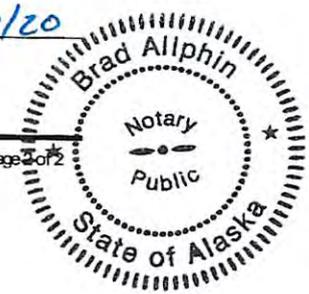
Mike J Daly
Signature of licensee

Mike J DALY
Printed name of licensee

Brad Allphin
Notary Public in and for the State of Alaska

My commission expires: 09/20/20

Subscribed and sworn to before me this 15 day of May, 2017.





Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10138
License Type:	Retail marijuana Store		
Doing Business As:	Northern Lights Indoor Gardens		
Premises Address:	1321 Sawmill Creek Road, Suite O & P		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Micah Miller
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

Initials

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

Initials

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

--



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 - Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

Initials

mm

I certify that I have not committed any civil violation of AS04, AS17.38, or 3 AAC306 in the previous two calendar years.

mm

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC306.035(b)(4).

mm

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC306.015(e)(1), in the business for which the marijuana establishment license has been issued.

mm

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

mm

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

mm

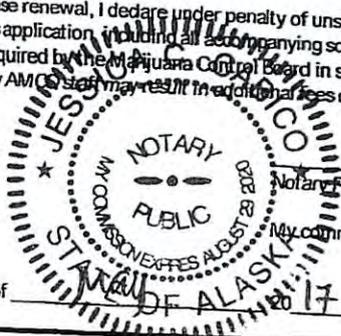
I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

mm

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS17.38 and 3 AAC306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO may result in additional fees or expiration of this license.

Micah Miller
Signature of licensee

Micah Miller
Printed name of licensee



Jessica Cahill
Notary Public for the State of Alaska

My commission expires: 08-29-20

Subscribed and sworn to before me this 15th day of May 2017.



Public Notice

Application for Marijuana Establishment License

License Number: 10138

License Status: Active

License Type: Retail Marijuana Store

Doing Business As: NORTHERN LIGHTS INDOOR GARDENS, LLC

Business License Number: 1019601

Email Address: dalys@gci.net

Latitude, Longitude: 57.290940, -135.183000

Physical Address: 1321 Sawmill Creek Road Suite O and P
Sitka, AK 99835
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10028235

Alaska Entity Name: Northern Lights Indoor Gardens,
LLC

Phone Number: 907-747-1087

Email Address: dalys@gci.net

Mailing Address: 1321 Sawmill Creek Rd. Suite P
Sitka, AK 99835
UNITED STATES

Entity Official #1

Type: Individual

Name: Michael Daly

Date of Birth: 10/15/1965

Phone Number: 907-747-5858

Email Address: dalys@gci.net

Mailing Address: 501 Charteris Street
Sitka, AK 99835
UNITED STATES

Entity Official #2

Type: Individual

Name: Micah Miller

Date of Birth: 11/13/1985

Phone Number: 907-738-4890

Email Address: illermiller@hotmail.com

Mailing Address: 201 Nicole Drive
Sitka, AK 99835
UNITED STATES

Note: No affiliates entered for this license.

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

POSTING DATE _____

June 4, 2017

Northern Lights Indoor Gardens
1321 Sawmill Creek Road, Suite O & P
Sitka, AK 99835

State of Alaska DCCED
Alaska Marijuana Control Board
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

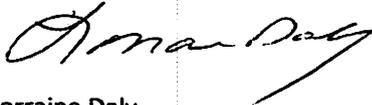
RE: License 10136
License 10138

Dear Director McConnell

I, Lorraine Daly would like to remove myself as an affiliate of license #10136 Northern Lights Indoor Gardens Standard Cultivation and license #10138 Northern Lights Indoor Gardens Retail Marijuana Store. I do not have a direct financial interest and therefore should not be considered an affiliate according to current AMCO definition of affiliate.

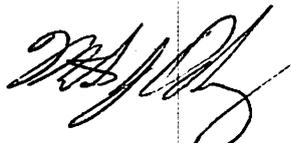
Please amend renewal application for license 10136 and 10138 to reflect my removal from the licensed Marijuana establishment.

Thank you,



Lorraine Daly

Mike Daly, Owner
Northern Lights Indoor Gardens LLC



6/4/17

Micah Miller, Owner
Northern Lights Indoor Gardens LLC



6-4-2017



Alaska Marijuana Control Board

Alcohol & Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
 marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Michael Daly				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p><i>Commercial lease Agreement - 2 pages</i></p> <p><i>Renewal of attached Form Renewal Application 1 page</i></p>
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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COMMERICAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1st day of March 2016 by and between Eagle Bay Inn LLC and, Northern Lights LLC. In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

Eagle Bay Inn LLC leases to Northern Lights LLC rents from the Landlord the following described premises: O & P Bays. Eagle Bay Inn LLC understands and knows that this is going to be a marijuana growing business distributions and retail store.

The term of this lease shall be for 3 years commencing 3/01/2016 and ending 3/01/2019.

Northern Lights LLC shall pay to Eagle Bay Inn LLC as rent \$22,500.00 per year in equal monthly installments of \$1,875.00.

Northern Lights LLC shall use and occupy the premises only as a business; this is subject at all times to the approval of Eagle Bay Inn LLC.

Northern Lights LLC will furnish the utilities or amenities at his own expense.

Northern Lights LLC shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

Northern Lights LLC shall not permit or commit waste to the premises. Northern Lights LLC is responsible for snow and ice removal at the back and front of the business entrances. Snow removal of the parking lot is provided and during heavy snow, tenant will comply with all parking and removing vehicles as needed.

Northern Lights LLC shall comply with all rules, regulations, ordinances codes and laws of all Eagle Bay Inn LLC members.

Northern Lights LLC shall not permit or engage in any activity that will affect an increase in the rate of insurance of the Building in which the premises is now contained nor shall Northern Lights LLC permit or commit any nuisance thereon.

Northern Lights LLC shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of Eagle Bay Inn LLC.

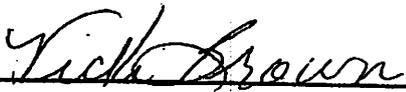
At the end of this lease, Northern Lights LLC shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

Upon default in any term of this lease, Eagle Bay Inn LLC shall have the right to undertake any or all other remedies permitted by law.

This lease shall be binding upon and insure to the benefit of the parties, their heirs, successors, and assigns. Eagle Bay Inn LLC agrees to give Northern Lights LLC first option when renewing his lease on March 1, 2017

Signed this first day of March 2016

 owner Mike DALY
Northern Lights LLC


Vicki Brown
Vicki Brown



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-118 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Approve a renewal of a standard marijuana cultivation facility license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo Northern cultivation.pdf](#)
[Planning info Northern Lights.pdf](#)
[Application Northern cultivation.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the renewal of a standard marijuana cultivation license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Office without objection.



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 Hunter and Assembly Members
From: Melissa Henshaw, Acting Municipal Clerk
Date: June 21, 2017
Subject: Renewal Application of a Marijuana Cultivation Facility License

A memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received. Although not objecting, the Planning Department has included a memo, citizen petition, and a staff report. Also attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a renewal marijuana cultivation facility license for the following applicant:

License #:	10136
License Type:	Standard Marijuana Cultivation Facility
Licensee/Applicant:	Northern Lights Indoor Gardens, LLC
D.B.A.:	Northern Lights Indoor Gardens, LLC
Physical Address:	1321 Sawmill Creek Road – Suite O and P; Sitka, AK

Recommendation: Approve the renewal of a standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Control Office without objection.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens				
Premises Address:	1321 Sawmill Creek Road, Suite O & P				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Michael Daly
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

MD

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

--

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

--



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Michael Daly				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p><i>Commercial lease Agreement - 2 pages</i></p> <p><i>Renewal of Lease from Renewal Agreement - 1 page</i></p>
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Received Date:		Payment Submitted Y/N:		Transaction #:	
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COMMERICAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1st day of March 2016 by and between Eagle Bay Inn LLC and, Northern Lights LLC. In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

Eagle Bay Inn LLC leases to Northern Lights LLC rents from the Landlord the following described premises: O & P Bays. Eagle Bay Inn LLC understands and knows that this is going to be a marijuana growing business distributions and retail store.

The term of this lease shall be for 3 years commencing 3/01/2016 and ending 3/01/2019.

Northern Lights LLC shall pay to Eagle Bay Inn LLC as rent \$22,500.00 per year in equal monthly installments of \$1,875.00.

Northern Lights LLC shall use and occupy the premises only as a business; this is subject at all times to the approval of Eagle Bay Inn LLC.

Northern Lights LLC will furnish the utilities or amenities at his own expense.

Northern Lights LLC shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

Northern Lights LLC shall not permit or commit waste to the premises. Northern Lights LLC is responsible for snow and ice removal at the back and front of the business entrances. Snow removal of the parking lot is provided and during heavy snow, tenant will comply with all parking and removing vehicles as needed.

Northern Lights LLC shall comply with all rules, regulations, ordinances codes and laws of all Eagle Bay Inn LLC members.

Northern Lights LLC shall not permit or engage in any activity that will affect an increase in the rate of insurance of the Building in which the premises is now contained nor shall Northern Lights LLC permit or commit any nuisance thereon.

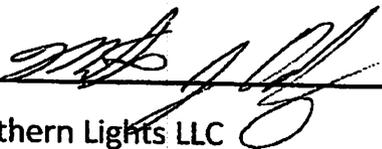
Northern Lights LLC shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of Eagle Bay Inn LLC.

At the end of this lease, Northern Lights LLC shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

Upon default in any term of this lease, Eagle Bay Inn LLC shall have the right to undertake any or all other remedies permitted by law.

This lease shall be binding upon and insure to the benefit of the parties, their heirs, successors, and assigns. Eagle Bay Inn LLC agrees to give Northern Lights LLC first option when renewing his lease on March 1, 2017

Signed this first day of March 2016


_____ owner *MIKE DALY*


_____ Vicki Brown



Alaska Marijuana Control Board

Alcohol & Marijuana Control Office
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Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Michael Daly				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>Form MJ-20</p> <p>Michael Daly - 2 pages</p> <p>Micah Miller - 2 pages</p> <p>Lorraine Daly - 2 pages</p> <p style="text-align: center;">6 pages</p>
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Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

I certify that I have not been convicted of any criminal charge in the previous two calendar years. Initials

AMC

I certify that I have not committed any civil violation of AS04, AS17.38, or 3 AAC306 in the previous two calendar years.

AMC

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC306.035(b)(4).

Initials

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC306.015(e)(1), in the business for which the marijuana establishment license has been issued.

AMC

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

AMC

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

AMC

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

AMC

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS17.38 and 3 AAC306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

[Signature]
Signature of licensee

MARCO DALY
Printed name of licensee

[Signature]
Notary Public in and for the State of Alaska

My commission expires: 09/20/20

Subscribed and sworn to before me this 15 day of May, 20 17.





Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Northern Lights Indoor Gardens		
Premises Address:	1321 Sawmill Creek Road, Suite O & P		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Micah Miller
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an **additional form(s) and fee(s)** must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

Initials

mm

I certify that I have not committed any civil violation of AS04, AS17.38, or 3 AAC306 in the previous two calendar years.

mm

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC306.035(b)(4).

mm

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC306.D15(e)(1), in the business for which the marijuana establishment license has been issued.

mm

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

mm

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

mm

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

mm

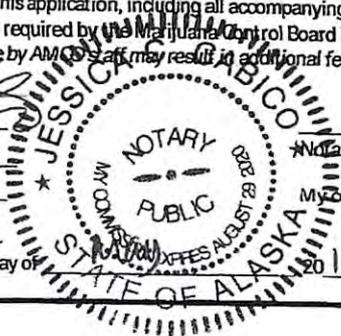
As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS17.38 and 3 AAC306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

[Signature]

Signature of licensee

Michael Miller

Printed name of licensee



[Signature]

Notary Public in and for the State of Alaska

My Commission expires: 08-29-2020

Subscribed and sworn to before me this 15th day of August, 2017.

June 4, 2017

Northern Lights Indoor Gardens
1321 Sawmill Creek Road, Suite O & P
Sitka, AK 99835

State of Alaska DCCED
Alaska Marijuana Control Board
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

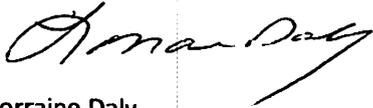
RE: License 10136
License 10138

Dear Director McConnell

I, Lorraine Daly would like to remove myself as an affiliate of license #10136 Northern Lights Indoor Gardens Standard Cultivation and license #10138 Northern Lights Indoor Gardens Retail Marijuana Store. I do not have a direct financial interest and therefore should not be considered an affiliate according to current AMCO definition of affiliate.

Please amend renewal application for license 10136 and 10138 to reflect my removal from the licensed Marijuana establishment.

Thank you,



Lorraine Daly

Mike Daly, Owner
Northern Lights Indoor Gardens LLC



6/4/17

Micah Miller, Owner
Northern Lights Indoor Gardens LLC



6-4-2017



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
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Phone: 907.269.0350

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Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC		
Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	sitka	State:	AK
		Zip Code:	99835
Designated Licensee:	Michael Daly		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Entity Documents - 25 pages
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Received Date:		Payment Submitted Y/N:		Transaction #:	
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Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	Northern Lights Indoor Gardens, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
 Entity #: 10028235
 Status: Good Standing
 AK Formed Date: 3/25/2015
 Duration/Expiration: Perpetual
 Home State: ALASKA
 Next Biennial Report Due: 1/2/2019
 Entity Mailing Address: 501 CHARTERIS ST, SITKA, AK 99835
 Entity Physical Address: 1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

REGISTERED AGENT

Agent Name: Michael Daly
 Registered Mailing Address: 501 CHARTERIS STREET, SITKA, AK 99835
 Registered Physical Address: 501 CHARTERIS STREET, SITKA, AK 99835

OFFICIALS

AK Entity #	Name	Titles	Shc Owned
	Micah Miller	Member, Manager	50
	Michael Daly	Member	50

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
3/25/2015	Creation Filing	Click to View	Click to View

Alaska Entity #10028235

State of Alaska
Department of Commerce, Community and Economic Development
Corporations, Business and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Northern Lights Indoor Gardens, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective March 25, 2015.

A handwritten signature in cursive script, appearing to read "Chris Hladick".

Chris Hladick
Commissioner

**NORTHERN LIGHTS INDOOR GARDENS, LLC
OPERATING AGREEMENT**

This Agreement is entered into this 27 day of Feb, 2016, by and between MICAH S. MILLER, of 1710 Halibut Point Road, Sitka, Alaska 99835, and MICHAEL S. DALY, of 501 Charteris Street, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"Act" means the Alaska Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Balance" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"Affiliate" means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

"Agreement" means this Operating Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Commerce and Economic Development.

"General Manager" means the Person or his successor.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

"Member Nonrecourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"*Regulation*" or "*Regulations*" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"*Transfer*" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2 *Name of the Company.* The name of the Company shall be "Northern Lights Indoor Gardens, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3 *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4 *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5 *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 501 Charteris Street, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6 *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Michael Daly.

2.7 *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

Article III Capital

- 3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.
- 3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.
- 3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.
- 3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.
- 3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.
- 3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

Article IV Allocations and Distributions

- 4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*
- 4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.
- 4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to Section 4.2.3.4.1 and before any further allocation of Profit pursuant to Section 4.2.1.3, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in Sections 4.3.1 and 4.3.2 are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under Section 4.1 or 4.2, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under Sections 4.1 and 4.2.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this Article IV (other than those pursuant to Sections 4.3.2.1 and 4.3.2.2), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 4.3.1 is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Article V, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this Section 4.3.2.1 shall be made as described in Regulation Sections 1.704-2(f) and (j). This Section 4.3.2.1 is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under Section 706 of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under Section 704(b) of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

Article V Management

5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

- 5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;
- 5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;
- 5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;
- 5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;
- 5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;
- 5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;
- 5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;
- 5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;
- 5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;
- 5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;
- 5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and
- 5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however,* that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which

indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

Article VI Admissions and Transfers

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

Article VII Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Article VIII Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

2-27-2016
Date

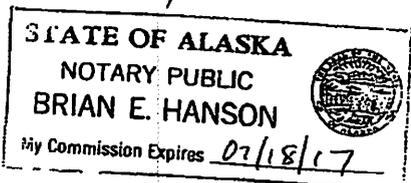
[Signature]
Micah S. Miller

2-27-2016
Date

[Signature]
Michael J. Daly

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) ss:
)

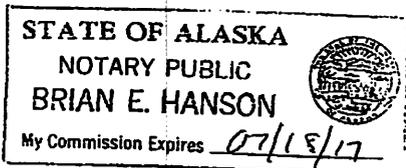
The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICAH S. MILLER.



[Signature]
Notary Public in and for Alaska

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) ss:
)

The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICHAEL J. DALY.



[Signature]
Notary Public in and for Alaska



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-13 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Supporting Sitka Sound Science Center's application of FY17 Historic Preservation Fund Grant program for Certified Local Governments

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo RES 2017-13.pdf](#)
[RES 2017-13.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2017-13 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Phillip Messina, Municipal Administrator
Mayor Hunter and Members of the Assembly

From: Michael Scarcelli, Planning and Community Development Director *MS*
Samantha Pierson, Planner I

Subject: Certified Local Government Grant Application – Sitka Sound Science Center

Date: June 21, 2017

The Historic Preservation Commission is unanimously recommending approval of a Certified Local Government grant application submitted by Sitka Sound Science Center. The recommendation was made at their June 14, 2017 meeting.

The intent is to develop schematics, design drawings, and specifications for the preservation of the Mill Building located at 834 Lincoln Street. The Mill Building is a contributing structure to the Sheldon Jackson School National Historic Landmark.

The state Historic Preservation Office announced the grant on May 19, 2017. The Historic Preservation Commission considered the application June 14, 2017 and voted unanimously to support the project. The application deadline is June 30, 2017.

The grant application is for a 60-40 match grant. Sitka Sound Science Center intends to contribute 40% of its own resources and requests \$25,000 from the Historic Preservation Fund for Certified Local Governments (Federal Share).

The applicant is aware that there will be an administrative fee to be paid to the municipality, amount to be determined.

RECOMMENDED ACTION: Approve the resolution supporting the grant application.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2017-13

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUPPORTING SITKA SOUND SCIENCE CENTER’S APPLICATION UNDER THE FY17
HISTORIC PRESERVATION FUND GRANT PROGRAM FOR CERTIFIED LOCAL
GOVERNMENTS

WHEREAS, Sitka Sound Science Center is a 501(c)3 non-profit corporation dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of Alaska through education and research; and

WHEREAS, the Sage Building and Mill Building owned and occupied by Sitka Sound Science Center are contributing structures to the Sheldon Jackson School National Historical Landmark; and

WHEREAS, Sitka Sound Science Center’s goal through this grant application is to develop professional plans to preserve the Mill Building; and

WHEREAS, Sitka Sound Science Center proposes to contribute 40% of its own resources to the project while requesting \$25,000 from the Historic Preservation Fund for Certified Local Governments; and

NOW FURTHER BE IT RESOLVED that the Assembly of the City and Borough of Sitka hereby supports the FY17 application of the Sitka Sound Science Center for a \$50,000 grant through the Historic Preservation Fund Grant program for Certified Local Governments.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of June, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st and final reading 6/27/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-21 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030 entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion ORD 2017-21.pdf](#)
[ORD 2017-21.pdf](#)
[Info ORD 2017-21.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-21 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE RATES AT CHAPTER 15.04 "SEWER SYSTEM" SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES"; AND CHAPTER 15.05 "WATER SYSTEM" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES"; AND CHAPTER 15.06 "SOLID WASTE SYSTEM AND REFUSE COLLECTION" SECTIONS 15.06.020 ENTITLED "SOLID WASTE DISPOSAL POLICY AND RATES", 15.06.030 ENTITLED "RECEPTACLES AVAILABLE", 15.06.035 ENTITLED "RATES FOR TREATMENT AND COLLECTION", 15.06.045 ENTITLED "SPECIAL REFUSE AND TREATMENT CHARGES"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. PURPOSE. The purpose of this ordinance is to increase user fees for water service, wastewater service, and solid waste collection and disposal service; and, to increase the connection charges for connecting a structure to the Municipal water and wastewater systems.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Sections: 15.04.100A, 15.04.320, 15.05.240A, 15.05.620, 15.06.020, 15.06.030, 15.06.035, and 15.06.045 are amended to read as follows (new language underlined; deleted language stricken):

* * *

Chapter 15.04
SEWER SYSTEM

15.04.100 Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of seven hundred ~~thirty~~ forty dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

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15.04.320 Rates and Fees.

- A. Base rate: fifty ~~three six~~ six dollars and ~~sixty one~~ one cents per unit per month.
- B. Sewer Service in Conjunction with Metered Water.
 - 1. General Sewer Service in Conjunction with Metered Water. Minimum charge: One times the unmetered sewer base plus ~~two three~~ two three dollars ~~eighty nine two~~ eighty nine two cents per one thousand metered gallons.
 - 2. Gary Paxton Industrial Park. Treated wastewater, metered: minimum charge of one hundred ~~five ten~~ ten dollars and ~~ninety five~~ seventy two cents per month.
 - a. Treated wastewater, metered: three dollars and ~~seventeen~~ thirty one cents per one thousand gallons water use.
- C. Connection Fee. Seven hundred ~~thirty forty~~ thirty four dollars per connection.

* * *

**Chapter 15.05
WATER SYSTEM

15.05.240. Service Connection Charge.

- A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service location, or size, or to serve a new structure, the applicant shall submit with this application the service connection charge of seven hundred ~~thirty forty~~ thirty four dollars. This charge is to cover permit fees, inspection, and administrative costs.

* * *

15.05.620 Rates and fees.

- A. Unmetered Water. Base rate: ~~thirty nine~~ forty dollars and ~~thirty five~~ fifty three cents per unit.
- B. Metered Water Service.
 - 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	\$56.11 <u>\$57.79</u>
2"	50,000	\$123.05 <u>\$126.74</u>
3"	100,000	\$184.56 <u>\$190.10</u>
4"	250,000	\$369.11 <u>\$380.18</u>

6" and above	500,000	\$738.23 <u>\$760.38</u>
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81 All over allowance charged at minimum charge plus one dollar ~~two~~ six cents per one
 82 thousand gallons. The over allowance charged at minimum charge plus ~~fifty-seven~~ fifty-nine
 83 cents per one thousand gallons will apply to major fish processing plants (Seafood Producers
 84 Cooperative, Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC,
 85 aka Silver Bay Seafoods).

86 2. Gary Paxton Industrial Park.

87 a. Metered water: ~~one hundred twenty three dollars and five cents~~ one hundred twenty
 88 six dollars and seventy four cents per month minimum.

89 i. Treated water: ~~two dollars and forty six cents~~ two dollars and fifty three cents
 90 per one thousand gallons.

91 ii. Treated water, fish processing use: ~~one dollar and eighty six cents~~ one dollar
 92 and ninety two cents per one thousand gallons.

93 iii. Raw water for heating: ~~Seventy-eight~~ eighty cents per one thousand gallons.

94 iv. Raw water for industrial processing: One dollar and ~~eleven~~ fourteen cents
 95 per one thousand gallons.

96 v. Raw water for water bottling at Gary Paxton industrial park: in container
 97 sizes of five gallons or less: ~~One dollar and ninety-six~~ two dollars and two cents
 98 per one thousand gallons.

99 C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when
 100 property is first connected to the municipal water system, each customer or applicant for
 101 service shall pay a fee of fifty ~~five~~ eight dollars and ~~fifty~~ five cents for turning on or turning off
 102 the water service to the property. The fee shall be paid for each turn-on and turn-off whether
 103 at the customer's or applicant's request or due to nonpayment for water services. The water
 104 service to a property may not be turned on unless all water system fees associated with the
 105 property have been paid in full.

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107 E. Connection Fee. ~~Seven hundred thirty dollars~~ Seven hundred forty dollars per
 108 connection.

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Chapter 15.06

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SOLID WASTE TREATMENT AND REFUSE COLLECTION

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15.06.020 Solid waste disposal policy and rates.

A. In order to promote public health and reduce littering and illegal dumping, every residential unit, business, and live aboard vessel within one mile of the Sitka road system shall be required to pay a waste disposal fee as set by the assembly. There are no exceptions to paying a waste fee under these classifications regardless of the amount of waste generated and/or disposed. Failure to pay any amount of user and/or utility fees owed to the city and borough shall be grounds for disconnection of any or all services and utilities such as electrical service as provided for in Section 15.01.030.

B. Customers shall be permitted to dispose of acceptable waste in collection contractor-provided receptacles. "Acceptable waste" means all putrescible and nonputrescible waste including, but not limited to: garbage; refuse; ashes; paper and cardboard; and approved special waste. "Special waste" means any waste material which, because of its physical characteristics, chemical make-up, or biological nature, requires either special handling procedures and permitting, or poses an unusual threat to human health, equipment, property, or the environment. Customers shall not be permitted to dispose of unacceptable and/or special waste in collection contractor-provided receptacles. "Unacceptable waste" means waste that may not be disposed of at the disposal site under federal, state or local law, regulation, rule, code, permit or permit condition. Special waste shall be disposed of according to subsection (C)(10) of this section or at bi-annual city-sponsored collection events.

C. Fees and Policies Applicable to Specific Solid Waste Categories.

1. Junk automobiles and small trucks (three-quarter ton or smaller) may be delivered to Gary Paxton industrial park (GPIP) scrap yard at a rate of three cents per pound.
2. Trucks larger than three-quarter ton, larger vehicles, heavy equipment, and old trailers shall be billed at a rate of six cents per pound.
3. Scrap metals shall be billed at a rate of ~~six~~ eight cents per pound.
4. Fuel tanks must be cleaned and cut into pieces less than five feet by twelve feet (if over five hundred gallons) prior to delivery to the GPIP scrap yard.
5. Freezers, refrigerators, and air conditioning units shall be billed at a rate of twenty dollars each.

- 143 6. All other appliances or white goods besides freezers, refrigerators, and air conditioning
144 units shall be billed at a rate of six cents per pound.
- 145 7. Recyclables including mixed paper, cardboard, and newsprint that are delivered to the GPIIP
146 scrap yard shall be billed at a rate of four cents per pound.
- 147 8. Tires off of large trucks and heavy equipment may be delivered to the transfer station or
148 GPIIP scrap yard and shall be billed at a rate of twenty-five ~~five~~ six dollars each.
- 149 9. No construction and demolition debris shall be disposed of at any Sitka landfill unless
150 otherwise authorized by the director of public works.
- 151 10. Household hazardous or special waste may be disposed of during normal business hours
152 at the GPIIP scrap yard. Commercially generated household hazardous waste will not be
153 accepted at any time.
- 154 11. Concrete and asphalt disposal shall be billed at a rate of twelve dollars per cubic yard.
- 155 12. Concrete and asphalt disposal is by appointment only with the public works
156 superintendent.
- 157 13. Asbestos disposal shall be billed at a rate of fifty-five dollars per cubic yard.
- 158 14. Asbestos disposal is by appointment only with the public works superintendent.

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160 **15.06.030 Receptacles Available.** The refuse collection contractor will provide three sizes for
161 refuse collection:

- 162
163 A. A ~~thirty-two~~ forty-eight gallon container;
164 B. A ninety-six gallon container; and,
165 C. A three-hundred-fifty gallon container.

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167 **15.06.035 Rates for treatment and collection.**

- 168
169 A. The following rates are effective on the day after the day a solid waste user fee
170 ordinance containing such fees is passed:

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32 48-gallon container	\$30.32 <u>\$ 30.95</u> per month
90 96-gallon container	\$50.94 <u>\$51.99</u> per month
350-gallon container	\$206.18 <u>\$210.45</u> per month

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B. These rates are for one container that the refuse collection contractor picks up once a week. For customers that fall into one of the following three categories, the rates for treatment and collection will be:

For those customers in apartment complexes or other unique situations identified on the list maintained by the finance director	\$46.09 <u>\$47.04</u> per month
For those customers living within the harbor system	\$46.09 <u>\$47.04</u> per month
For those customers living on an island other than Baranof or connected by bridge to Baranof who do not receive any service from the refuse collection contractor	\$23.04 <u>\$23.52</u> per month

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15.06.045 Special refuse and treatment charges.

180 Customers requesting special refuse collection which is over and above the normal quantity and
181 which cannot be collected during the normal schedule may call the collection contractor for a
182 special collection. The collection contractor shall be obligated to collect this refuse as
183 requested. It shall be the responsibility of the collection contractor to notify the customer of all
184 charges prior to collection. All billing and collection for this service shall be administered by the
185 ~~refuse collection contractor~~ CBS from documentation provided by the contractor.

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The customer is not obligated to utilize the refuse collection contractor for special request refuse collection. The customer may elect to haul the material to the transfer station. Customers may take up to two hundred pounds per month to the transfer station. All quantities shall be billed at a rate equivalent to the current disposal contract rate of eight cents per pound.

192
193 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the
194 date of its passage.

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196 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
197 Alaska this 11th day of July 2017.

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ATTEST:

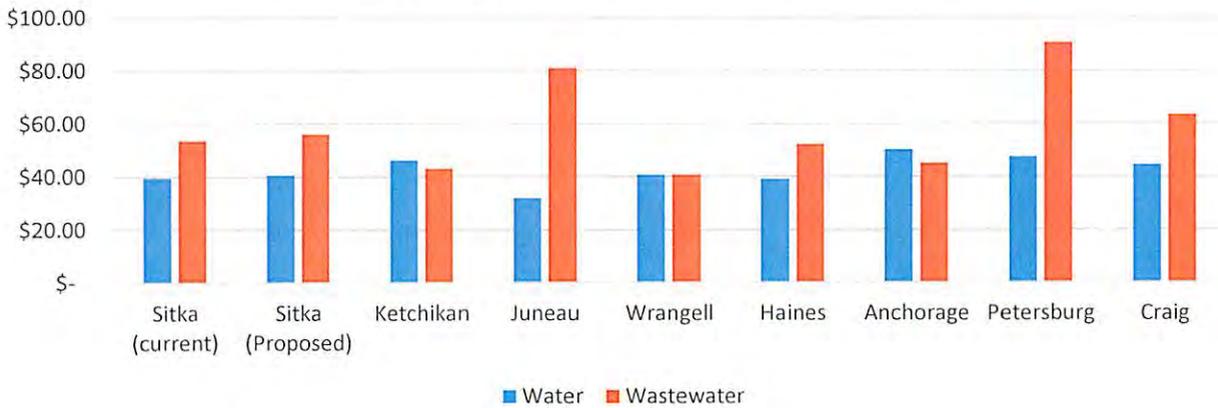
Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

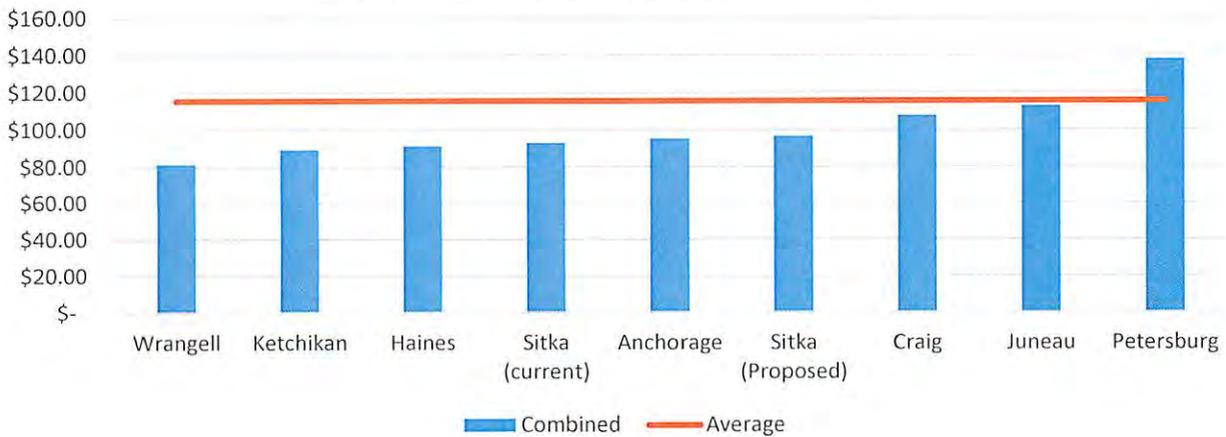
1st reading 6/27
2nd reading 7/11

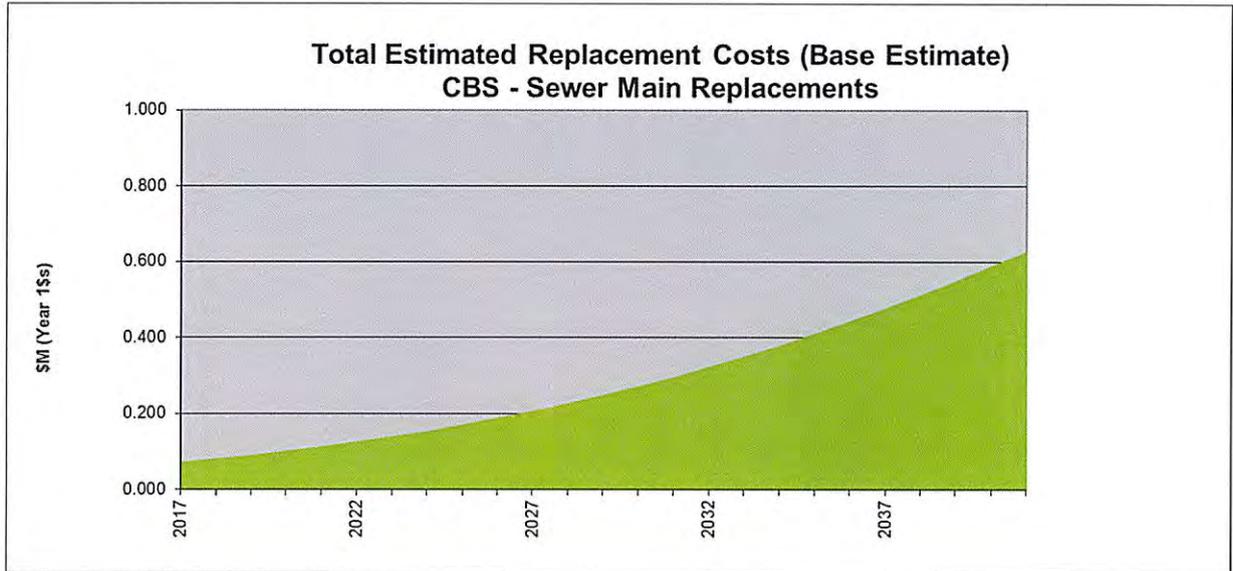
	Water	Wastewater	Combined		Combined	Average
Sitka (current)	\$ 39.35	\$ 53.60	\$ 92.95	Wrangell	\$ 81.49	\$ 115.44
Sitka (Proposed)	\$ 40.53	\$ 56.01	\$ 96.54	Ketchikan	\$ 89.20	\$ 115.44
Ketchikan	\$ 46.20	\$ 43.00	\$ 89.20	Haines	\$ 91.20	\$ 115.44
Juneau	\$ 31.89	\$ 80.79	\$ 112.68	Sitka (current)	\$ 92.95	\$ 115.44
Wrangell	\$ 40.75	\$ 40.74	\$ 81.49	Anchorage	\$ 95.10	\$ 115.44
Haines	\$ 39.05	\$ 52.15	\$ 91.20	Sitka (Proposed)	\$ 96.54	\$ 115.44
Anchorage	\$ 50.13	\$ 44.97	\$ 95.10	Craig	\$ 107.53	\$ 115.44
Petersburg	\$ 47.39	\$ 90.51	\$ 137.90	Juneau	\$ 112.68	\$ 115.44
Craig	\$ 44.28	\$ 63.25	\$ 107.53	Petersburg	\$ 137.90	\$ 115.44

2017 Water and Sewer Rates

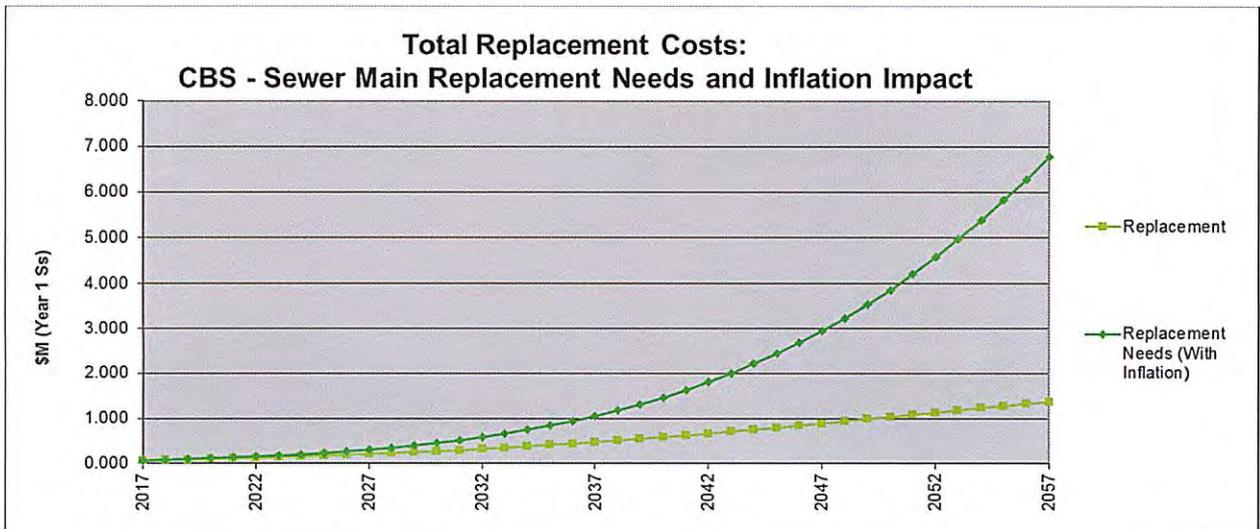


2017 Combined Water and Sewer Rates

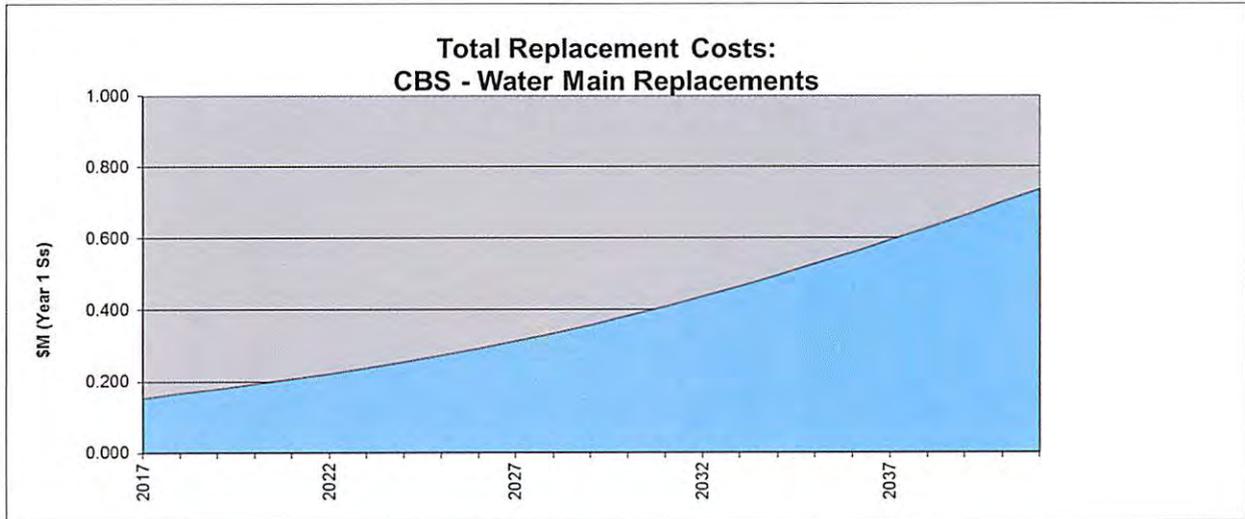




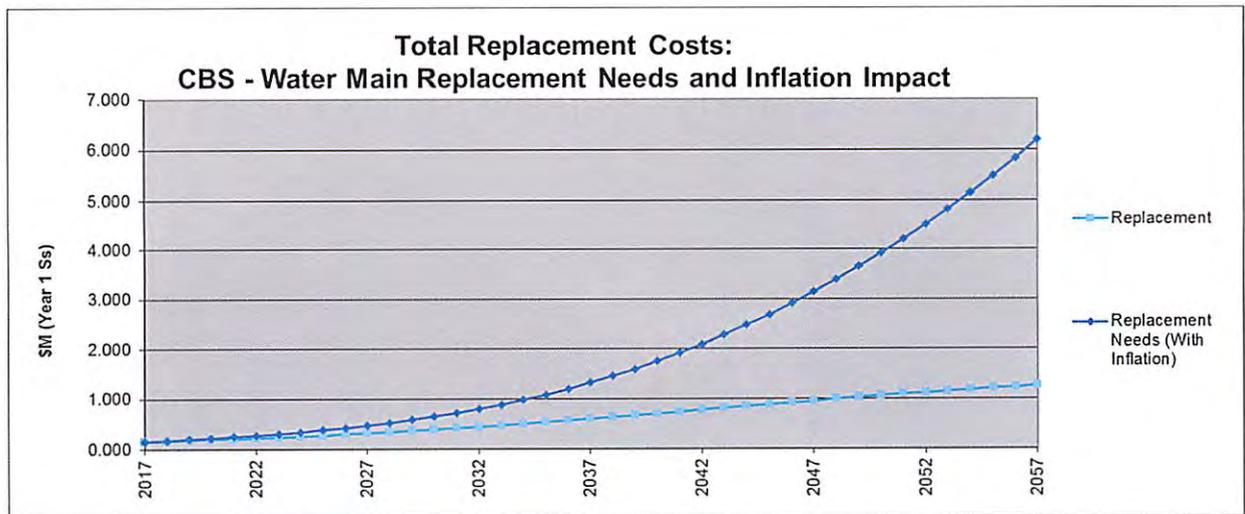
With inflation factored in, the estimate changes as noted below. The light green curve is the same curve as above, the dark green represents costs factoring in inflation at 4.07%/yr. over time.



Buried No Longer is a modeling software tool that the Environmental Superintendent used to provide a strategic outlook of replacement needs for water and wastewater mains. The graphs below represent Sitka’s replacement needs over the next several decades.



The effect of inflation on this projection is illustrated below. The light blue curve is the same curve illustrated above; the dark blue curve illustrates actual reinvestment expense each year factoring in a long-term inflationary effect of 4.07%. For example, the amount of re-investment need in real terms (today’s dollars) increases from about \$175,000/yr. in 2017 to \$1 Million/yr. in 2048; however, because of inflation, we estimate that the same amount of reconstruction would cost Sitka \$3.4 Million that year. Instead, Sitka would have to be budgeting \$1 Million for reinvestment in 2034.





CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-12 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 6/21/2017 In control: City and Borough Assembly

On agenda: 6/27/2017 Final action:

Title: Submitting City and Borough of Sitka Shovel Ready Project priorities to the State of Alaska

Sponsors:

Indexes:

Code sections:

Attachments: [Motion RES 2017-12.pdf](#)
[RES 2017-12.pdf](#)
[RES 2017-12 info.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2017-12 on
first and final reading.

**CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2017-12**

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUBMITTING CITY AND BOROUGH OF SITKA SHOVEL READY PROJECT
PRIORITIES TO THE STATE OF ALASKA**

WHEREAS, the State of Alaska is soliciting proposals for municipalities and tribal entities to nominate priority infrastructure projects for inclusion in the Alaskan Infrastructure Projects list, submitted to the Trump Administration for federal funding consideration, and

WHEREAS, the City and Borough of Sitka continues to lobby and advocate for maintenance and upgrade of essential infrastructure and services for the citizens of Sitka, and

WHEREAS, The Alternative Potable Water Supply Development Project is ranked highest priority based on promoting American jobs and local economic growth and meeting an immediate life and safety concern. The project will develop a DEC- approved alternate water source for the community; and

WHEREAS, Ranked second in priority is the Sitka Electrical Infrastructure Project consisting of essential electrical infrastructure maintenance and upgrades. The Marine Street Substation Upgrade, Green Lake Power Plant Overhaul and the Thimbleberry Transmission line Rebuild are included in this comprehensive project based on criteria of promoting energy security, rebuilding failing public critical infrastructure and immediate life safety concerns; and

WHEREAS, the City and Borough of Sitka gives third priority to the Crescent Harbor Float Replacement and Eliason Harbor Electrical Upgrade Project based on the criteria of balancing international trade, promoting job and economic growth, rebuilding failing public critical infrastructure and meeting immediate life and safety concerns. This project will replace the 50+ year old Crescent Harbor Phase I and electrical failures at Eliason Harbor.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the Federal Community Project Request Priorities and urges Governor Walker to include them as part of the Alaskan Infrastructure Projects submitted to the Trump Administration.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 27th day of June, 2017.

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ATTEST

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st and final reading 6/27/17



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Assembly Members
From: Maegan Bosak, Community Affairs Director
Subject: Resolution 2017-12 Federal Community Project Requests
Date: June 20, 2017

President Trump has made investment in national infrastructure a priority for his new Administration. As a result jurisdictions all around the country have been assembling their wish lists of projects for possible consideration. Governor Walker recently sent an initial list of Alaskan infrastructure projects for consideration by the Trump Administration. However, the Governor also provided notice that additional projects may be nominated by the state for qualifying municipal projects.

The state is therefore soliciting proposals for municipal or tribal infrastructure projects that might qualify for consideration under this federal program.

The City and Borough of Sitka (CBS) can submit up to three projects, ranked in priority order, including significant local match, meeting criteria, and shovel ready status.

Lobbyist Larry Markley suggested grouping individual projects, and providing local matches in the order of 20-80 – 20 percent fed and 80 percent other, as President Trump has eluded to in the Infrastructure package.

Criteria considered were:

- Promotion of American jobs and economic growth
- Improve the balance of international trade
- Promote American energy security
- Rebuild failing public critical infrastructure
- Meet an immediate life/safety concern

After much deliberation, the following projects are recommended in priority order:

- 1. Alternative Potable Water Supply Development Project**
- 2. Sitka Electrical Infrastructure Package**
- 3. Harbor Infrastructure Package including Crescent Harbor and Eliason Electrical**

These long standing priority projects have been featured in CBS Legislative Priorities for many years and/or are featured in capital plans.

Please see attached project narratives.

RECOMMENDED ACTION: Pass the resolution.

CITY AND BOROUGH OF SITKA - SHOVEL READY PROJECTS

Project: ALTERNATIVE POTABLE WATER SUPPLY DEVELOPMENT PROJECT

Project Sponsor: CITY AND BOROUGH OF SITKA

Project Description: The City and Borough of Sitka (CBS) requests federal funding for the \$5,000,000 Alternative Potable Water Supply Development Project. Recent changes in the ADEC Drinking Water Program and federal regulations require increased treatment to provide inactivation of the protozoa cryptosporidium. Currently, CBS utilizes a single pipe to provide water to both the new hydroelectric generation facility and the water treatment plant. In 2013 and 2014, CBS spent \$140,000,000 to raise the height of the Blue Lake Dam from 145 feet to 228 feet and to construct a 16 megawatt power generation facility. To protect this investment in the hydroelectric project, CBS will at 5-year intervals shut down the shared pipe for maintenance and cleaning. During these maintenance periods or in times of emergency, CBS will be without a source of raw water.

During construction of the dam project, when Blue Lake water was unavailable, CBS spent over \$4,270,000 million to construct a temporary water treatment facility to treat water from a tannin-laden, salmon-bearing river closer to town. Much of the cost of that project went to rental of pressure filtration units, a cost that CBS does not wish to pass along to the ratepayers again.

CBS has investigated significant resources investigating groundwater potential. Starrigavan Valley has proven to be a significant groundwater source, while Indian River will require further field investigation. A Blue Lake Dedicated Waterline, bypassing the penstock, has also been investigated.

CBS must develop a long term DEC-approved alternate source for drinking water to avoid crippling the local economy and putting the community at risk due to insufficiently treated drinking water.

Federal Funding Requested: \$100,000 (20%)

Estimated Local Investment Necessary: \$4,000,000 (80%)

Current Status: Shovel Ready

Estimated Start Date for Construction: Spring 2018

Estimated Completion: Fall 2018

Fabrication and installation of the alternative water source piping would support the manufacturing, shipping and construction sectors of the economy, **promoting American jobs and local economic growth**. Repeated rentals of existing treatment units, meanwhile, would not promote new construction.

Most importantly, this project **meets an immediate life and safety concern**, as CBS could be without a source of raw water in an event of natural disaster or unplanned dam closure. This could have a detrimental effect on residents and businesses alike.

CITY AND BOROUGH OF SITKA - SHOVEL READY PROJECTS

Project: SITKA ELECTRICAL INFRASTRUCTURE PROJECT

Project Sponsor: CITY AND BOROUGH OF SITKA

Project Description: The City and Borough of Sitka (CBS) requests federal funding for the \$12,500,000 Sitka Electrical Infrastructure Project. This project will complete essential electrical infrastructure upgrades throughout Sitka including electrical substation upgrades at the Marine Street Substation, completing the Green Lake Power Plant Overhaul, and rebuilding the Thimbleberry Bypass Transmission Line

Over 80% of Sitka's citizens and customers are served from the Marine Street Substation. A back-up for this substation is imperative and necessary as the existing equipment is now over 35 years old. A new substation north of town would be ideal (Kramer Avenue area) however the cost was identified as being too high (more than \$13 million of the available capital would be consumed). Alternatively, the Electric Department is proposing to install a second bay at the existing Marine Street Substation at a cost of approximately \$3.9 million. This second bay would still utilize a portion of the older equipment, but the overall cost is substantially lower. This modification would also increase the amount of power that can be delivered from the Jarvis Substation to Marine Street customers in the event of an emergency. While not ideal, this provides the greatest increase in emergency backup at the lowest cost.

The Green Lake Power Plant is a very valuable asset for the community and has not been overhauled since the early 1990's. A major pre-inspection is scheduled for 2018 which will help to further define and identify the costs of a major overhaul. Similar plants have had overhauls in the cost range of \$8 million when a full rewind of the generators was required. We are currently recommending a reserve of \$4.8 million for this item. Numerous small inspections during the last twelve months have clearly demonstrated specific needs to return this overhaul to the list of required capital items.

The existing Thimbleberry Bypass Transmission Line portion of our 69kv backbone transmission line is installed in difficult and dangerous terrain and is subject to outages from fallen trees and extensive degradation of transmission poles. Presently, a repair during winter months has demonstrated to be dangerous and time-consuming (on the order of seven days), thus setting the amount of fuel storage required at the Jarvis Fuel System Storage. This plan, proposes to permit and install a bypass to the existing transmission line from the Whale park area to the Blue Lake Switchyard. This line would be planned on the inside of the roadway to minimize the impacts to the view shed. This line will reduce the cost of annual diesel fuel burned, reduce the redesign costs of the Jarvis Fuel System Storage (\$2M saved), likely eliminate the need to replace the very old diesel generation units at the Jarvis facility (\$10M saved), and eliminate the costly and dangerous maintenance required on the existing transmission line.

Federal Funding Requested: \$2,500,000 (20%)

Estimated Local Investment Necessary: \$10,000,000 (80%)

Current Status: Shovel Ready

Estimated Start Date for Construction: Upon funding

Estimated Completion: TBD

The CBS has invested in sustainable hydroelectric power with an expansion of the Blue Lake Dam. The large infrastructure project, completed in 2014, allowed an increase in electrical capacity for our island community. This significant community investment has ensured an environmentally responsible and renewable energy source for Sitka's future. With the completion of the Sitka Electrical Infrastructure Project, the necessary maintenance and upgrade projects will be completed **promoting Sitka's energy security**.

The Marine Street Substation Upgrades, Green Lake Power Plant Overhaul and the Thimbleberry Bypass Transmission Line Rebuild are all essential components of our independent energy source. The electrical infrastructure is aging and past its useful life, this **rebuild of failing public critical infrastructure** would ensure that Sitka's citizens are protected from electrical outages due to maintenance issues, as well as **meet immediate life and safety concerns**.

CITY AND BOROUGH OF SITKA - SHOVEL READY PROJECTS

Project: CRESCENT HARBOR FLOAT REPLACEMENT AND ELIASON HARBOR ELECTRICAL UPGRADE

Project Sponsor: CITY AND BOROUGH OF SITKA

Project Description: The City and Borough of Sitka (CBS) requests federal funding for the \$17,000,000 Crescent Harbor Float Replacement – Phase I and Eliason Harbor Electrical Replacement Project.

Crescent Harbor was designed and constructed by State of Alaska in several phases, between 1965 and 1970 and was deeded to the City in two parts in 2001 and 2004. Crescent Harbor provides moorage for 365 vessels ranging up to 75 feet in length. The makeup of the fleet includes both commercial and charter fishing vessels. The fishing and visitor industries are both critical to the local, regional and national economy.

The facility has undergone numerous repair projects in the past ~50 years. CBS has expended over \$400,000 over the past 5 years to keep Crescent Harbor safe and useable, however the facility has exceeded its useful life and must be replaced in its entirety. Freeboard (how high the floats sit above the water surface) has dropped from ~20 inches to as little as 7 inches across the harbor which has resulted in significant rot of structural timber sills and corrosion of metal fasteners in the timber floats. Spalling and hairline cracks in the surface of the concrete floats are evident. Hinge connection assemblies are worn due to constant steel-on-steel wearing resulting in section loss and reduced capacity of the connection hardware. The harbor electrical system is failing and does not meet current code requirements for ground fault protection of all circuits.

The Crescent Harbor Float Replacement – Phase I project includes complete replacement of the float system, new ADA-compliant gangways, reconstruction of access trestles, and replacement of potable water, fire, electrical and lighting systems to bring each up to current code standards.

Eliason Harbor, once referred to as New Thomsen Harbor, was designed by the State of Alaska, and constructed in two phases. Phase I construction began in 1996 and Phase II construction was completed in 1999.

Eliason Harbor was evaluated as a part of the Harbor System Master Plan in late 2011. While the overall harbor facility was deemed in good condition with a remaining safe and useable life of approximately 20 years, the consultants noted that the electrical system required substantial rehabilitation within the next five years. Significant issues within the Eliason electrical system include feeder cable abrasion/failure and rusting panels and load centers to the point of structural failure. In addition, new electrical code requirements mandate ground fault protection be provided when any significant work is done to the system.

The Eliason Harbor Electrical Replacement Project includes the replacement of the components of the harbor which are in the worst condition: main service equipment, main distribution panelboard and load centers on the floats, and the main cables between these components and the new pedestals.

Securing funding for these projects will ensure that critical harbor infrastructure remains in service to help support a healthy and vibrant commercial fishing industry and visitor industry in Southeast Alaska.

Federal Funding Requested: \$3,400,000 (20%)

Estimated Local Investment Necessary: \$13,600,000 (80%)

Current Status: Shovel Ready

Estimated Start Date for Construction: Fall 2018

Estimated Completion: Spring 2019

With a close proximity to fishing grounds, CBS maintains the largest and most vibrant small harbor system in the State of Alaska. Local seafood is shipped to the Pacific Northwest for distribution across the United States and export to markets in Asia. These facilities are critical pieces of infrastructure to Southeast Alaska's fishing and visitor industries and therefore both the regional and national economy, **both improving the balance of international trade.**

The Crescent Harbor Float Replacement and Eliason Harbor Electrical Upgrade Project will protect and **promote American fishing, seafood and visitor industry jobs and economic growth** opportunities that may be threatened should the facility fail and require decommissioning. This **rebuild of failing public critical infrastructure** would ensure that Sitka's number one industry is protected as well as **meet immediate life and safety concerns.**

BILL WALKER
Governor



P.O. Box 110001
Juneau, AK 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 19, 2017

The Honorable Matthew Hunter
Mayor
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Dear Mayor Hunter,

President Trump has made investment in national infrastructure a priority for his new Administration. As a result jurisdictions all around the country have been assembling their wish lists of projects for possible consideration. Governor Walker recently sent an initial list of Alaskan infrastructure projects for consideration by the Trump Administration. However, the Governor also provided notice that additional projects may be nominated by the State for qualifying municipal projects.

The State is therefore soliciting proposals for municipal or tribal infrastructure projects that might qualify for consideration under this federal program. If interested in offering projects for consideration, please follow the criteria below:

- Limit submissions to a maximum of three projects for communities of less than 10,000; or five projects for communities over 10,000 in population.
- Rank order all projects, highest to lowest.
- Projects must have a significant local match or private sector component to the overall funding package – provide project budget proposal.
- Preference should be given to projects that are shovel-ready.
- Identify if any project qualifies for other federal capital funding programs; these projects will likely receive lower priority in this solicitation.
- Project nominations must include a narrative explaining how the project would contribute to one or more of the federal goals for this program, including:
 - Promote American jobs and economic growth
 - Improve the balance of international trade
 - Promote American energy security
 - Rebuild failing public critical infrastructure
 - Meet an immediate life/safety concern not readily addressable by other means

The Honorable Matthew Hunter

May 19, 2017

Page 2

Please submit all project nominations by June 30, 2017 via the Office of Management and Budget web interface: <https://www.omb.alaska.gov/html/omb-home/community-project-requests.html>.

Don't hesitate to let me know if you have any questions.

Sincerely,



John Hozey
Deputy Chief of Staff
Local Government Liaison



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-120 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/21/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Discussion/Direction of Electric Department insurance renewal options
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and memo Electric Dept Insurance.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion ~ Direction of Electric Department Insurance Renewal Options.

POSSIBLE MOTIONS

Option 1

I MOVE to approve not insuring the Dam or Tunnel/Penstock at either Green Lake or Blue Lake.

or

Option 2

I MOVE to approve to insure all property but decrease earth movement and flood limit from \$50 mill to \$30 mill.

or

Option 3

I MOVE to approve an increase in machinery breakdown deductible to float \$500,000. Savings of \$49,285.

or

Option 4

I MOVE to approve to make no changes and renew the policy as is.



To: Assembly Members

Via: Mark Gorman

From: Bryan Bertacchi, Electric Utility Director & Mike Venneberg, Venneberg Insurance

Review by: Jay Sweeney, Chief Finance and Administrative Officer

Date: 6/19/17

Re: Electric Department Insurance Renewal Options

Assembly Members,

EXECUTIVE SUMMARY:

2017 Risk Management Considerations

Renewal Options – Machinery Breakdown and Property Policies

Background – The total of current coverage for the electric department for general liability, property and machinery breakdown has an annual cost of approximately \$688,000 with renewal scheduled for July. Of that total amount nearly \$420,000 is for property insurance. CBS purchases property and machinery breakdown insurance for the major electric department assets, including Blue Lake, Green Lake, Jarvis and Marine Street. We also purchase business interruption/extra expense insurance with total limits of \$20 million. The property insurance includes earth movement and flood limits of \$50 million. The deductibles range from \$75,000 - \$2.5 mill, depending on the location and type of loss. The business interruption has time deductibles of 30 days.

With input from the Assembly, any or all of the options below could be selected. Depending on the appetite for risk a savings of nearly \$300,000 is attainable. As a reminder to the Assembly a savings of \$170,000 represents 1% of Electric Rates. A savings of \$300,000 represents a potential rate decrease of 1.7% overall. If this rate decrease was assigned to only the “Summer” electric rates, then a reduction of 3.5% of “Summer” rates in 2018 is attainable (from 19 cents to 18.3 cents).

OPTIONS FOR SAVINGS INCREASES RISK:

Option 1 – Do not insure the Dam or Tunnel/Penstock at either Green Lake or Blue Lake. This property represents a significant portion of replacement values and is primarily subject to loss from earth movement. The only covered property at these locations would be the powerhouses. Savings of \$210,000. Risk of replacement on the order of \$100M+

Option 2 – Insure all property but decrease earth movement and flood limit from \$50 mill to \$30 mill. Savings of \$50,000.

Option 3 – Increase machinery breakdown deductible to flat \$500,000. Savings of \$49,285. Existing deductibles vary from:

- a. Diesel Generating Plants, \$25,000 except \$20 per HP on internal combustion engines & \$15 per KW of generators, minimum \$25,000.
- b. \$250,000 on 15MW Solar Turbine Unit – Turbine & Connected Generator
- c. Transformers \$2 per KVA rating minimum \$10,000
- d. Blue Lake Hydro Facility \$75,000
- e. Green Lake Hydro Facility \$75,000
- f. All Other \$10,000

Option 4 – Make no changes and renew the policy as is. This decision maintains risk at a known level.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-22 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 6/21/2017 In control: City and Borough Assembly
On agenda: 6/27/2017 Final action:
Title: Adjusting the FY17 Budget (PERS - first reading)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and ORD 2017-22.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-22 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-22
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

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 FY17 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. 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, 2016 and ending June 30, 2017 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2017 EXPENDITURE BUDGETS. Row 2: GENERAL, ENTERPRISE AND INTERNAL SERVICE FUNDS. Row 3: Overall Funds – Personnel: This entry will increase appropriations in each Fund for the Employer On-Behalf Funding – PERS ER120. General Fund - \$246,972; Justice Assistance Grant - \$839; Electric Fund - \$98,105; Water Fund - \$8,081; Wastewater Fund - \$26,604; Harbor Fund - \$17,261; Management Information Systems Fund - \$10,163; Central Garage Fund - \$3,777; Building Maintenance Fund - \$6,698. Row 4: (Empty)

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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 11th Day of July, 2017.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 6/27/17
2nd reading 7/11/17