

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2025-26

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING A
PROPERTY TAX EXEMPTION FOR THE CENTER FOR COMMUNITY FOR THE
PROPERTY LOCATED AT 700 KATLIAN AVENUE**

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

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

3. PURPOSE. The purpose of this ordinance is to exempt from property tax the interest of Center For Community in the real property located at 700 Katlian Avenue, Sitka, Alaska. The exemption, known as the "community purpose optional property tax exemption," is authorized under Sitka General Code, subsections 4.35.025.E and H, which adopt and incorporate Alaska Statute 29.45.050(b)(1)(A), which under subsection (E), in order to receive the exemption, requires Center For Community to be "an organization not organized for business or profit-making purposes and [the property] used exclusively for community purposes." The code and statute also require, to be exempted, that the "income derived from rental of that property does not exceed the actual cost to [Center For Community] of the use by the renter." In addition, Sitka General Code, subsection 4.35.025.H requires that the owner seeking the community purpose exemption must "1. Benefit a significant portion of the public; and, 2. Not profit persons other than employees; and 3. Qualify for a federal income tax exemption under 26 USC 501."

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

- (1) Center for Community is an organization not organized for business or profit-making purposes; and,
- (2) the portion of the property at 700 Katlian Avenue being used by Center For Community for its own business operations, consisting of 42% of the building's total square footage, is used exclusively for community purposes; and,
- (3) income derived by Center For Community from the rental of the property at 700 Katlian Avenue, consisting of 58% of the building's total square footage, exceeds the actual cost to Center For Community of the use by those renters, therefore those areas do not qualify for the community purpose exemption authorized by SGC 4.35.025.E; and,
- (4) The operation of Center For Community benefits a significant portion of the public; and,

(5) The operation of Center For Community does not profit persons other than employees; and,

(6) Center For Community qualifies for a federal income tax exemption under 26 USC 501.

Thereby, SGC 4.35.025.E and H are satisfied and Center For Community is exempt from property tax as long as Center For Community owns the subject property and is in compliance with SGC 4.35.025.E and H.

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 16th day of December, 2025.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading: 11/25/2025

2nd and final reading: 12/16/2025

Sponsor: Administrator