



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid

Tuesday, April 26, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-083](#) Reminders, Calendars and General Correspondence

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

[Vendor report.pdf](#)

V. CEREMONIAL MATTERS

[16-076](#) Service Awards - Citizens' Taskforce Members

Attachments: [Citizens Taskforce Member Certificates.pdf](#)

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

[16-082](#) Convention and Visitor Services Update - Rachel Roy

Attachments: [Convention and Visitor Services Update.pdf](#)

[Visit Sitka Marketing Plan Final 2016 04 18.pdf](#)

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** [16-074](#) Approve the minutes of the April 7 and April 12 Assembly meetings
Attachments: [Motions and Minutes.pdf](#)
- B** [16-069](#) Approve a liquor license application for a transfer of location (from 326 Lincoln Street to 321-B Lincoln Street) for House of Liquors, Inc. dba Salty Sal's Liquor Cabinet
Attachments: [Salty Sal's.pdf](#)
- C** [16-073](#) Approve Amendment No. 1 to the Northern Southeast Regional Aquaculture Association lease agreement as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document
Attachments: [NSRAA Amendment No. 1.pdf](#)
[NSRAA Lease Agreement May 2006.pdf](#)
[McDowell Group 2009 Economic Impacts NSRAA.pdf](#)
- D** [RES 16-08](#) Supporting the City's application to the Alaska Federal Lands Access Program (FLAP) grant program for \$2,000,000 for construction of phase 6 of the Cross Trail Multimodal Pathway in 2019
Attachments: [Motion, Memo, Res 2016-08.pdf](#)
[Sitka Trail Works Memo.pdf](#)
[Memo CBS Fire Department.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E [16-075](#) Reappoint Tamie (Harkins) Parker Song to a term on the Planning Commission and Appoint: 1) Scott Saline to a term on the Historic Preservation Commission, and, 2) Allison Massey to a term on the Parks and Recreation Committee
- Attachments:** [Motion.pdf](#)
 [Parker Song.pdf](#)
 [Saline..pdf](#)
 [Massey.pdf](#)
- XI. **UNFINISHED BUSINESS:**
- F [ORD 16-05](#) Amending Sitka General Code Title 10 "Public Peace, Safety and Morals" by adding a new Chapter 10.25 entitled, "Cellular Phone Use While Driving"
- Attachments:** [Motion Ord 2016-05.pdf](#)
 [Memo Ord 2016-05.pdf](#)
 [Ord 2016-05 AMENDED.pdf](#)
 [Ord 2016-05 Original.pdf](#)
- G [ORD 16-09](#) Adjusting the FY16 Budget
- Attachments:** [Motion Ord 2016-09.pdf](#)
 [Memo Ord 2016-09.pdf](#)
 [Ord 2016-09.pdf](#)
- H [ORD 16-10](#) Amending the City and Borough of Sitka Personnel Policies Handbook to allow the Municipal Administrator, for budgetary reasons, to change daily hours of work and the workweek and establish furlough days
- Attachments:** [Motion Ord 2016-10.pdf](#)
 [Memo Ord 2016-10.pdf](#)
 [Ord 2016-10.pdf](#)
- I [ORD 16-11](#) Amending Sitka General Code Title 22 "Zoning" by amending Chapter 22.08 "Definitions" by adding Section 22.08.587 "Marijuana", amending Section 22.16.015 "Permitted, Conditional and Prohibited Uses", and amending Chapter 22.24 "Special Use Permits" by adding Section 22.24.026 "Marijuana Conditional Use Permits"
- Attachments:** [Motion Ord 2016-11.pdf](#)
 [Memo Ord 2016-11.pdf](#)
 [Ord 2016-11.pdf](#)
 [Addtl info Ord 2016-11.pdf](#)

- J [ORD 16-12](#) Amending Chapter 3.16 "Procurement Policy" of the Sitka General Code to allow the Municipal Administrator to create detailed purchasing procedures for municipal staff based on and subject to these policies. Further, this revised policy will allow the Municipal Administrator to update municipal procurement procedures on a regular basis

Attachments: [Motion Ord 2016-12.pdf](#)
[Memo Ord 2016-12.pdf](#)
[Ord 2016-12.pdf](#)

XII. NEW BUSINESS:

New Business First Reading

- K [ORD 16-13](#) Adjusting the FY16 Budget

Attachments: [Motion Ord 2016-13.pdf](#)
[Ord 2016-13.pdf](#)

- L [ORD 16-14](#) Amending Sitka General Code Title 22.16.015 "Permitted, Conditional and Prohibited Uses" to allow short-term rentals in the public zone as a conditional use

Attachments: [Motion Ord 2016-14.pdf](#)
[Memo and docs Ord 2016-14.pdf](#)
[Ord 2016-14.pdf](#)

- M [ORD 16-15](#) Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 entitled "Municipal Subsidization of Low Income Household Utility Costs" PULLED

Attachments: [Motion Ord 2016-15.pdf](#)
[Ord 2016-15.pdf](#)
[Community Options for Utility Assistance.pdf](#)

Additional New Business Items

- N [16-070](#) Discussion/Direction/Decision on the recruitment for a Municipal Attorney

Attachments: [Recruitment schedule Municipal Attorney.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

*Sara Peterson, CMC
Municipal Clerk
Publish: April 22*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-083 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 4/21/2016 **In control:** City and Borough Assembly
On agenda: 4/26/2016 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Vendor report.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Monday, April 25	Special Budget Meeting: at Sealing Cove Business Center Enterprise/Internal Service Funds	6:00 PM
Tuesday, April 26	Regular Meeting	6:00 PM
Monday, May 2	Special Meeting: at Sealing Cove Business Center Board of Equalization	6:00 PM
Tuesday, May 3	Special Budget Meeting: at Sealing Cove Business Center Special Revenue/Hospital/ General Funds	6:00 PM
Tuesday, May 10	Regular Meeting	6:00 PM
Wednesday, May 11	Govt. to Govt. Dinner with STA at the Banquet Room of Westmark	6:00 PM
Thursday, May 19	UV Facility Tour and Ribbon Cutting at Gary Paxton Industrial Park	3:00 PM



Assembly Calendar

[2015](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2017](#)

April 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Mar	28	29	30	31	1 Apr	2
	6:00pm Citizens' Taskforce	5:00pm - 7:00pm Worksession: BOE Training (City Hall)				
3	4	5	6	7	8	9
		7:00pm Planning	7:00pm Library Board	12:00pm - 1:30pm SEDA Board Meeting 6:00pm Special Meeting: Assembly/School District Budget Sealing Cove Business Center		
10	11	12	13	14	15	16
		5:00pm Special Meeting: Citizens' Taskforce Report 6:00pm Regular Assembly Mtg	12:00pm Health Needs & Human Services Commission 6:00pm Port and Harbors 6:00pm Historic Preservation	12:00pm LEPC 12:00pm Parks & Rec		
17	18	19	20	21	22	23
		12:00pm Tree/Landscape 5:30pm Special Meeting (City Hall)- evals Municipal Administrator and Attorney 7:00pm Planning		Potrzuski Swanson 6:00pm Special Meeting: FY17 Budget- Sealing Cove Business Center	Potrzuski	Potrzuski
24	25	26	27	28	29	30 May
Potrzuski	Potrzuski Miyasato 6:00pm Special Meeting: FY17 Budget - Sealing Cove Business Center	Potrzuski Miyasato 6:00pm Regular Assembly Mtg	Potrzuski Miyasato 6:00pm Police and Fire Commission - Fire Hall	Potrzuski Miyasato	Potrzuski Miyasato Eisenbeisz	Potrzuski Eisenbeisz

Assembly Calendar

[2015](#)
 [Jan](#)
 [Feb](#)
 [Mar](#)
 [Apr](#)
 [May](#)
 [Jun](#)
 [Jul](#)
 [Aug](#)
 [Sep](#)
 [Oct](#)
 [Nov](#)
 [Dec](#)
 [2017](#)

May 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 May	2	3	4	5	6	7
Potrzuski Eisenbeisz	Potrzuski Eisenbeisz 6:00pm Board of Equalization - Sealing Cove Business Center	Potrzuski 6:00pm Special Meeting: FY17 Budget - Sealing Cove Business Center 7:00pm Planning	Potrzuski 7:00pm Library Board	Potrzuski 12:00pm - 1:30pm SEDA Board Meeting	Potrzuski	Swanson
8	9	10	11	12	13	14
Swanson	Swanson	Swanson 5:00pm Assembly Worksession: Municipal Lands 6:00pm Regular Assembly Mtg	Swanson 12:00pm Health Needs & Human Services Commission 6:00pm Port and Harbors 6:00pm Historic Preservation 6:00pm Govt to Govt Dinner - Westmark Banquet Room	Swanson 12:00pm LEPC 12:00pm Parks & Rec	Swanson	Swanson
15	16	17	18	19	20	21
Swanson	Swanson	Swanson 12:00pm Tree/Landscape 7:00pm Planning		3:00pm Assembly Tour: UV Disinfection Facility		
22	23	24	25	26	27	28
		6:00pm Regular Assembly Mtg	6:00pm Police and Fire Commission - Fire Hall			
29	30	31	1 Jun	2	3	4
	MEMORIAL DAY		7:00pm Library Board	12:00pm - 1:30pm SEDA Board Meeting		

City and Borough of Sitka Purchasing by City/State
Fiscal Year to Date: 4/12/2016

Unadjusted	Payment to Date	Invoice Count to Date
Total	45,078,723.79	3,018
SITKA	16,315,822.55	1,264
Sitka %	36.2%	41.9%
Alaska	23,946,897.89	1,747
Alaska %	53.1%	57.9%

These amounts are based on payments to vendors and the city of the vendors payment address.
The numbers are skewed due to specific vendors selected below where there is no choice to utilize a local vendor.

	Adjustments to consider		
Remove:	PERS (Anchorage)	2,500,000.00	20
	IRS (Fresno)	1,300,000.00	28
	SBS (Juneau)	1,100,000.00	9
	Blue Cross (Seattle)	1,900,000.00	8
	Bank of America - Pcard (Wilmington)	1,400,000.00	269
		<u>8,200,000.00</u>	<u>334</u>

Adjusted	Payment to Date	Invoice Count to Date
Total	36,878,723.79	2,684
SITKA	16,315,822.55	1,264
Sitka %	44.2%	47.1%
Alaska	20,346,897.89	1,718
Alaska %	55.2%	64.0%

These numbers are adjusted by the amounts listed under "Adjustments to consider" to show the effect of the removal of the items with no choice.

City and Borough of Sitka Purchasing by City/State
Fiscal Year to Date: 4/12/2016

City	State	Payment to date	Invoice Count to date	Notes
ALEXANDRIA	Virginia	1,612.13		6
AMENIA	New York	970.50		4
Anchorage	Alaska	4,744,043.56		249 PERS (\$2.5M)
ASTON	Pennsylvania	2,091.75		2
ATLANTA	Georgia	68,010.55		50
AUBURN	Washington	8,164.40		3
AUGUSTA	Georgia	4,096.63		3
AUKE BAY	Alaska	973.32		1
AUSTIN	Texas	498.00		3
BALITMORE	Maryland	450.00		1
BALTIMORE	Maryland	46,833.97		24
BELGRADE	Montana	768.99		2
BELLEVUE	Washington	87,934.39		17
BELLINGHAM	Washington	8,724,884.68		37 Primarily Dawson (2.9M) & McG Constructors (\$5.7M)
BEND	Oregon	6,240.00		3
BETHESDA	Maryland	480.00		1
BLOOMING GROVE	New York	100.00		1
BLUE RIDGE SUMMIT	Pennsylvania	172.38		1
BOCA RATON	Florida	5,500.00		1
Boise	Idaho	370,595.62		6
BORING	Oregon	176.13		1
BOSTON	Massachusetts	6,032.53		1
BOUNTIFUL	Utah	11,398.00		2
BOZEMAN	Montana	60,000.00		1
BRADENTON BEACH	Florida	1,847.20		2
BRENTWOOD	Tennessee	188.00		1
CANADA H1J2K4		7,334.21		1
CANTON	Ohio	218.75		1
Carol Stream	Illinois	10,288.88		18
CEDAR RAPIDS	Iowa	645.44		2
CELINA	Ohio	4,415.00		1
CERES	California	144.69		1
CHAMBLEE	Georgia	4,870.00		1
CHANDLER	Arizona	819.10		9
CHEHALIS	Washington	276.00		1
CHICAGO	Illinois	329,873.63		58
CHICOPEE	Massachusetts	556.40		1
CINCINNATI	Ohio	4,163.28		9
CLACKAMAS	Oregon	800.00		1
CODY	Wyoming	100.00		2
COLLEGE PARK	Georgia	23,921.50		2
COLUMBUS	Georgia	15,230.48		20
	Ohio	8,347.25		1
CONWAY	Washington	522.00		1
COVINA	California	4,014.60		1
CRAIG	Alaska	18,608.29		3
DALLAS	Texas	176,101.60		45
DAVIS	California	1,188.00		1
DEERFIELD	Illinois	4,795.00		1
DENVER	Colorado	70,205.04		23
DES MOINES	Iowa	420.68		2
DETROIT	Michigan	50.00		1
DFW AIRPORT	Texas	81.05		1
DOUGLAS	Alaska	3,267.88		2
EASTON	Pennsylvania	21.93		1
EATONTOWN	New Jersey	1,097.88		1
ELFIN COVE	Alaska	36.57		1
ELGIN	Illinois	3,405.83		2
ENGLAND		8,950.00		1
ENGLEWOOD	Florida	57.62		1
Ephrata	Washington	3,031.55		3

City and Borough of Sitka Purchasing by City/State
Fiscal Year to Date: 4/12/2016

Everett	Washington	123,663.99	9
EXTON	Pennsylvania	5,712.65	1
FAIRBANKS	Alaska	49,229.95	13
FAIRVIEW	Oregon	60,945.30	11
FARMINGTON HILLS	Michigan	2,150.00	1
FENTON	Missouri	860.00	2
FERNANBINA BEACH	Florida	63.33	1
FERNDALE	Washington	80.00	1
FORT LAUDERDALE	Florida	938.20	2
FORT WORTH	Texas	751.00	3
FRESNO	California	1,346,008.81	28 IRS \$1.3M
FRIDAY HARBOR	Washington	52.62	1
FT MYERS	Florida	150.00	1
GAITHERSBURG	Maryland	624.00	2
GOLDEN	Colorado	1,910.77	2
GRAHAM	North Carolina	50.00	1
GRAND LAKE	Colorado	100.00	1
GREER	South Carolina	333.31	1
GROVE CITY	Pennsylvania	226.77	1
GURNEE	Illinois	9,763.41	3
HAINES	Alaska	48.00	1
Harrisburg	Pennsylvania	6,237.69	20
HIGHLAND	California	1,125.00	1
HILLSBORO	Oregon	1,670.00	1
HOLLAND	Ohio	204.68	2
Homer	Alaska	3,182.00	1
Hoonah	Alaska	23.75	1
HOUSTON	Texas	18,045.27	6
IDAHO FALLS	Idaho	507.80	1
ISSAQUAH	Washington	36,496.63	2
ITHACA	New York	53.60	1
JEFFERSON CITY	Missouri	156.00	1
JUNCTION CITY	Oregon	3,336,200.50	3 Northern Construction \$3.3M
JUNEAU	Alaska	2,453,703.95	130 SBS \$1.1M
KAKE	Alaska	78.22	1
KANSAS CITY	Missouri	26,490.16	13
KENNEWICK	Washington	2,426.80	3
Kent	Washington	115,491.00	1
Ketchikan	Alaska	44,458.08	20
Kingston	Washington	56.19	1
KINGWOOD	Texas	23.93	1
KIRKLAND	Washington	3,499.99	1
LAKE CITY	Florida	50.00	1
LANCASTER	South Carolina	10,236.07	1
Las Vegas	Nevada	9,887.72	4
LAUREL	Maryland	750.00	1
Lexington	Kentucky	65.38	1
LIVINGSTON	New Jersey	6,994.00	1
	Tennessee	167.68	1
LOGAN	Utah	2,908.00	3
LOS ANGELES	California	1,072,992.72	42 Regional Disposal \$1.0M
LYNNWOOD	Washington	3,962.73	5
MADISON	Wisconsin	2,915.20	8
MARSHALL	Texas	19,228.91	1
MARYSVILLE	Washington	50.00	1
MEDFORD	Oregon	410.00	1
MEDIMONT	Idaho	16.95	1
MEDINA	Ohio	103.85	1
MENOMONEE FALLS	Wisconsin	15,899.00	1
MERCER ISLAND	Washington	133.09	1
MILL CREEK	Washington	9,872.63	2
MINNEAPOLIS	Minnesota	5,054.36	3

City and Borough of Sitka Purchasing by City/State
Fiscal Year to Date: 4/12/2016

MONTROSE	Iowa	12,809.26	2
MOORE	Idaho	197.79	1
MOUNT VERNON	Washington	21,980.09	3
MOUNTAIN VIEW	California	79.07	1
MUKILTEO	Washington	9,508.00	1
N1R 557		1,192.63	1
NEW YORK	New York	310.80	1
NIAGARA FALLS	New York	15,895.60	1
NORTHAMPTON	Massachusetts	3,700.00	1
NORWICH	Vermont	401.14	3
Oakland	California	1,600.00	1
OLYMPIA	Washington	235.00	1
OMAHA	Nebraska	48.00	1
ORANGE	California	2,227.40	1
ORLANDO	Florida	56,305.31	3
Palatine	Illinois	42,271.96	15
PALMER	Alaska	12,245.29	4
PASADENA	California	804.54	11
PELICAN	Alaska	944.09	1
PEMBROKE	New Hampshire	481.92	1
PETERSBURG	Alaska	34,024.94	11
PHILADELPHIA	Pennsylvania	537.49	4
PHOENIX	Arizona	3,349.25	1
PITTSBURGH	Pennsylvania	33,729.94	31
PLYMOUTH	Indiana	1,422.29	1
Port Alexander	Alaska	410.47	3
Port Angeles	Washington	114.66	1
PORTLAND	Maine	239.50	1
	Oregon	23,675.58	5
PRESCOTT	Arizona	70.00	1
Provo	Utah	50.00	1
Rancho Cordova	California	2,580.39	5
RANCHO CUCAMONGA	California	180.00	2
RATHDRUM	Idaho	1,725.00	5
REDWOOD CITY	California	119.70	1
RENO	Nevada	295.24	1
ROANOKE	Virginia	3,681.70	2
ROCHESTER	Minnesota	100.00	1
ROCKAWAY	New Jersey	2,100.00	1
ROSWELL	Georgia	716.75	7
SACRAMENTO	California	2,866.50	1
Salem	Oregon	181,785.26	3
SAN ANTONIO	Texas	235.00	1
SAN DIEGO	California	879.84	7
SAN FRANCISCO	California	21,351.49	5
SAN FRANCISCO	California	9,440.10	1
San Jose	California	11,655.00	4
SEATTLE	Washington	2,293,998.31	154 Blue Cross \$1.9M
SEQUIM	Washington	1,208.62	1
SEWARD	Alaska	243,673.26	27
SHAWNEE MISSION	Kansas	11,400.00	20
SHELBY	North Carolina	525.04	1
SHELBY TOWNSHIP	Michigan	9,327.45	1
SHELTON	Washington	25.00	1
SILVER SPRING	Maryland	212.00	1
SITKA	Alaska	16,315,822.55	1,264
SKAGWAY	Alaska	36.00	1
SOLDOTNA	Alaska	450.00	1
SOUTH BEACH	Oregon	50.00	1
SOUTH DAYTONA	Florida	718.00	1
SPARKS	Nevada	50.00	1
SPOKANE VALLEY	Washington	75.00	1

City and Borough of Sitka Purchasing by City/State
Fiscal Year to Date: 4/12/2016

SPRINGFIELD	Oregon	640.04	1
ST LOUIS	Missouri	30,792.04	2
ST. PAUL	Minnesota	456.87	1
STAFFORD	Texas	1,074.35	1
STANDISH	Maine	40.00	1
STANWOOD	Washington	21.20	1
SUMNER	Washington	1,470.37	1
TACOMA	Washington	23,062.44	6
TAMPA	Florida	51,737.06	2
TIPTON	Pennsylvania	1,365.79	1
TITUSVILLE	Florida	60.00	1
TROY	Michigan	77,362.00	3
TUCSON	Arizona	50.00	1
TUKWILA	Washington	4,402.66	4
TWISP	Washington	40.00	2
VALDEZ	Alaska	480.90	1
VAN BUREN	Arizona	816.00	1
VAN NUYS	California	91.67	1
VANCOUVER	Washington	7,973.67	2
VASHON	Washington	11,074.00	8
VENTURA	California	588.00	1
VISALIA	California	1,605.84	2
WARD COVE	Alaska	169.53	1
WASHOUGAL	Washington	669.78	1
WASILLA	Alaska	20,459.19	6
WAUKESHAE	Wisconsin	146,528.00	1
WENATCHEE	Washington	312.02	1
WEST SACRAMENTO	California	3,627.60	20
WESTLAKE	Texas	1,616.40	1
Wichita	Kansas	16,387.11	8
WILMINGTON	Delaware	1,409,571.49	269 Bank of America Pcard \$1.4M
WINLAW	BC	38.95	1
WIXOM	Michigan	632.02	1
WOODINVILLE	Washington	187,418.99	3
WRANGELL	Alaska	528.10	4
Grand Total		45,078,723.79	3,018



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-076 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/20/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Service Awards - Citizens' Taskforce Members
Sponsors:
Indexes:
Code sections:
Attachments: [Citizens Taskforce Member Certificates.pdf](#)

Date	Ver.	Action By	Action	Result
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Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

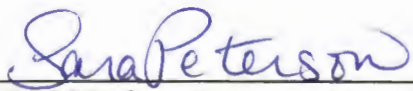
Rob Allen

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016




Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Dyan Bessette

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016




Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to


Hugh Bevan

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Cynthia Gibson

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Alene Henning

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016

Mim McConnell

Mayor Mim McConnell

Sara Peterson

ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Mary Magnuson

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Jack Ozment

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016


Mim McConnell

Mayor Mim McConnell

Sara Peterson

ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Maxwell Rule

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016



Mayor Mim McConnell



ATTEST: Sara Peterson, Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Lawrence Spotted Bird

*this expression of grateful acknowledgment of your
valued service rendered in the public interest while serving on the
Citizens' Taskforce. Thank you!*

Signed and sealed this 26th day of April 2016

Mim McConnell

Mayor Mim McConnell

Sara Peterson

ATTEST: Sara Peterson, Municipal Clerk





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-082 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/21/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Convention and Visitor Services Update - Rachel Roy
Sponsors:
Indexes:
Code sections:
Attachments: [Convention and Visitor Services Update.pdf](#)
[Visit Sitka Marketing Plan Final 2016 04 18.pdf](#)

Date	Ver.	Action By	Action	Result
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MISSION STATEMENT

THE GREATER SITKA CHAMBER OF COMMERCE IS A VOLUNTARY ORGANIZATION OF BUSINESS AND COMMUNITY LEADERS WHO PROMOTE, SUPPORT, AND FACILITATE COMMERCE AND ECONOMIC GROWTH IN THE COMMUNITY.

April 20, 2016

Dear Sitka Assembly:

3-Year Strategic Marketing Plan

The 3-Year Strategic Marketing Plan was created in order to provide a guide to the Chamber of Commerce's Convention and Visitor Services department, Visit Sitka. The plan includes leveraging the foundational marketing elements and the Sitka branding project. It is intended to be a blueprint as staff and committees create annual work plans to implement the marketing strategies throughout the course of the contract.

Branding and Wayfinding Project Update

The Sitka Brand Project is nearly complete. The final deliverable is a brand implementation workshop for key stakeholders who will use the brand. This workshop will be conducted by John Kelsh from GDS and will be scheduled within the next four to six weeks. A poll is being conducted to determine a date when most attendees will be available.

The Wayfinding consultant, committee and Chamber Staff are in the process of completing its work on determining final locations for the signs to be placed and sign design. The sign manufacturing will go out to bid, following the City's procurement process and will include installation. This portion of the process will rely heavily on the time it takes to release the RFP and receive bids. Sign production generally takes 12-16 weeks. The signs will likely be installed in the spring of 2017, weather permitting. For the 2016 season, Visit Sitka will create temporary signage for the Visitor Information Center and the seasonal kiosks.

Convention and Visitor Services Committee

The Chamber Board created the Convention and Visitor Services Committee and held its first meeting on April 12th. Those in attendance at this meeting included Chris McGraw, Rich Riggs, Sheila Finkenbinder, Kayla Boettcher, Mim McConnell, Evy Kinnear, Rachel Roy, Jenny Torgerson, Rene Tuttle and Sherry Aitken. Pete Colson and Suzan Hess will also participate in the committee. The committee's next meeting is scheduled for Tuesday, April 26th at 3:00pm at the Visit Sitka Visitor Information Center.

Respectfully,

Rachel Roy, Executive Director
Greater Sitka Chamber of Commerce



Visit **Sitka**

2016 | 2017 | 2018
3-YEAR Strategic Marketing Plan



“People travel for a variety of reasons: to escape, explore, understand and participate. But at the core of the experience lies the destination – the place that hands something to the traveler to keep forever and share with others.”

(USAID. Tourism Destination Management: Achieving Sustainable and Competitive Results, 03/2013).



Visit Sitka Contacts

Visitor Information Center: 104 Lake Street

Visitor Information Kiosks: O'Connell Bridge Dock, Harrigan Centennial Hall

Greater Sitka Chamber of Commerce Office/Mailing Address: 104 Lake St.

Website: www.sitka.org

Facebook: www.facebook.com/VisitSitka

Pinterest: pinterest.com/VisitSitka

Local Phone: 907.747.8604

Toll-Free: 800.557.4852

2016 Board of Directors

Richard Riggs, President

Chris McGraw, Vice President/President Elect

Suzan Hess, Past President

John O'Brien, Treasurer

Ashley Eisenbiesz, Secretary

Ptarmica McConnell

Dan Jones

Mandy Odenheimer

Travis Vaughan

Appendix A: Current Marketing Strategies

Objective 1: Platform

- Profiling audience and segmentation to ensure that ad targeting is effective across all platforms
- Re-purposing content for both print and digital applications
- Continuing cooperative marketing efforts to leverage funds + pursuing joint ventures
- Offering promotional opportunities to members

Objective 2: Brand

- Collaborating with partners to ensure the promise of Sitka specific marketing is executed
- Providing high quality, highly informative print material to prospective visitors
- Selecting cost-effective media supporting overall goal of attracting a diverse mix of visitors
- Creating awareness of Sitka as a year-round destination for independent visitors
- Marketing annual events
- Fulfilling and tracking responses sent to Visit Sitka through print ads
- Exploring emerging tour market opportunities
- Increasing brand identity through advertising and attending consumer trade shows

Objective 3: Engagement

- Working toward personalizing the visitor experience
- Increasing interest in Sitka as a travel destination and inspiring a desire to visit through highly attended and targeted consumer travel shows
- Participating as a marketing partner with Southeast Alaska Tourism Council (SATC) and fulfilling all independent leads for Sitka generated by the program
- Providing walk in service on Lake Street & seasonal service at kiosk under O'Connell Bridge
- Continually updating the Visit Sitka website with fresh content and photos
- Maintaining social media sites for Visit Sitka such as Facebook and Pinterest

Objective 4: Convention and Meeting

- Targeted advertising to in-state meeting planners
- Listings on meeting planner RFP request websites
- Attend strategically targeted meeting planner association regional meetings in our target market areas
- Attend educational trade shows for continuing education
- Update all meeting and convention information for Sitka

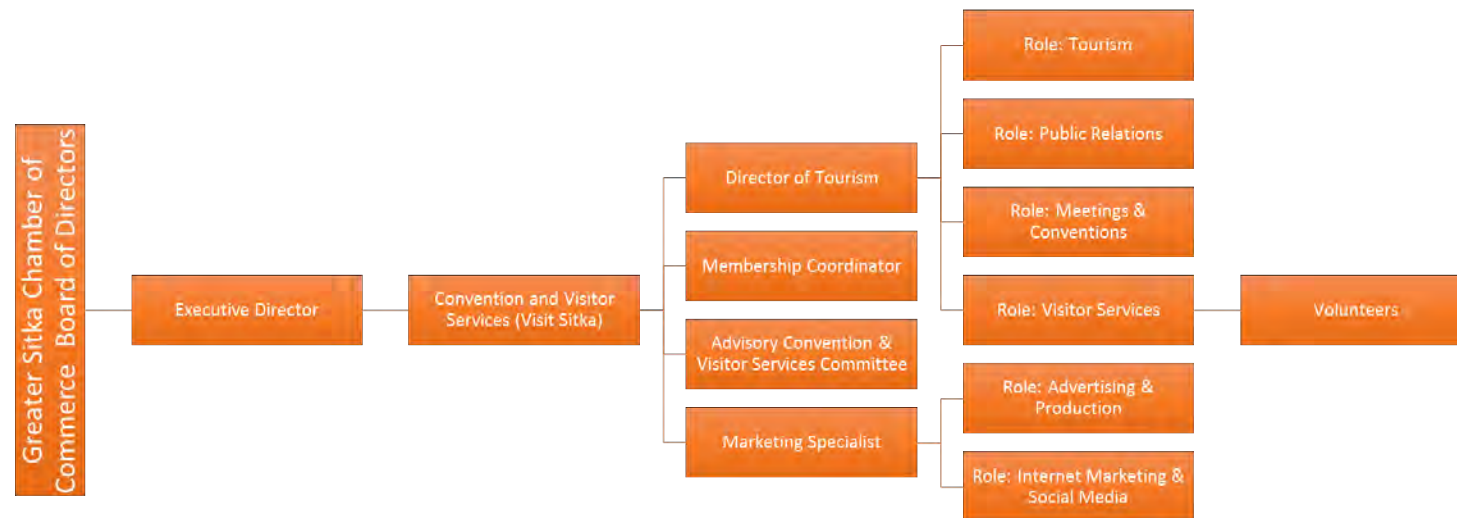
Contents

- 4 Background
- 5 Current Foundational Marketing Plan
Developing & Implementing the Brand
- 6 Initial Guiding Principles
- 7 Marketing Objectives & Strategies
- 8 Target Markets
- 9 Measuring Impact
Putting the Plan Into Action
- 10 Appendix A– Current Marketing Strategies
- 11 Contact
Board of Directors

Greater Sitka Chamber of Commerce

The Greater Sitka Chamber of Commerce links businesses with other leading Sitka area business members, officers, leaders and managers, and elected officials to enhance economic growth and development. Through involvement in and attendance at chamber events, local business leaders are better connected with other business professionals outside of their regular schedule.

The Mission: The Greater Sitka Chamber of Commerce is a voluntary organization of business and community leaders who promote, support, and facilitate commerce and economic growth in the community.



Background

The Greater Sitka Chamber of Commerce has been contracted by the City and Borough of Sitka to promote Sitka as a travel destination supporting an important local economic driver. In 2013 tourism poured \$3.72 billion into Alaska's economy including \$78 million in tax revenues to local municipalities and \$1.24 billion in labor income. With 1 in 11 Alaskan jobs within the visitor industry Sitka has a vested community interest in tourism development. (McDowell Group. Economic Impact of Alaska's Visitor Industry, 2012-2013 update).

In the Sitka Chamber's new role as a destination management organization (DMO), the contracted convention and visitor services will be known as **Visit Sitka**. DMOs look at the whole tourism industry in a place, facilitate private/public sector and other stakeholder collaboration, care for the tourism value chain plus develop programs for telling a unique destination story and becoming warm hosts for visitors no matter the purpose of their journey.

This three-year strategic marketing document will guide Visit Sitka's work scope and Investments. It will serve as a blueprint for staff and committees developing specific annual work plans for marketing programs within budget and metric constraints. A strategic marketing plan aims to boost Sitka tourism brand awareness and visitation revenues while maintaining and increasing non-resident travel to and spending in Sitka.

Measuring Impact

Visit Sitka intends to meet metrics outlined in CBS Convention and Visitors Service contract to the best of its ability as well as explore new research models and benchmarks. Again due to limited funds large industry indicators such as total visitor volume, market share and visitor spending statistics available through Alaska Dept. of Commerce reports may predominate. For more detailed specifics such as brand awareness, incremental travel and spend, and ROI from advertising placements; Visit Sitka will look to develop low-cost analysis options as measuring the impact of investments in the travel industry is not easy with limited funds.

Putting the Plan Into Action

The three-year marketing plan serves as an overarching path for Visit Sitka's purpose in the coming years. As annual work plans develop within budget and metric parameters, this roadmap will guide staff and inform marketing programs and target market efforts. As a flexible document, revisions will be made as necessary to accommodate new business realities or changes in priorities.

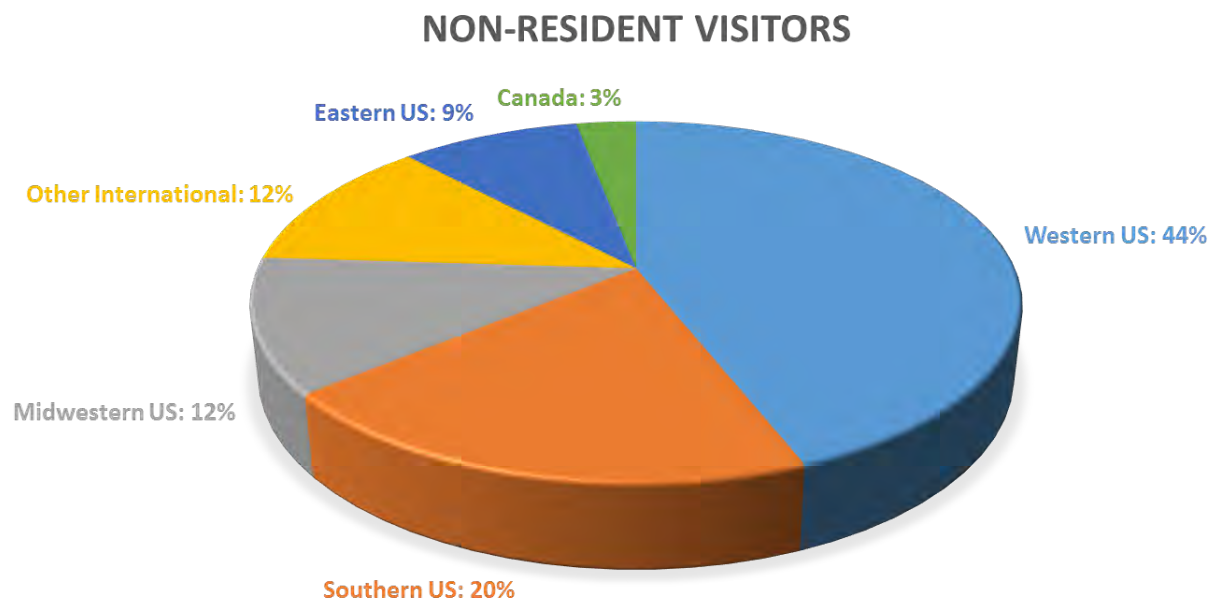


Sunset Celebration Weekend Menlo Park, CA

Target Markets

Domestic: Most of Sitka’s non-resident visitors come from two geographic regions: the first is the Western U.S. at 44% with the second being the Southern U.S. at 20% of visitors. (Alaska Dept. of Commerce. Alaska Visitor Statistics Program-Visitors Profile, summer 2011). Approximately 80% of visitors to Sitka arrive via cruise ship with the remaining coming via air and ferry (AK Dept. of Comm. AVSP-Summary Profiles/Regions & Communities, summer 2011). The current foundational marketing targets primarily the Western region and destinations within non-stop flight range of Seattle. One notable exception is Seatrade Cruise Global, the cruise industries authoritative professional showcase, with 51 cruise lines and operators from 92 countries represented.

With further market research Visit Sitka will continue to focus on the primary markets but also seek to develop secondary markets including domestic long-haul and international. To increase impact of limited marketing dollars, Visit Sitka will utilize segmentation strategies to better understand different consumer types and employ targeted programs that enhance brand satisfaction and consumer response. Segmentation methodologies organize consumers into a variety of types with these guiding principles: target type, goal, method and message. Annual work plans will contain details.



Current Foundational Marketing Plan

Due to the forward nature of destination marketing including advance book budgetary savings; Sitka’s former DMO (Sitka Convention and Visitors Bureau) has many foundational marketing elements currently active. These include a fully redesigned Annual Visitors Guide, travel trade show booth commitments, Sitka branding/wayfinding project, interactive website, a suite of HD 1-minute videos and 30-second commercials highlighting Sitka’s sectors of travel interest, social media engagement on Facebook, YouTube and Pinterest plus the “BackRoads Alaska” collaboration with Haines CVB to promote cruise ship visits to the less-frequented ports of Sitka and Haines as well as other historical knowledge.

Visit Sitka will leverage all of these assets during our start-up phase to transition smoothly to the new CBS contracted DMO model. Fiscal prudence, proven success, promotional continuity and efficient implementation logically dictate building and expanding on the currently laid down strategic marketing foundation. (See Appendix A). Hence this iteration of the strategic marketing plan while integral to Visit Sitka’s development remains fluid during this change to Sitka’s new DMO business model. While the strategic marketing plan provides a roadmap for annually developed work plans of Sitka specific marketing tactics; further work remains for Visit Sitka startup model in strategic framework, mission and objective, annual work plan, trends/implications and internal structural supports such as committees and staffing. Revisions will address these areas as needed.

Developing & Implementing the Brand

Visit Sitka efforts will focus on re-engaging Sitka’s contracted destination brand/wayfinding firm and respective local advisory committees to complete work on a unique and authentic destination identity for Sitka which in turn will inform wayfinding design. Completion of project includes a branding guidebook, implementation plan and relevant signage throughout the community. Once in place strategic market planning can incorporate brand vitality and engagement along with further innovation to take full advantage of branding product. Beyond the initial launch Visit Sitka will promote the brand with continued efficiency and integration. Efficiency factors heavily with limited marketing funds which may be mitigated by integration as well.



Initial Guiding Principles

1) Do what the community cannot do for itself. Visit Sitka will provide a marketing platform to promote the Sitka brand.

2) Leverage previous plans and partnerships; focus on market development. Visit Sitka will promote the Sitka brand to target audiences and build on trusted partnerships to maximize marketing reach.

3) Evaluate program measures and return on investment (ROI). Visit Sitka will track and evaluate marketing impact on attracting visitors.

4) Support membership businesses/organizations and the wider local economy. Visit Sitka will provide resources to membership businesses and others through marketing options, new branding/wayfinding final development and implementation, web leadership, education opportunities and dissemination of tourism research materials helpful to the success of their endeavors.

5) Develop Web and Social media expertise. Visit Sitka will continue to improve its web/social media through ongoing professional development to promote targeted, timely and cost-effective brand messages.

6) Align with regional and state CVBs, DMOs plus Alaskan and U.S. Travel leadership. Visit Sitka will maximize marketing resources by collaborating with regional and state destination marketing organizations, industry advocacy groups and governmental economic development efforts on local, state and federal levels.

Marketing Objectives & Strategies

Four key objectives will guide Visit Sitka's scope of work over the next three years.

Objective 1: Platform - To build a brand platform that supports members and the community of Sitka beyond individual efforts; Visit Sitka will continue to focus advertising on Sitka's abundance of interests including culture/history, wildlife, outdoor adventure, fishing, arts, culinary and developed attractions. **Actions:** Advertising & Brand, Cooperative Marketing, Research, Travel Trade Shows. **Metrics:** B2C + B2B Web site (sitka.org) traffic, membership numbers.

Objective 2: Brand - Implement and develop brand equity to drive economic impact and ROI while connecting and engaging with consumers in Sitka brand across all media landscapes. **Actions:** Media, Partnerships, Earned Media. **Metrics:** Advertising awareness, incremental spending and ROI, Visits to Sitka, Brand vitality metrics, Visit Sitka Web site traffic.

Objective 3: Engagement - Deepen relationship with consumers to move beyond providing information and inspiration to engaging potential Sitka travelers during every stage of the travel cycle across a range of devices to create new and repeat visitation to Sitka. **Actions:** Content, Distribution, Social Media, Visitor Center & Welcome Kiosk, Volunteers. **Metrics:** Visit Sitka Web site (sitka.org) traffic, Social media followers and interactions, Social buzz and sentiment, VC&WK foot traffic.

Objective 4: Meetings and Conventions - Take advantage of the Meeting/Convention industry's position as a key driver of tourism that produces higher spending levels and seasonality reduction while generating income, employment and investment. **Actions:** Target State-wide & Regional Marketing, Advertising, Volunteers, Meeting Planner Guide, Travel Trade Shows. **Metrics:** Convention and Meeting numbers, Request for bids, Advertising awareness, Visit Sitka Web site traffic.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-074 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/20/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Approve the minutes of the April 7 and April 12 Assembly meetings
Sponsors:
Indexes:
Code sections:
Attachments: [Motions 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, C & D**

I wish to remove Item(s) _____

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

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the April 7 special Assembly meeting, April 12 special Assembly meeting, and April 12 regular Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid

Thursday, April 7, 2016

6:00 PM

Assembly Chambers

Meeting held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 16-052 Discussion/Direction of the FY17 Municipal Budget and as it relates to the General Fund, other Funds, the School District and the Sitka Community Hospital (Assembly action may be taken)

Due to financial considerations, Assembly Member Potrzuski recused himself from discussions relating to the School District.

Members from the School Board present: Tim Fulton (telephonically), Tom Conley, Cass Pook and Jennifer McNichol.

School District Superintendent, Dr. Mary Wegner, read a statement from School Board member, Eric van Cise, who was unable to attend.

Wegner provided and summarized two documents for Assembly members. The first document spoke to the FY17 budget process. The second document titled "What would happen if the \$1,000,000 added for FY16 was taken away?" summarized the

following: budgetary actions from January 2015 to present, FY16 and FY17 funding variables, FY17 revenue assumptions, and FY17 expenditure assumptions. Wegner emphasized School District operating fund revenues could only come from the following sources: District, Local, State and Federal. She added that the School District was required to present a balanced budget.

Assembly members asked clarifying questions relating to FY16 and FY17 expenses, reserves, secure rural schools funding, percentage of funding cap, and long-term planning.

School Board members stressed the need to provide the best possible education for the children of Sitka. The Board thanked the Assembly for their continued support and looked forward to future budget conversations.

No assembly action was taken.

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:28pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid

Tuesday, April 12, 2016

5:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

IV. PERSONS TO BE HEARD:

None.

V. NEW BUSINESS:

A 16-061 Discussion/Direction on recommendations of the Citizens' Taskforce

Rob Allen, Chair of the Citizens' Taskforce (CTF), introduced the Taskforce members. Member, Cynthia Gibson, provided an overview of the core ideals, goals, services, requirements and community values as identified by the CTF and concluded her presentation with a summary of the CTF final product: the Grand Bargain. Gibson explained the Grand Bargain focused on expenses, revenues and cuts and included the following elements, in no particular order:

1. Eliminating the sales tax on groceries for all Sitkans.
2. Directing 100% of the Fish Tax to the Harbor Fund.
3. Instituting a biennial vehicle registration tax of \$200.
4. Providing significant General Fund support for the Electric Fund to prevent unaffordable increases in electric rates.
5. Investing \$3 million from the General Fund in capital projects per year.
6. Raising new revenues by selling City owned undeveloped land.
7. Raising new revenues by opening a new rock quarry.
8. Raising new revenue by asking the voters to approve an increase of 2 mills in the

property tax rate.

9. Reducing the City's General Fund budget by a total of \$1.7 million over the next three years.

10. Reducing the City's contribution to schools by a total of \$600,000 over the next three years (possibly requiring smaller cuts to prevent school funding from dropping below 92 percent of the cap according to the state funding formula).

CTF members expressed their appreciation to staff and found the Taskforce process to be invaluable. While keenly aware of local and state challenges, members noted they looked for solutions that were sustainable, equitable, and maintained a high quality of life for Sitkans.

Citizen Matt Donohoe spoke in support of a millage rate increase for Sitka and stated it was a possibility the municipality might have to consider bankruptcy.

Assembly members thanked CBS staff and the CTF members for their service and exceptional work.

Citizen Taskforce Members: Rob Allen, Dyan Bessette, Hugh Bevan, Cynthia Gibson, Alene Henning, Maxwell Rule, and Lawrence SpottedBird.

A motion was made by Guevin to receive the Citizens' Taskforce Report. This formally concluded the assignment of the Citizens' Taskforce. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

VI. ADJOURNMENT

A motion was made by Hunter to ADJOURN. Hearing no objections, the meeting ADJOURNED at 5:55pm.

ATTEST: _____

**Sara Peterson, CMC
Municipal Clerk**



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid*

Tuesday, April 12, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Assembly member Eisenbeisz requested item M be discussed before item K. There was no objection.

16-062 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

16-053 Athletic Awards - JD Gagner, Josh Geoden, and Sydnee Kimber

Mayor McConnell read and presented Athletic Awards to JD Gagner, Josh Geoden, Sydnee Kimber for their achievements at the 2016 Arctic Winter Games in Nuuk, Greenland.

16-054 Citation - SHS Boys Basketball Team

A citation was read and presented to the Sitka High School boys basketball team for their heroism and bravery demonstrated on March 23, 2016. The team, while in Anchorage for a tournament, rushed to the aid of and helped residents escape from a burning building.

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

Sitka Tribe of Alaska General Manager, Lawrence SpottedBird, announced a Government to Government dinner was scheduled for May 11, 2016 and would be hosted by the City and Borough of Sitka.

16-055 Sitka Sound Science Center Update

Sitka Sound Science Center (SSSC) staff Lisa Busch, Executive Director, and Tori O'Connell, Research Director, provided an update to the Assembly. Busch spoke to the mission and work of the SSSC and thanked the Assembly for their support and for the community of Sitka's interest in science. O'Connell, reviewed the Sitka Geotask Force Summaries and work related to the August 18, 2015 Sitka landslides.

VII. PERSONS TO BE HEARD

None.

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

Mayor - reported on the Seatrade Cruise Global event and CBS Investment Committee meeting. Welcomed Sister City visitors from Nemuro Japan, and attended the Comprehensive Plan meeting at the Sitka Public Library, Chamber luncheon with Congressman Don Young, and the Convention and Visitors Services Committee organized by the Chamber.

Administrator - Gorman indicated repairs for the seaplane facility were estimated to cost approximately \$150-\$200,000 and noted a future request may come before the Assembly to take the required funding from the Southeast Alaska Economic Development Fund as a grant. Gorman advised the Assembly of ongoing union negotiations and reported on the recent UAS Advisory Council meeting. He noted the UAS campus was facing a \$600,000 cut, approximately 10% of their budget.

Liaisons - Miyasato spoke to Curt Ledford's resignation from the Library Commission, Hunter reminded there was a Port and Harbors Commission meeting April 13, and Eisenbeisz reported on the recent Gary Paxton Industrial Park Board of Directors meeting.

Clerk - Noted a Government to Government dinner was planned for May 11 and that a tour of the new UV Facility was scheduled for May 19.

IX. CONSENT AGENDA

A motion was made by Hunter that the Consent Agenda consisting of item A & C be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

A 16-056 Approve the minutes of the March 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 16-059** Award a professional services contract to PND Engineers, Inc. for the design of the Landfill and Crescent Lift Stations Improvements Project on a time and materials basis for a not to exceed amount of \$139,534

Eisenbeisz spoke to the cost of the projects and wondered if the Crescent lift station was a total redesign or if only certain parts were being replaced. Public Works Director, Michael Harmon, noted the Crescent lift station project was a total redesign and felt both projects were justified and in line with industry standards. David Longtin, Senior Engineer, stated the engineering firm would evaluate using existing equipment where possible.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

- C 16-060** Award a contract to Caselle Software Solutions for the Property Tax and Sales Tax System Upgrade Project for a not to exceed amount of \$80,000

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 16-057** Reappoint Annabel Lund to a term on the Local Emergency Planning Committee and Appoint 1) Dale Williams to an unexpired term on the Police and Fire Commission, 2) Lorrain Lil to a term on the Library Commission, and 3) Clara Gray to an unexpired term on the Historic Preservation Commission in the category of "STA alternate"

Assembly members thanked the applicants for their willingness to serve.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XI. UNFINISHED BUSINESS:

- E ORD 16-05** Amending Sitka General Code Title 10 "Public Peace, Safety and Morals" by adding a new Chapter 10.25 entitled, "Cellular Phone Use While Driving"

Doug Osborne, Chair of the Health Needs and Human Services Commission (HNHS), spoke in support of the ordinance and noted the dangers of distracted driving. Alene Henning also spoke in support of the ordinance and stated she had witnessed many accidents at the Halibut Point Road/Sawmill Creek Road roundabout.

Guevin reported he had received positive feedback from the community. He noted the ordinance was developed by the HNHS Commission and reviewed by the Police and Fire Commission. Both Commissions supported the ordinance. While not perfect, it was a step in the right direction and would result in greater safety for Sitkans. Miyasato agreed.

Eisenbeisz spoke to lines 91 and 92 (vehicle dispatching information for passenger transport or freight or package delivery) suggested this group of individuals should not be using phones while operating vehicles. Swanson stated it didn't matter if this classification was included in the ordinance or not. The Federal Motor Carrier Safety Administration prohibited the use of cell phones by drivers and the fines were considerably higher.

Attorney Schmid explained the ordinance was modeled after state statute and noted the ordinance as a whole would be difficult to enforce. She reminded the Assembly there were other forms of distracted driving outside of cell phone use.

Hunter suggested gentle implementation of the policy rather than too restrictive. He wondered if bicycles should be included, however, noted the difficulty in enforcement.

A motion was made by Eisenbeisz to AMEND the ordinance by deleting lines 91 and 92 in effect removing the exemption: Vehicle dispatching information for passenger transport or freight or package delivery. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

It was determined the amendment was of a substantive nature and therefore would require a third reading.

A motion was made by Miyasato that this Ordinance be APPROVED on second reading as AMENDED. Third reading was scheduled for April 26, 2016. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potrzuski

No: 2 - Swanson, and Eisenbeisz

F ORD 16-08 Adjusting the FY16 Budget

A motion was made by Miyasato that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XII. NEW BUSINESS:

New Business First Reading

G ORD 16-09 Adjusting the FY16 Budget

Chief Finance and Administrative Officer, Jay Sweeney, stated there was no increase or decrease in appropriations but rather redirecting them to different sections of the budget.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

H ORD 16-10

Amending the City and Borough of Sitka Personnel Policies Handbook to allow the Municipal Administrator, for budgetary reasons, to change daily hours of work and the workweek and establish furlough days

Administrator Gorman explained the ordinance, if approved, would allow the Administrator to recommend furloughs or reduced workweek schedules. The Assembly would need to grant approval if a recommendation was made. Gorman added this ordinance change would not apply to union employees. The authority to make such a change did not currently exist in the enabling ordinance for unions. Gorman noted the seriousness of the budget situation and offered passage of this ordinance would offer a tool to help balance the budget. He stated six furlough days from the entire workforce (union employees included) would save approximately \$200,000 per year.

Hunter and Miyasato agreed this was a tool that could be used to balance the budget if necessary, however, Hunter wished to see it spread across the workforce and not target one group of employees.

Guevin voiced hesitation in relying on furloughs as a budget balancing mechanism. He also expressed the desire to have the effects spread across the entire workforce.

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

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Potrzuski

No: 1 - Guevin

I ORD 16-11

Amending Sitka General Code Title 22 "Zoning" by amending Chapter 22.08 "Definitions" by adding Section 22.08.587 "Marijuana", amending Section 22.16.015 "Permitted, Conditional and Prohibited Uses", and amending Chapter 22.24 "Special Use Permits" by adding Section 22.24.026 "Marijuana Conditional Use Permits"

Aaron Bean suggested the Assembly consider not including all zoning districts that were referenced in the ordinance.

Potrzuski stated the Marijuana Advisory Committee and Planning Commission had spent a tremendous amount of time on the issue of a permitted use versus a conditional use and ultimately had recommended starting off with this new industry as a conditional use.

A motion was made by Miyasato that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

J ORD 16-12

Amending Chapter 3.16 "Procurement Policy" of the Sitka General Code to allow the Municipal Administrator to create detailed purchasing procedures for municipal staff based on and subject to these policies. Further, this revised policy will allow the Municipal Administrator to update

municipal procurement procedures on a regular basis

Administrator Gorman explained this had been a massive undertaking and was driven by recent audit exceptions in the past year.

Eisenbeisz asked for clarification on the language change in line 196. Gorman noted there wasn't a significant depart from sole source justification. There would still need to be justification as to why it would be in the best interest of the City and ensuring City's resources were being used appropriately.

Eisenbeisz alerted the Assembly to the removal of Section 3.16.080 regarding procurement monitoring. Gorman clarified the tracking mechanism had been removed, however, the intent to promote local purchases remained in the ordinance.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Additional New Business Items

M RES 16-07 Supporting community-wide landslide hazard mapping

Administrator Gorman noted passage of the resolution would allow the City and Borough of Sitka (CBS) to collaborate with other agencies to identify funding opportunities for completion of a community-wide hazard assessment. He added no funding had been included in the CBS FY2017 budget for the assessment.

Assembly members discussed the item. Some felt there may be unforeseen risks such as asking people to abandon their homes. Others expressed the importance of safety and that it was important for people to make informed decisions.

A motion was made by Hunter that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

K 16-058 Award a professional services contract to Shannon & Wilson, Inc. for the Gary Paxton Industrial Park (GPIP) Debris Flow/Risk Analysis and Conceptual Design of Protective Works Project on a time and materials basis for a not to exceed amount of \$68,505 utilizing GPIP Fund undesignated working capital

Administrator Gorman noted the Gary Paxton Industrial Park Board (GPIP) did not support using the Industrial Park funding for this analysis. Gorman clarified that if the GPIP Administration Building were to sell the Industrial Park funding would be reimbursed for the cost. Gorman added there was a desire to sell assets in the GPIP, however, that could not be done until the mapping was complete per the advice of the Municipal Attorney.

Gorman noted this item was separate from that of item M in that it would be more detailed and would likely be able to be accomplished sooner. It would also offer potential mitigation recommendations. Public Works Director, Michael Harmon, explained the community-wide mapping wouldn't be as specific. He reiterated this project would allow for the mapping of the GPIP to be done in a timely manner and

allow for assets of the GPIIP to potentially be sold based on the outcome of the report. Harmon clarified the focus of the study area would be the entire road length of the GPIIP - from approximately Silver Bay to the bridge at Sawmill Creek.

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

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potrzuski

No: 2 - Swanson, and Eisenbeisz

L RES 16-06 Submitting a multi parcel State land acquisition request to the State of Alaska

Larry Edwards expressed concern about some of the named parcels and if obtained for future housing and/or economic development he did not wish to see development on a large scale.

Chris Spivey, Chair of the Planning Commission, spoke in support of the resolution.

Administrator Gorman noted the resolution was in response to the Governor wanting to convey land to municipalities. If any of these parcels were conveyed, Gorman noted there would be a robust community discussion on the appropriate uses of the land. He added the intent of this resolution was to get the City and Borough of Sitka (CBS) in line for the land.

Assembly members noted the advantages of having the land in CBS ownership and stated the need for a discussion on the uses of the land if ownership from the state was granted.

A motion was made by Miyasato that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:22pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-069 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/19/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Approve a liquor license application for a transfer of location (from 326 Lincoln Street to 321-B Lincoln Street) for House of Liquors, Inc. dba Salty Sal's Liquor Cabinet

Sponsors:

Indexes:

Code sections:

Attachments: [Salty Sal's.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve a liquor license application for a transfer of location (from 326 Lincoln Street to 321-B Lincoln Street) for House of Liquors, Inc. dba Salty Sal's Liquor Cabinet and forward this to the Alcoholic Beverage Control Board 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 McConnell and Assembly Members
From: Sara Peterson, Municipal Clerk
Date: April 19, 2016
Subject: Liquor License – transfer of location

Our office has received notification of the following liquor license application for a transfer of location:

License #: 3268
DBA: Salty Sal's Liquor Cabinet
License Type: Package Store
Licensee: House of Liquors, Inc.

Transfer of location **FROM** 326 Lincoln Street **TO** 321-B Lincoln Street

A memo was circulated to the various departments who may have had reason to protest and no protests were received.

Recommendation: Approve the liquor license application for a transfer of location for House of Liquors, Inc. dba Salty Sal's Liquor Cabinet.



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

RECEIVED

APR 13 2016

City & Borough of Sitka-
Clerk's Office

550 West 7th Ave, Ste. 1600
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

April 13, 2016

City of Sitka

Attn: Sara Peterson VIA EMAIL: sara.peterson@cityofsitka.org; melissa.henshaw@cityofsitka.org

House of Liquors, Inc. d.b.a. Salty Sal's Liquor Cabinet – License #3268
 New Application Transfer of Ownership Transfer of Location
 Restaurant Designation Permit DBA Name Change

We have received an application for the above listed licenses (see attached application documents) within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

We have received an application for the above listed licenses (see attached application documents) within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

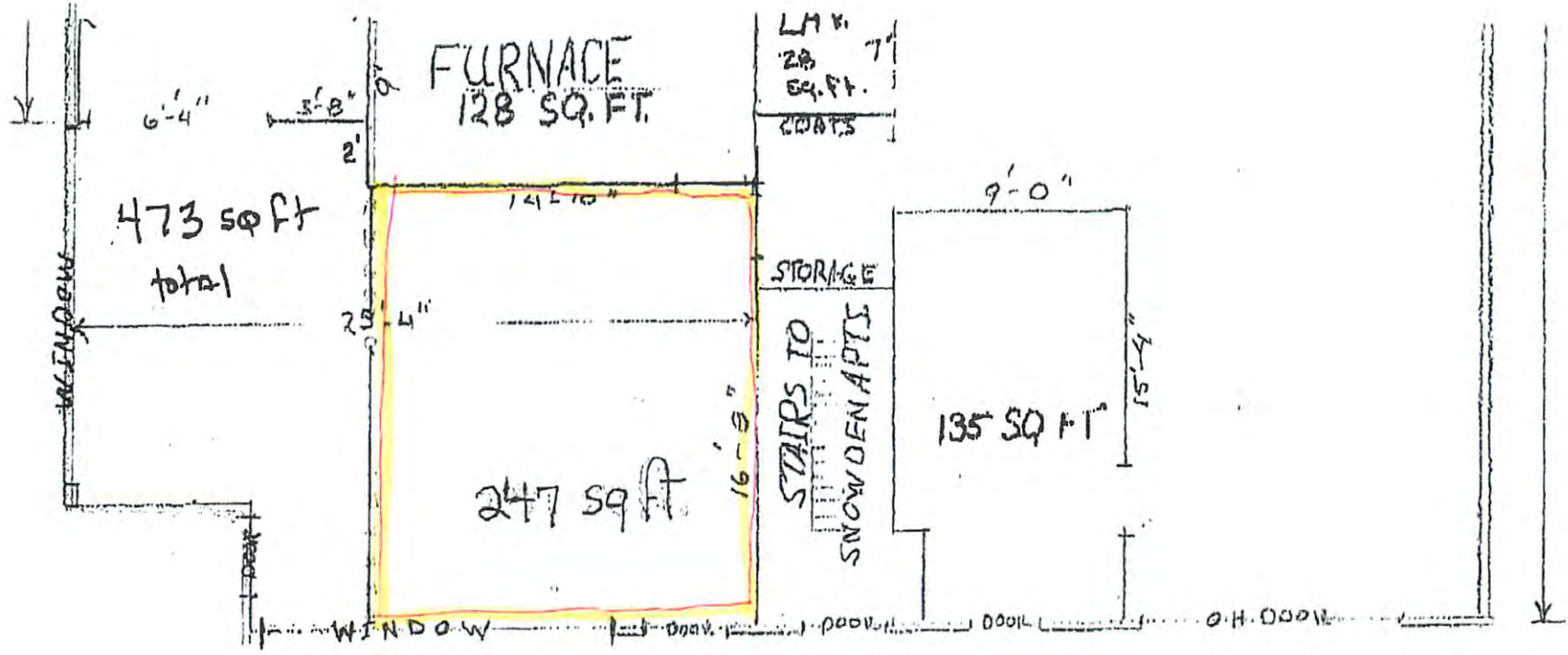
AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 3 AAC 304.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 3 AAC 304.335(a)(3), AS 04.11.090(e), and 3 AAC 304.660(e) must be approved by the governing body.



Maxine Andrews
Business Registration Examiner
Direct line: 907-269-0358
Email: maxine.andrews@alaska.gov



1" = 6' SCALE

321 LINCOLN STREET
 SITKA ALASKA



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-073 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/20/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Approve Amendment No. 1 to the Northern Southeast Regional Aquaculture Association lease agreement as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document

Sponsors:

Indexes:

Code sections:

Attachments: [NSRAA Amendment No. 1.pdf](#)
[NSRAA Lease Agreement May 2006.pdf](#)
[McDowell Group 2009 Economic Impacts NSRAA.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Amendment No. 1 to the Northern Southeast Regional Aquaculture Association lease agreement as recommended by the Gary Paxton Industrial Park Board and authorize the Municipal Administrator to execute the document.



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

Monday, April 18, 2016

MEMORANDUM

To: Mark Gorman, CBS Administrator
From: Garry White, Director
Subject: NSRAA Lease Extension

Introduction

Northern Southeast Regional Aquaculture Association (NSRAA) is requesting to extend its lease with the CBS for Lot 2 of the Gary Paxton Industrial Park (GPIP).

The GPIP Board of Directors recommended extending the lease at its April 7th, 2016 meeting.

Background

NSRAA is a private non-profit corporation created to assist in the enhancement of Alaska's salmon stocks and to supplement the fisheries of Alaska.

NSRAA leased the undeveloped Lot 2 from the CBS in 2006 and constructed a multi-million dollar fish hatchery on the property, including an outfall pipe that extends into the bay. The hatchery produces millions of Coho and Chum Salmon which contribute to the common property fishery in the Sitka area. The GPIP hatchery has created 1 ½ FTE job at the site and provides other economic benefits to the community through fish harvest and processing.

Initial Lease Terms

The CBS and NSRAA entered into a lease agreement on May 8th, 2006 for an initial 10 year term.

Section 1.2 of the initial lease allowed the option for the lease to be extended for two successive terms of twenty years each.

Section 2.1 of the initial lease called for an adjustment to the rent amount. Rent amounts were to increase to 9% of 60% of appraised value, with a cost of living adjustment each year thereafter.

Rent Calculation for initial lease terms

Lot 2 is a 60,180 square feet upland parcel located adjacent to Sawmill Creek and the waterfront.

The CBS Assessor has valued the property at \$270,900 or \$4.50/SF. (RAW LAND ONLY)

$\$270,900 * 60% * 9% = \$14,629$ annually or \$1,219/month

All other lease terms were to remain the same.

GPIP Board New Lease Term Recommendations

The GPIP Board recommends the following new lease terms:

Section 1.2 – The Lessee shall have the option to extend the lease agreement for four (4) successive terms of ten (10) years each.

Section 2.1 – Lessee rent amount shall increase from \$100 per month to \$200 per month for the entire 10 year extension. Lease rates will be negotiated at the time of each renewal.

Section 2.2 – No cost of living adjustments be applied to lease rate.

All other lease terms are to remain the same.

*The GPIP Board recommended a lower than market lease rate due to the economic impact the NSRAA hatchery at the GPIP provides to the community. Total estimated annual value to the fishing industry produced from Sawmill Creek Hatchery is estimated to be greater than \$4.5 million annually.

Additional Information

- Attached is the initial lease agreement dated 05/08/2006.
- Attached is an Amendment to the original lease with the recommended new lease terms.

Below are the minutes from the GPIP meeting on 04/07/2016. *(Note: Draft Minutes Only)*

1. NSRAA Lease Extension

Scott Wagner – Recused Agenda item under acting Chair, Dan Jones

Mr. Reifenstuhl offered the following for Board consideration:

- NSRAA is a non-profit organization that contributes a high return on investment to the local economy.
- NSRAA is requesting a commercial appraisal of the property and would prefer to the opportunity to purchase the property rather than pay market rate rent.

MOTION: **M/S Horan/Miller** moved to recommend that the Assembly renew the NSRAA with the following amendments:

- a. The lease shall be for ten years at a rate of \$200 per month
- b. There shall be four additional options to renew for ten years each
- c. Lease rate shall be negotiated at the time of each renewal.

Discussion included:

- Basis for offering a below market lease rate needs to be justified for the Assembly.
- CPI adjustment options were considered, but not recommended.
- The length of the renewal terms was discussed.

ACTION: **Motion PASSED 3/0 on a roll call vote**

Yeas: Dan Jones, Grant Miller, Charles Horan,
Nays: none Absent: Ptarmica McConnell Recused: Scott Wagner

Action

- Assembly approval of Amendment No.1 to the Lease Agreement with new lease terms as recommended by the GPIP Board.

**AMENDMENT NO. 1 TO
LEASE AGREEMENT BETWEEN THE CITY AND BOROUGH OF SITKA AND
NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION**

WHEREAS, the City and Borough of Sitka ("Sitka") and the Northern Southeast Regional Aquaculture Association ("NSRAA") entered into a Lease Agreement ("Agreement"), on May 8th, 2006;

WHEREAS, Sitka and NSRAA agree to amend the Agreement as set out in this Amendment No. 1 to the Lease Agreement between the City and Borough of Sitka and Northern Southeast Regional Aquaculture Association (Amendment No. 1) at Sections 1.2, 2.1, and 2.2.

NOW, THEREFORE, Sitka and NSRAA agree to amend the Agreement as follows:
(New language underlined; deleted language stricken)

Section 1.2 Options to Renew.

The Lessee shall have the option to extend the Lease Agreement for Four successive terms of ten (10) years each upon the same terms and conditions as this Lease Agreement (except Section 1.2) with the lease payments as described in Article II, based upon the following conditions:

- (a) There is no continuing material default by Lessee under this Lease Agreement at the time of exercise of this right or at the commencement of any extended term;
- (b) Sawmill Cove Industrial Park Board of Directors has determined under Subsection 3.5 that NSRAA has adequately controlled its odors during the immediately preceding term of the lease;
- (c) Lessee makes a written request to exercise such option not more than one year or less than six months from the end of the immediately preceding term;
- (d) Lessee is in compliance with law and this Lease Agreement and is not in default under this Lease Agreement; and
- (e) Options to renew must be approved by the Assembly of the City and Borough of Sitka.

Section 2.1 Calculation & Method of Payment of Rent During the Initial Ten-Year Term of the Lease.

Lessee shall pay the lease payments for each month in advance upon the first day of each and every month for which rent is due throughout the term of the Lease Agreement without the necessity of any billing by Lessor. Lessee has the option of making annual, lump sum payments in lieu of monthly payments. The following table shows the amount of lease payments due each

year during the 10-year term of the Lease Agreement and for each of the four, ten-year extensions.

Month	Rate/Sq. Ft./Year	Space	Total Year
Prior to July 1, 2009 (see note)	\$0.00	60,180 sq. ft.	\$0.00
ten-year term	\$0.04	60,180 sq. ft.	\$2,400.00
Each 10 year extension	Lease rate will be negotiated	.	

Note: Lessor exempts Lessee from making lease payments under this Lease Agreement and pay property taxes until fish reared at the Sawmill Cove Hatchery are sold by Lessee, or until July 1, 2009, whichever comes first.

Nothing in this Amendment No.1 supersedes, voids, or modifies the Agreement except as provided in this Amendment No.1. All other sections of the Agreement that are not modified by this Amendment No.1 shall remain in full force and effect.

**NORTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION**

(title)

STATE OF _____)
) ss.
COUNTY OF _____)

THIS CERTIFIES that on this _____ day of _____, 2016, _____, known to me or who has produced sufficient identification to be the person whose name is subscribed to this document, signed this document, and by signing affirms that he is the President of **NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION**, that he has been authorized to execute the foregoing document on its behalf, and executes the document freely and voluntarily.

Notary Public by and for _____
My Commission Expires: _____

THE CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, **Mark Gorman** signed this document, and by signing affirms that he is the **MUNICIPAL ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing document, and executes the document freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

ATTEST:

Sara Peterson
Municipal Clerk



LEASE AGREEMENT

BETWEEN THE
CITY AND BOROUGH
OF SITKA

&

**NORTHERN SOUTHEAST
REGIONAL AQUACULTURE
ASSOCIATION**

**Sawmill Cove**
INDUSTRIAL PARK

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**LEASE AGREEMENT
PREAMBLE**

The City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("Sitka," "the City," or "Lessor") and Northern Southeast Regional Aquaculture Association, 1308 Sawmill Creek Road, Sitka, Alaska 99835, an Alaskan company ("NSRAA," "Tenant," or "Lessee"), individually referred to as "Party and collectively referred to as "Parties," enter into this Lease Agreement Between The City And Borough Of Sitka And Northern Southeast Regional Aquaculture Association ("Lease Agreement" or "Lease"). This Lease Agreement consists of the Special Provisions, the General Provisions, and the attached Exhibits A1, A2, B, C, D and E. The Exhibits include the following:

Exhibit A - Pictorial representation of the area leased at the Sawmill Cove Industrial Park—and the area leased called the "Subject Property";

Exhibit A2 - Pictorial representation of the hatchery wastewater outfall pipe location;

Exhibit B - "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property," dated April 28, 1999 ("Prospective Purchaser Agreement"), including all attachments, which includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka Management Plan for Sawmill Cove Property (Former APC Property)" dated April 28, 1999 ("Management Plan");

Exhibit C - Agreement to Convey between Alaska Pulp Corporation and the City and Borough of Sitka ("Conveyance Agreement");

Exhibit D - Summary of the requirements imposed by the Prospective Purchasers Agreement, the Management Plan, and the Conveyance Agreement;

Exhibit E - Guidelines for use of the Sawmill Cove Pulp Dock.

SPECIAL PROVISIONS

ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease.

Lessor, for and in consideration of the rents received and of the covenants and agreements made by Lessee, lease to Lessee, and Lessee leases from Lessor, the Subject Property as shown on Exhibit A. The Subject Property consists of approximately 60,180 square feet of uplands adjacent to Sawmill Creek.

The term of the lease is ten (10) years, and commences on the first day of the month immediately after the month in which this Lease Agreement has been executed by both parties (Execution Date), and ends ten years later. This means that if the Execution Date is April 27, 2006, the end of the original 10-year term of the Lease Agreement is May 1, 2016.

Section 1.2 Options to Renew.

The Lessee shall have the option to extend the Lease Agreement for two successive terms of twenty (20) years each upon the same terms and conditions as this Lease Agreement (except Section 1.2) with the lease payments as described in Article II, based upon the following conditions:

- (a) There is no continuing material default by Lessee under this Lease Agreement at the time of exercise of this right or at the commencement of any extended term;
- (b) Sawmill Cove Industrial Park Board of Directors has determined under Subsection 3.5 that NSRAA has adequately controlled its odors during the immediately preceding term of the lease;
- (c) Lessee makes a written request to exercise such option not more than one year or less than six months from the end of the immediately preceding term;
- (d) Lessee is in compliance with law and this Lease Agreement and is not in default under this Lease Agreement; and
- (e) Options to renew must be approved by the Assembly of the City and Borough of Sitka.

Section 1.3 Disposition of Improvements and Lessee's Personal Property Following Term of Lease Agreement.

With the exception of such improvements described in the next sentence, Lessee shall remove from the Subject Property any personal property or improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease Agreement or any extension thereof unless Lessee makes a separate written agreement with Sitka to do otherwise. Subject to the provisions of the next sentence, Lessee shall leave behind at no cost to Lessor improvements including: bollards, ladders, drains and drain lines; toilets; bathroom sinks; building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; devices not used for fish hatchery operations, fish processing or manufacturing such as but not limited to electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the Subject Property. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease Agreement shall be deemed abandoned and at Lessor's option shall become the property of Lessor, and NSRAA shall repay to Sitka any costs of removing such

improvements or personal property from the Subject Property if Sitka does not exercise such option. Any holes that may be left in walls, ceilings, or floors as a result of removal of improvements shall be repaired by NSRAA in a manner that meets all existing requirements of local, state, and federal law and matches the existing materials of Subject Property. Subject to Subsection 3.1(a) below, NSRAA agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Lease Agreement.

Section 1.4 Covenants to Perform.

This Lease Agreement is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II: RENT

Section 2.1 Calculation & Method of Payment of Rent During the Initial Ten-Year Term of the Lease.

Lessee shall pay the lease payments for each month in advance upon the first day of each and every month for which rent is due throughout the term of the Lease Agreement without the necessity of any billing by Lessor. Lessee has the option of making annual, lump sum payments in lieu of monthly payments. The following table shows the amount of lease payments due each year during the initial 10-year term of the Lease Agreement and for each of the two, twenty-year extensions.

Month	Rate/Sq. Ft./Year	Space	Total Year
Prior to July 1, 2009 (see note)	\$0.00	60,180 sq. ft.	\$0.00
Initial ten-year term	\$0.02	60,180 sq. ft.	\$1,200.00
Each 20-year extension	9 % of 60% of appraised value	60,180 sq. ft.	
Each July 1 beginning at Year 11	CPI adjustment according to City Assessor		

Note: Lessor exempts Lessee from making lease payments under this Lease Agreement and pay property taxes until fish reared at the Sawmill Cove Hatchery are sold by Lessee, or until July 1, 2009, whichever comes first.

Section 2.2 Cost of Living Adjustment to Lease Rate:

Beginning on July 1 of the eleventh year of the lease and continuing annually, the lease rate will be adjusted based on an assessment of value of the leasehold as determined by the Assessor for the City and Borough of Sitka.

Section 2.3 Calculation and Method of Payment of Rent During Successive Optional Twenty-Year Renewals of the Lease.

If Lessee decides to exercise the option to renew for a successive twenty-year term under Section 1.2, the Lessee must notify the Lessor of its intent no less than six (6) months before the end of the current term of the lease. Lessor may commission a professional market appraisal of the Subject Property in its "as is" condition. The appraisal will not take into consideration improvements made to the property by Lessee but may take into consideration improvements made by the Lessor. Subject to the provision of the next sentence, the rental rate for each year of the successive twenty-year term shall be equal to nine percent (9%) of sixty percent (60%) of the appraised value as determined by the appraisal described in the this section.

Section 2.4 Property Tax Responsibility

Lessor exempts Lessee from paying property taxes until Lessee's sells fish reared at the Sawmill Cove Hatchery, or until July 1, 2009, whichever comes first. Each calendar year thereafter, the Lessee shall pay property taxes to the City and Borough of Sitka for its possessory interest in the *land* and equipment to the extent taxable as determined by the Assessor for the City and Borough of Sitka.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Lessee's Obligations as to Construction, Maintenance, Repair and Safety

(a) Except as provided herein, Lessee acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Lessee and in compliance with all legal requirements, Lessee shall purchase, construct, develop, repair, and/or maintain any improvements, personal property, fixtures, and other items on the interior Subject Property in a manner using materials of good quality and labor qualified to perform the work. Any drains, waterlines, fences, fish ladders, outfall pipes, wastewater pumps, or wastewater pipelines shall be the responsibility of NSRAA including any water leaks or blockages caused by appurtenances.

(b) Lessee, not Lessor, shall be responsible for removing snow on the Lessee's Subject Property.

(c) Lessee, not Lessor, shall be responsible for damages to Lessor's equipment, piping or other infrastructure due to pressure surges in the potable or raw water piping systems.

(d) Lessor owns an outfall pipeline and the entry point is located near the Wastewater Treatment Plant. Lessor may accept process wastewater from Lessee. Lessor reserves the right to refuse use of the outfall pipeline by the Lessee for any reason, including flow restrictions and permitting restrictions. If use of the outfall pipeline by Lessee is granted by Lessor, the Lessee shall be solely responsible for Lessee's ability to secure discharge permits from State or Federal agencies. Any fees paid to Lessor by Lessee for the use of the outfall pipeline will be negotiated in a separate agreement.

Lessee is responsible for installing its connecting pipeline for discharge of process wastewater from the Subject Property to the Wastewater Treatment Plant, the site of the municipal marine outfall pipe. Lessee shall be solely responsible for obtaining and servicing its wastewater discharge permits including agreements with other fish processors that may be required by regulatory agencies and for any penalties due to violations of said permits. Lessor shall not be responsible for Lessee's ability to secure discharge permits from State or Federal agencies.

(e) Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license, or approval.

(f) Lessee shall use the Subject Property and any improvements placed thereon only for operation of a fish hatchery and ancillary uses, and all activities associated with the operation of the fish hatchery and ancillary uses shall be in accordance with this Lease Agreement and all applicable laws.

(g) Lessee shall confine their equipment, storage and operation to the leasehold area.

(h) Lessee shall operate its facility a safe manner consistent with Federal, State and Municipal laws.

(i) Lessee shall not permit the accumulation of waste or refuse matter on the Subject Property.

(j) Lessee shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property except as may be permitted by Lessor or other municipal authorities having jurisdiction. Lessee shall do all things necessary during the term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Lessee.

(k) Lessee may erect outdoor signage at its expense with the permission of the City Building Official and the Sawmill Cove Board of Directors. The style, size and physical placement location of the sign will be approved on a case-by-case basis by the Sawmill Cove Board of Directors.

(l) Lessee shall be exempt from Sitka Borough sales tax for the Sawmill Cove Industrial Park hatchery project until hatchery construction is complete or until July 1, 2009 whichever date comes first.

(m) Lessee may install a submarine wastewater outfall at the location shown on Exhibit A2, upon approval of the Lessor. Should the Lessor determine, in its sole judgment, that the wastewater outfall location interferes with other necessary activities at the Sawmill Cove Industrial Park, Lessee shall relocate the wastewater outfall to another location acceptable to Lessor at Lessee's expense.

(n) Lessee understands that the existing marine retaining wall located along the south side of the Subject Property is failing and that Lessor is not obligated to repair the retaining wall.

Section 3.2 Lessor's Approval of Certain Alterations or Improvements.

Lessee shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. In requesting consent Lessee shall comply with all applicable laws, including ordinances, and shall submit to the Public Works Director of the City and Borough of Sitka or designee written detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. Lessor shall notify Lessee of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, Lessor shall be acting in its proprietary function and not its regulatory function. Any such approval in this proprietary function does not relieve Lessee of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Lessee from removing at the termination of this Lease Agreement any improvements or personal property as described in Section 1.3.

Section 3.3 Rights of Access to Property

(a) Lessor reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. Lessor also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease Agreement. Lessor also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Lessee's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Lessee shall not charge fees for any of the access allowed in the situations described in this subsection.

(b) Lessee shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of Lessor and any applicable utility company.

(c) Lessee acknowledges that the Subject Property is or shall be subject to various easement agreements for ingress and egress, utilities, parking, and maintenance of common areas. Lessee agrees that it shall comply with the terms of said easements and pay, in accordance with the terms of said easement agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein. Lessee also agrees that the Subject Property shall include an access easement as shown on Exhibit A1. Lessee shall have regular use of the access easement provided such use by Lessee does not impede use of such access easement by Lessor or other tenants of Lessor. The portion of the Subject Property included in any access easements shown on the plat or alternative drawing of the Subject Property allowed by Lessor shall not be included in the calculations producing the rent payment owed by Lessee.

Section 3.4 Additional Conditions of Leasing.

Lessee recognizes and shall cause all beneficiaries of Lessee and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Lessee shall be responsible to provide a surveyed map of Subject Property attached as Exhibit A1.

(b) Lessee shall provide geotechnical evaluation necessary for its hatchery design.

(c) Lessee shall acquire all permits necessary to construct and operate its facilities.

(d) Lessee shall develop designs that are acceptable to Lessor and that are compatible with other users of the Sawmill Cove Industrial Park.

(e) Lessee shall provide its connections to existing utilities.

(f) Lessee shall insure that its use of untreated, fresh water at the Subject Property shall not adversely affect water pressure for other uses at the Sawmill Cove Industrial Park.

(g) Lessee shall provide Lessor with construction record drawings necessary to identify locations of surface and subsurface features constructed by Lessee.

(h) Lessee shall insure that its contractors provide 50% performance and payment bonds during construction of Lessee's infrastructure.

(i) Lessee shall collect and remit City sales tax on retail sales made on the Subject Property. The types and amounts of retail sales allowed at the Sawmill Cove Industrial Park may be changed by the City and Borough Assembly from time to time. Lessee agrees that as a condition

of this Contract, it will comply with any and all applicable amendments to the Sitka General Code provisions, including any and all applicable amendments applicable to sales tax and zoning, which may impact its allowable retail sales and sales tax rates. Further, Lessee agrees that it will not claim that it is exempt and that it has “grandfather” rights regarding any and all amendments to the Sitka General Code provisions concerning any applicable zoning laws.

(j) The use of the site upon which the Subject Property is located, is subject to Exhibit B, the Prospective Purchaser Agreement. The Prospective Purchaser Agreement and all its attachments—specifically including the Management Plan—are hereby incorporated into this Lease Agreement and attached to it. Lessee shall abide by and fully comply with all requirements of the Prospective Purchaser Agreement and the Management Plan applicable to Lessee's activities, use, and occupancy of the site upon which the Subject Property sits.

(k) Lessee agrees not to increase or exacerbate contamination or pollution at Sawmill Cove Industrial Park.

(l) The use of the site is subject to the terms of the Conveyance Agreement, a copy of which is attached hereto as Exhibit C, including preferential use for T & C Barge Lines, Inc. of the existing utility dock and the existing mooring buoy on the Subject Property in accordance with the Conveyance Agreement. Lessee further acknowledges that a summary of the requirements imposed by the Prospective Purchasers Agreement, the Management Plan, and the Conveyance Agreement is included in Exhibit D. Lessee acknowledges receipt of Exhibits B, C, and D.

(m) The charges and fees paid by Lessee to Lessor must be separated according to the City and Borough of Sitka accounting standards.

(n) Lessor may form a Port Authority or similar entity, in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessee and Lessor shall be completely transferable to the Port Authority. A transfer of the property to any such entity shall not create any restrictions upon use of the Subject Property in addition to those hereunder.

(o) Lessor may sell the Sawmill Cove Industrial Park in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessor and Lessee shall be completely transferable to said owner. A transfer of the property to any such entity shall not create any restrictions upon use of the Subject Property in addition to those hereunder.

(p) Lessor may, upon at least 30 days prior notice to Lessee, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, the use of waterfront structures or the use of the improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays, as provided in Section 4.4. Such interruptions shall be of as short duration as necessary to perform such maintenance, and Sitka shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(q) Lessee shall pay the City and Borough of Sitka Fire Marshal fees and other building permit fees and shall also pay all applicable property taxes and assessments when due.

(r) Lessee shall not store anything on property owned by Lessor outside the boundaries of the Subject Property.

(s) Lessee is responsible for taking any measures that Lessee deems necessary to provide security for their property. Lessor is not responsible for theft or vandalism regarding Lessee's property. Security measures that involve construction of fences, gates, etc. must be approved in advance by the Department of Public Works.

(t) City and Borough of Sitka sales tax will apply to lease payments. Sales taxes on wharfage fees are exempt by municipal code and no sales taxes will apply to the wholesale purchase of raw fish from commercial fishing boats. Sales taxes will also apply to water and sewer services and will be calculated into each monthly billing from the City. Sales tax rates, limits, exemptions, and exclusions are subject to change by the Assembly of the City and Borough of Sitka.

(u) Lessee acknowledges that other tenants and users of the Sawmill Cove Industrial Park may impact water quality through legally permitted discharges. Such users and uses may include requirements for construction in near shore marine waters that may impact water quality.

(v) Lessee shall remit Lessor twenty percent (20%) of the gross receipts received before sales tax from any tour of the Lessee's Sawmill Cove Hatchery.

Section 3.5 Control of Emission of Odors from Subject Property.

(a) Lessee shall take all reasonable measure to control odors on the Subject Property, including keeping the Subject Property clean at all times, maintaining any odor control equipment in working condition and operating properly, and utilizing the best technology reasonably available for such control.

Lessor recognizes that odors from wild salmon spawning activities in Sawmill Creek are beyond Lessee's control. The intent of Section 3.5 is for Lessee to control odors on its lease area.

(b) In the event of persistent odor complaints, the Sawmill Cove Industrial Park Board of Directors may require Lessee to take one or all of the following remedial actions at Lessee's expense:

- (i) Assure that the Subject Property is clean;
- (ii) Provide operation and maintenance records to the Board;
- (iii) Operate only during nights and weekends when no other tenants are likely to be in the Sawmill Cove Industrial Park; and
- (iv) Install odor control equipment.

Section 3.6 Control of Rodents and Other Creatures on Subject Property.

Lessee shall take reasonable affirmative measures to ensure that its operations do not attract to Subject Property or any portion of Sawmill Cove Industrial Park any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, or bears.

ARTICLE IV: UTILITY SERVICES & RATES

Section 4.1 Provision of Utility Services.

Lessor shall identify the water utility line available to the Lessee. Currently, the Lessor has a sixteen (16) inch utility line available for use by Lessee, in an "as is" condition. Prior to use of the utility line, Lessee shall demonstrate to the satisfaction of the Lessor that flow utilized by Lessee will not adversely impact other systems utilizing the water utility line, including fire suppression systems at the Sawmill Cove Industrial Park. Lessor will provide up to 6.4 million gallons per day of raw water to Lessee at no charge, upon verification that the flow provided to Lessor does not have an adverse impact to other systems. Lessee is responsible for constructing infrastructure necessary to transport water from municipal utility water mains located in the Sawmill Cove Industrial Park road rights of way to the Subject Property. Lessee is responsible for providing water metering equipment acceptable to the Sitka Department of Public Works.

Section 4.2 Rates for Utility Services Provided by Lessor.

Utility rates charged by Lessor for utility services Lessor provides shall be those set forth in the City and Borough of Sitka's Customer Service Policy applicable to Sawmill Cove Industrial Park, and that may be incorporated in the Sitka General Code, and are currently identified in Ordinance 02-1679. The Assembly of the City and Borough may change utility rates from time to time by amending the Customer Service Policies that may be incorporated in the Sitka General Code.

Lessee acknowledges the requirements of Section 9.4 as to utility lines.

Section 4.3 Lessee to Pay for Utility Services.

Lessee shall pay, or cause to be paid, all proper charges: for electricity and solid waste; for sewer and water; for telephone and other communication services; and for all other public or private utility services, which shall be used by or supplied to the Subject Property at any time during the term of this Lease Agreement. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, Lessor shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by Lessor shall constitute additional rent due and payable under this Lease Agreement and shall be repaid to Lessor by Lessee immediately on rendition of a bill by the Lessor. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by Sitka on behalf of Lessee. Sitka reserves the right to suspend municipal utility services if Lessee does not pay for utility services.

Section 4.4 Lessor Not Liable for Failure of Utilities.

Except to the extent that any such failure, injury, or other casualty is due to Lessor's negligence or breach of any obligation under this Lease Agreement, Lessor shall not be liable for any failure of water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works, or from any other place, or for sewer or plumbing works, or from any other place. Lessor shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains by an act of God, beyond Lessor's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

Section 4.5. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with Sitka General Code 15.05.400.

All raw, untreated water will be metered as stated in Section 4.1 of this Lease Agreement.

ARTICLE V: INDEMNIFICATION

Section 5.1 General Indemnification of Lessor Without Limitation of Any Other Indemnity Given.

(a) Lessee agrees to indemnify, defend, and hold harmless Lessor against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of Lessor, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Lessee also agrees to indemnify, defend, and hold Lessor harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessor, during the term of this Lease Agreement from:

- (i) any condition of the Subject Property or improvements placed on it;
- (ii) any breach or default on the part of the Lessee regarding any act or duty to be performed by Lessee pursuant to the terms of this Lease Agreement;
- (iii) any act or negligence of Lessee or any of its agents, contractors, servants, employees or licensees; and
- (iv) any accident, injury, death or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property.

(b) Lessee agrees to indemnify, defend, and hold harmless Lessor from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of

Lessor, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous Subsection (a). The agreement to indemnify, defend, and hold harmless Lessor in Subsection (a) is in addition to and not by way of limitation of any other covenants in this Lease Agreement.

Section 5.2 Indemnification of Lessee.

(a) Except to the extent of liabilities arising from Lessee's acts or omissions, including Lessee's failure to comply with the Prospective Purchaser Agreement and the Management Agreement (both of which are attached to this Lease Agreement), Lessor indemnifies, defends, and holds Lessee harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease Agreement or by reasons of Lessor's acts or omissions. Lessor also agrees to indemnify, defend, and hold Lessee harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessee, during the term of this Lease Agreement from:

- (i) any condition of the Subject Property or improvements placed on it;
- (ii) any breach or default on the part of the Lessor regarding any act or duty to be performed by Lessor pursuant to the terms of the Lease Agreement;
- (iii) any act or negligence of Lessor or any of its agents, contractors, servants, employees, or licensees; and
- (iv) any accident, injury, death, or damage caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property.

(b) Lessor agrees to indemnify, defend, and hold harmless Lessee from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessee, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in Subsection 9(a) above. The agreement to indemnify, defend, and hold harmless Lessee are in addition to and not by way of limitation of any other covenants in this Lease Agreement.

Section 5.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute arising under this Lease Agreement against, all costs and charges, including but not limited to full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease Agreement, including obtaining possession of the Subject Property, as well as establishing the Lessor's title free and clear of this Lease Agreement upon expiration or earlier termination of this Lease Agreement.

GENERAL PROVISIONS

ARTICLE VI: DEFINITIONS

Section 6.1 Defined Terms.

For the purposes of this Lease Agreement, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 14.1.
- (b) "Imposition" means all of the taxes, assessments, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property or any part of the Subject Property, any right or interest or any rent and income received under this Lease Agreement, as well as sales taxes on rent.
- (c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or hereafter located upon the Subject Property, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, elevators, escalators, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Lessee, sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the property, from the property with the portion of the property from which such items are removed being returned to a condition at least as good as that existing on the Execution Date of this Lease Agreement.
- (d) "Personal Property" means tangible personal property owned or leased and used by the Lessee or any sublessee of the Lessee, in connection with and located upon the Subject Property.
- (e) "Premises" means the "Subject Property."
- (f) "Rent" means the lease rate, which is the amount Lessee periodically owes and is obligated to pay Lessor as lease payments under this Lease Agreement for the use of the Subject Property.
- (g) "Sawmill Cove Industrial Park" is the real estate composed of approximately 84 acres of uplands and 146 acres of tidelands located within the City and Borough of Sitka that is owned by the City and Borough of Sitka and was for a period longer than 30 years in the 1960s, 1970s, and 1980s, and 1990s, was used for operation of a pulp mill by Alaska Pulp Corporation.
- (h) "Subject Property" is the area leased as shown on Exhibit A1.

(i) "Sublessee" and "Sublease" -- any reference to "Sublessee" shall mean any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through the Lessee; the term "Sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through the Lessee.

(j) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VII: INSURANCE

Section 7.1 Insurance.

Before occupying the Subject Property, Lessee shall, at Lessee's sole cost and expense but for the mutual benefit of the Lessor and the Lessee, maintain the following insurance described in this Article and deliver copies evidencing insurance coverage to Lessor. Any and all policies providing any of the following insurance shall name Lessor as an additional insured party and shall be held by and be payable jointly to Lessor and Lessee with the proceeds to be distributed in accordance with this Lease Agreement.

(a) Fire and extended coverage insurance on all improvements on the Subject Property in an amount no less than 100 percent of the replacement cost of the improvements as of the most recent anniversary of the first day of the month immediately following the Execution Date, without deduction for depreciation, with a maximum deductible of \$5,000.00 protecting against loss or damage by: (i) fire and lightning; (ii) the risks commonly included within the term "extended coverage" (including but not limited to windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke); and (iii) vandalism and malicious mischief, all as these terms are used in insurance policies from time to time issued by insurance companies licensed to do business by the State of Alaska. Such replacement cost shall be determined yearly by the insurance broker for Lessee. In lieu of the above insurance coverage, Lessee may obtain "Special Form" coverage, provided only that this coverage is at least as large in amount and as broad in coverage as the foregoing and that the form of the coverage is first approved in writing by Lessor.

(b) During any construction, excavation, destruction, alteration, razing, or restoration performed on the Subject Property or on any of the improvements on the Subject Property, Lessee shall require its contractors to provide 50% performance and payment bonds to insure completion of the work and payment of workers. Lessor shall under no circumstances be held liable for payment of Lessee's insurance related to Lessee's construction costs.

(c) Comprehensive general public liability and property damage insurance, and contractual liability insurance, protecting and indemnifying Lessor, Lessee, and others designated by Lessor against any and all claims arising from any and all acts or omissions of Lessee (including all costs and expenses of defending against same) for bodily injury, sickness, disease, or death or for damage or injury to or destruction of property (including loss of use) arising out of ownership,

maintenance, or use of the improvements and the Subject Property including any products sold by Lessee. The limits of such insurance shall be not less than \$1,000,000.00 in respect of bodily injury, sickness, disease, or death of any one person resulting from any occurrence and \$1,000,000.00 in respect of damage or injury to or destruction of property from any one occurrence.

(d) Workers' compensation insurance, automobile liability insurance, and employer's liability insurance as required by law.

(e) In the event that any other type of legislation may be enacted imposing special liability upon the owner of property by virtue of its use for any special purposes, before the Lessee shall so use the improvements or any part of it, Lessee shall provide insurance in form and substance and with insurers and limits satisfactory to Lessor indemnifying Lessor, Lessee, and other persons Lessor may designate against any and all liability.

Section 7.2 Delivery of Insurance Policies.

(a) Copies of these policies of insurance and insurance company certificates evidencing the existence of all of these policies of insurance shall be delivered to Lessor not less than 30 days after the Execution Date of this Lease Agreement. All policies of insurance required to be provided and obtained shall provide that they shall not be amended or canceled on less than 30 days' prior written notice to Lessor and all insureds and beneficiaries of the policies. Lessor shall have no obligation to pay premiums or make contributions to the insuring company or any other person.

(b) Not less than 30 days prior to the expiration date of any policy required to be carried pursuant to this Article, the Lessee shall deliver to Lessor the applicable respective policies or insurance company certificates evidencing all policies of insurance and renewals required to be furnished.

Section 7.3 Notification of Claim, Loss, or Adjustment.

Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss under all policies of the character described in Section 8.1.

Section 7.4 Insurer To Be Approved and Provision of Premium Receipts.

All policies of insurance of the character described in Section 8.1 shall be written with companies of recognized responsibility reasonably acceptable to Lessor. Upon written request by Lessor, Lessee shall provide photocopies of receipts showing the payment of premiums for all insurance policies required to be maintained by this Lease Agreement.

Section 7.5 Waiver of Subrogation.

(a) The insured Party, or the Party required to be insured, releases the other Party from any liability the other Party may have on account of the loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of it, whenever:

- (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease Agreement, or anyone claiming under it in connection with the Subject Property or improvements; and
- (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease Agreement to be so insured.

(b) The release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost (provided that, in the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect).

ARTICLE VIII: RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Lessee Without Power to Assign Lease or Transfer or Encumber Subject Property.

Lessee has no power under this Lease Agreement to assign the Lease Agreement. Lessee has no power under this Lease Agreement to transfer the Subject Property. Lessee has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage.

Section 8.2 Limitations on Subleases.

Lessee shall not sublease the Subject Property or any portion of it without the prior written approval of the Assembly of the City and Borough of Sitka. All Subleases entered into demising all or any part of the improvements or the Subject Property shall be expressly subject and subordinate to this Lease Agreement, including the Exhibits. Lessor's consent to a Sublease of the Subject Property shall not release Lessee from its obligations under the Lease Agreement. Lessor's consent to a Sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX: USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 Property As Is - Repairs.

(a) The Lessee acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there and knows the condition of them and accepts them in their present condition and without any representations or warranties of any kind or nature whatsoever by the Lessor as to their condition or as to the use or occupancy which may be made of them. The Lessee assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve the Lessor of its general municipal obligations, or of its obligations under Section 3.1(a) above or under Subsection 9.1(c) below.

(b) Lessee acknowledges that the Subject Property is adjacent to other property rented by other tenants of Sawmill Cove Industrial Park. Lessee further acknowledges that noise and other types of interference with the use of the Subject Property may be caused by activities within or related to the Park. Lessee further acknowledges that construction occurring in Sawmill Cove Industrial Park may also create noise and other sources of interference with Lessee's operations including disturbance of nearshore marine waters or from activities associated from construction or operation of facilities such as large vessel docks.

(c) Any use by Lessee of existing docks shall be approved in advance by the Director of Public Works. Lessee acknowledges the structural limitations of the pulp dock. Tenant's use of the dock shall conform to the dock use guidelines attached to this Lease Agreement as Exhibit E.

(d) Lessee and other tenants of the Sawmill Cove Industrial Park shall coordinate activities to minimize conflicts.

Section 9.2 Compliance with Laws.

Lessee shall throughout any term of this Lease Agreement, at Lessee's sole expense, promptly comply with all the laws, including ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations to the City and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Lessee shall promptly notify the Public Works Director of the City and Borough of Sitka within twenty-four (24) hours if any contaminated soils or other media that require special handling are encountered during construction activities.

Section 9.4 Use of Utility Lines.

Lessee shall connect or otherwise discharge to such utility lines as are approved by the Director of Public Works, and shall obtain any permits and comply with any conditions specified by the Director of Public Works for such connections.

Section 9.5 Permits and Approvals for Activities.

Lessee shall be responsible for obtaining all necessary permits and approvals including food processing/purveying for its activities unless otherwise specifically allowed by Lessor. Not less than ten (10) days in advance of applying for permits to any public entity other than the City and Borough of Sitka, Lessee shall provide copies of all permit applications and associated plans and specifications to the Director of Public Works of the City and Borough of Sitka to facilitate review by departments of the City and Borough of Sitka for consistency with the Management Plan and other plans for and uses of Sawmill Cove Industrial Park. The City and Borough of Sitka is not obligated to comment on the permit applications and plans, and the result of any review by the City and Borough of Sitka does not affect Lessee's obligation to comply with the Management Plan and any applicable laws.

ARTICLE X: LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Lessee's Covenants To Pay Money.

The Lessee covenants that if it shall at any time default or shall fail to make any other payment (other than Rent) due and the failure shall continue for ten (10) days after written notice to the Lessee, then the Lessor may, but shall not be obligated so to do, and without further notice to or demand upon the Lessee and without releasing the Lessee from any obligations of the Lessee under this Lease Agreement, make any other payment in a manner and extent that the Lessor may deem desirable.

Section 10.2 Lessor's Right To Cure Lessee's Default.

If there is a default involving the failure of the Lessee to keep the lease area in good condition and repair in accordance with the provisions of this Lease Agreement, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease Agreement or to take any other action required by the terms of this Lease Agreement, then the Lessor shall have the right, but shall not be required, to make good any default of the Lessee. The Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to the Lessee by reason of bringing materials, supplies and equipment into or through the building during the course of the work required to be done to make good such default, and the obligations of the Lessee under this Lease Agreement shall remain unaffected by such work, provided that the Lessor uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to the Lessee.

Section 10.3 Reimbursement of Lessor and Lessee.

All sums advanced by the Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable by the Lessee, in the respective amounts so advanced, to the Lessor. This reimbursement shall be made on demand, or, at the option of the Lessor, may be added to any rent then due or becoming due under this Lease Agreement. Lessee covenants to pay the sum or sums with interest. Lessor shall have, in addition to any other right or remedy, the same rights and remedies in the event of the nonpayment by the Lessee as in the case of default by the Lessee in the payment of any installment of rent. Conversely, the Lessee shall be entitled to receive from the Lessor prompt payment or reimbursement on any sums due and owing from the Lessor to the Lessee, together with interest at the highest rate allowed by law. However, nothing contained in this Lease Agreement shall entitle the Lessee to withhold any Rent due to the Lessor or to offset or credit any sums against rent, except with respect to unpaid rental due from the Lessor to the Lessee under any sublease of building space to the Lessor.

ARTICLE XI: DAMAGE OR DESTRUCTION

Section 11.1 Repair and Replacement of Structures and Improvements Following Damage.

(a) If the Premises shall be destroyed or so injured by any cause as to be unfit for occupancy, in whole or in part, and such destruction or injury could reasonably be repaired within two (2) months from the date of such damage or destruction, then Lessee shall not be entitled to surrender possession of the Premises, nor shall Lessee's liability to pay Fixed Rent under this Lease Agreement cease, without the mutual consent of the Parties. In case of any such destruction or injury, Lessee shall repair the same with all reasonable speed and shall complete such repairs within two (2) months from the date of such damage or destruction. If during such period Lessee shall be unable to use all or any portion of the Premises, a proportionate allowance shall be made to Lessee from the Rent corresponding to the time during which and to the portion of the Premises of which Lessee shall be so deprived of use.

(b) If such destruction or injury cannot reasonably be repaired within two (2) months from the date of such damage or destruction, Lessee shall notify Lessor within thirty (30) days after the date of such destruction or injury whether or not Lessee will repair or rebuild. If Lessee elects not to repair or rebuild, this Lease Agreement shall be terminated. If Lessee elects to repair or rebuild, Lessee shall specify the time within which such repairs or reconstruction will be complete, and Lessor shall have the option, to be exercised within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease Agreement, or to extend the Term of this Lease by a period of time equivalent to the time from the date of such destruction or injury until the Premises are restored to their former condition. In the event City elects to extend the Term of this Lease Agreement, Lessee shall restore the Premises to their former condition within the time specified in the notice, and Lessee shall not be liable to pay Fixed Rent for the period from the time of such destruction or injury until the Premises are so restored to their former condition.

(c) In addition to all rights to cancel or terminate this Lease Agreement set forth in Subsections 11.1(a) and 11.1(b), if the Premises are destroyed or damaged during the last two (2) years of the renewal Term of this Lease Agreement or any extension or renewal to the extent of fifty per cent (50%) or more of the value of the Premises, then Lessee shall have the right to cancel and terminate this Lease Agreement as of the date of such damage or destruction by giving Lessor written notice within ninety (90) days after the date of such damage or destruction.

ARTICLE XII: MECHANIC'S LIENS

Section 12.1 Discharge of Mechanics' Liens.

The Lessee shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against the Lessee's interest in the Subject Property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to the Lessee or anyone having a right to possession of the Subject Property or improvements as a result of an agreement with or the assent of the Lessee. If any mechanics' lien shall at the time be filed against the Subject Property including the improvements, the Lessee shall cause it to be discharged of record within 30 days after the date that Lessee has knowledge of its filing.

ARTICLE XIII: LIEN FOR RENT AND OTHER CHARGES

Section 13.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, water rates, insurance premiums and other charges and impositions paid by the Lessor under the provisions of this Lease Agreement, and all costs, attorney's fees and other expenses which may be incurred by the Lessor in enforcing the provisions of this Lease Agreement or on account of any delinquency of the Lessee in carrying out any of the provisions of this Lease Agreement, shall be and they are declared to constitute a valid and prior lien upon the Subject Property and the improvements, and upon the Lessee's leasehold estate, and may be enforced by equitable remedies including the appointment of a receiver.

ARTICLE XIV: DEFAULT PROVISIONS

Section 14.1 Events of Default.

Each of the following events is defined as an "Event of Default":

(a) The failure of the Lessee to pay any Installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after written notice from the Lessor to the Lessee.

(b) The failure of the Lessee to perform any of the other covenants, conditions and agreements of this Lease Agreement including payment of taxes on the part of the Lessee to be performed, and the continuance of the failure for a period of thirty (30) days after written notice (which notice shall specify the respects in which the Lessor contends that the Lessee has failed to perform any of the covenants, conditions and agreements) from the Lessor to the Lessee unless, with respect to any default which cannot be cured within thirty (30) days, the Lessee, or any person holding by, through or under the Lessee, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional sixty (60) days.

(c) The filing of an application by the Lessee (the term, for this purpose, to include any approved transferee other than a Sublessee of the Lessee's interest in this Lease Agreement): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating the Lessee a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of sixty (60) consecutive days, or if this Lease Agreement is taken under a writ of execution.

Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease Agreement is assumed by or assigned to a trustee pursuant to the provisions of the Bankruptcy Reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Lease Agreement and shall provide adequate assurances of future performance of this Lease Agreement as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease Agreement shall be deemed rejected automatically and the Lessor shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease Agreement.

Section 14.3 Remedies in Event of Default.

The Lessor may treat any one or more of the Events of Default as a breach of this Lease Agreement and at its option, by serving written notice on the Lessee and each Secured Party and Leasehold Mortgagee of whom Lessor has notice (such notice not to be effective unless served on each such person) of the Event of Default of which the Lessor shall have received written notice, the Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) The Lessor may terminate this Lease Agreement and the Term created, in which event the Lessor may repossess the entire Subject Property and improvements, and be entitled to recover as damages a sum of money equal to the value, as of the date of termination of this Lease Agreement, of the rent provided to be paid by the Lessee for the balance of the stated term of this Lease Agreement less the fair rental value as of the date of termination of this Lease Agreement of the fee interest in the Subject Property and improvements for the period, and any other sum of money and damages due under the terms of this Lease Agreement to the Lessor and the Lessee. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(b) The Lessor may terminate the Lessee's right of possession and may repossess the entire Subject Property and improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to the Lessee (except as above expressly provided for) and without terminating this Lease Agreement, in which event the Lessor may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by the Lessor (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated term of this Lease Agreement and the right to relet the Subject Property as a part of a larger area and the right to change the use made of the Subject Property). For the purpose of reletting, the Lessor may make any repairs, changes, alterations or additions in or to the Subject Property and improvements that may be reasonably necessary or convenient in the Lessor's judgment reasonably exercised; and if the Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the rent accruing from it, to satisfy the rent above provided to be paid, then the Lessee shall pay to the Lessor as damages a sum equal to the amount of the rent reserved in this Lease Agreement for the period or periods as and when payable pursuant to this Lease Agreement, or, if the Subject Property or any part of it has been relet, the Lessee shall satisfy and pay any deficiency upon demand from time to time; and the Lessee acknowledges that the Lessor may file suit to recover any sums falling due under the terms of this Section from time to time and that any suit or recovery of any portion due the Lessee shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of the Lessor. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(c) In the event of any breach or threatened breach by the Lessee of any of the terms, covenants, agreements, provisions or conditions in this Lease Agreement, the Lessor shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies were not provided for in this Lease Agreement.

(d) Upon the termination of this Lease Agreement and the Term created, or upon the termination of the Lessee's right of possession, whether by lapse of time or at the option of the Lessor, the Lessee will at once surrender possession of the Subject Property and dispose of

personal property and improvements as described in Section 1.3. If possession is not immediately surrendered, the Lessor may reenter the Subject Property and improvements and repossess itself of it as of its former estate and remove all persons and their personal property, using force as may be necessary without being deemed guilty of any manner of trespass or forcible entry or detainer. Lessor may at its option seek expedited consideration to obtain possession if Lessor determines that the Lease Agreement has terminated as described in the first sentence of this paragraph, and Lessee agrees not to oppose such expedited consideration.

(e) In the event that the Lessee shall fail to make any payment required to be made by this Lease Agreement or defaults in the performance of any other covenant or agreement which the Lessee is required to perform under this Lease Agreement during the period when work provided for in this Lease Agreement shall be in process or shall be required by the terms of this Lease Agreement to commence, the Lessor may treat the default as a breach of this Lease Agreement. In addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease Agreement, the Lessor shall have the right to carry out or complete the work on behalf of the Lessee without terminating this Lease Agreement.

Section 14.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease Agreement shall be deemed to have been waived by the Lessor unless the waiver is in writing, signed by the Lessor or the Lessor's agent duly authorized in writing, and shall apply only with respect to the particular act or matter to which the consent is given, and shall not relieve the Lessee from the obligation, wherever required under this Lease Agreement, to obtain the consent of the Lessor to any other act or matter.

ARTICLE XV: LESSOR'S TITLE AND LIEN

Section 15.1 Lessor's Title and Lien Paramount.

The Lessor shall have title to the Subject Property, and the Lessor's lien for Rent and other charges shall be paramount to all other liens on the Subject Property.

Section 15.2 Lessee Not To Encumber Lessor's Interest.

The Lessee shall have no right or power to and shall not in any way encumber the title of the Lessor in and to the Subject Property. The fee-simple estate of the Lessor in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by the Lessee, and any claim to the lien or otherwise upon the Subject Property and arising from any act or omission of the Lessee shall accrue only against the leasehold estate of the Lessee in the Subject Property and the Lessee's interest in the improvements, and shall in all respects be subject to the paramount rights of the Lessor in the Subject Property.

ARTICLE XVI: REMEDIES CUMULATIVE

Section 16.1 Remedies Cumulative.

No remedy conferred upon or reserved to the Lessor shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or existing at law or in equity or by statute. Every power and remedy given by this Lease Agreement to the Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by the Lessor. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 16.2 Waiver of Remedies Not to Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease Agreement shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 16.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease Agreement, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of the Lessor to declare ended the term granted and to terminate this Lease Agreement because of any event of default.

ARTICLE XVII: SURRENDER AND HOLDING OVER

Section 17.1 Surrender at End of Term.

On the last day of the last Lease Year of the original term, or on the earlier termination of the term, the Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to the Lessor, subject to the provisions of Section 1.3, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, the Lessee shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from the Lessee to the Lessor. If the Subject Property is not so surrendered, the Lessee shall repay the Lessor for all expenses which the Lessor shall incur by reason of it, and in addition, the Lessee shall indemnify, defend and hold harmless the Lessor from and against all claims made by any succeeding Lessee against the Lessor, founded upon delay occasioned by the failure of the Lessee to surrender the Subject Property.

Section 17.2 Rights Upon Holding Over.

At the termination of this Lease Agreement, by lapse of time or otherwise, the Lessee shall yield up immediately possession of the Land to the Lessor and, failing to do so, agrees, at the option of the Lessor, to pay to the Lessor for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times 1/30th of the aggregate of the rent paid or payable to Lessor during the last month of the term of the Lease Agreement the day before the termination of the Lease Agreement. The provisions of this Article shall not be held to be a waiver by the Lessor of any right or reentry as set forth in this Lease Agreement, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease Agreement and the Term granted for the period still unexpired for any breach of the Lessee under this Lease Agreement.

ARTICLE XVIII: MODIFICATION

Section 18.1 Modification.

None of the covenants, terms or conditions of this Lease Agreement to be kept and performed by either Party to this Lease Agreement shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both Lessor and Lessee.

ARTICLE XIX: INVALIDITY OF PARTICULAR PROVISIONS

Section 19.1 Invalidity of Provisions.

If any provision of this Lease Agreement or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XX: APPLICABLE LAW AND VENUE

Section 20.1 Applicable Law.

This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease Agreement shall be only in the Superior Court for the First Judicial District, State of Alaska, at Sitka, Alaska.

ARTICLE XXI: NOTICES

Section 21.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease Agreement or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to the Lessor or the Lessee, it shall be sufficient if a written copy of any declaration or notice is sent by United States mail, postage prepaid, return receipt requested, addressed: If to Lessor at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Lessee, at: the address set out in the Preamble. Each party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven (7) days following the giving of notice.

Section 21.2 Notice to Leasehold Mortgagee and Secured Parties.

The Lessor shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all written notices from Lessor to Lessee relating to existing or potential default under, or other noncompliance with the terms of, this Lease Agreement. All written notices, demands or requests which may be required to be given by the Lessor or the Lessee to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States registered or certified mail or express mail, postage prepaid, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to the Lessor and Lessee. Copies of all written notices shall simultaneously be sent to the other of the Lessor or the Lessee, as the case may be.

Section 21.3 Sufficiency of Service.

Service of any written demand or notice as provided in this Article shall be sufficient for all purposes.

Section 21.4 When Notice Deemed Given or Received.

Whenever a written notice is required by this Lease Agreement to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article and shall be deemed received on the third business day thereafter and for all purposes under this Lease Agreement of starting any time period after notice, the time period shall be conclusively deemed to have commenced three (3) business days after the giving of notice and whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXII: MISCELLANEOUS PROVISIONS

Section 22.1 Captions.

The captions of this Lease Agreement and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease Agreement, nor in any way affect this Lease Agreement.

Section 22.2 Conditions and Covenants.

All the provisions of this Lease Agreement shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 22.3 Entire Agreement.

This Lease Agreement with its attached exhibits contains the entire agreement between the parties and shall not be modified in any manner except by a written instrument executed by the parties or their respective successors or assigns in interest.

Section 22.4 Time of Essence as to Covenants of Lease Agreement.

Time is of the essence as to the covenants in this Lease Agreement.

ARTICLE XXIII: SHORT FORM LEASE AGREEMENT

Section 23.1 Short Form Lease Agreement.

This Lease Agreement shall not be recorded, but the parties agree, at the request of either of them, to execute and deliver a Memorandum of Lease Agreement for recording, containing the names of the parties, the legal description of the Subject Property, the term of the Lease Agreement and any other pertinent provisions for which notice should be given to third parties. The Lessee agrees to bear the cost of recording the Short Form Lease Agreement.

ARTICLE XXIV: COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 24.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease Agreement shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the Parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease Agreement reference is made to any of the Parties, it shall be held to include and apply to, wherever applicable, also the

officers, directors, successors and assigns of each Party, the same as if in each and every case so expressed.

Section 24.2 Interest in Deposits Automatically Transferred.

The sale, conveyance or assignment of the interest of the Lessee (pursuant to the terms of this Lease Agreement) or of the Lessor in and to this Lease Agreement shall act automatically as a transfer to the assignee of the Lessor or of the Lessee, as the case may be, of its respective interest in any funds on deposit with and held by any Construction Lender and the Lessor, and every subsequent sale, conveyance or assignment by any assignee of the Lessor or of the Lessee also shall act automatically as a transfer of their respective rights to the deposits with such Construction Lender and the Lessor to the subsequent assignee.

ARTICLE XXV: ADDITIONAL GENERAL PROVISIONS

Section 25.1 Absence of Personal Liability.

No member, official, or employee of the Lessor shall be personally liable to the Lessee, its successors and assigns, or anyone claiming by, through or under the Lessee or any successor in interest to the Subject Property, in the event of any default or breach by the Lessor or for any amount which may become due to the Lessee, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement. No member, official, or employee of the Lessee shall be personally liable to the Lessor, its successors and assigns, or anyone claiming by, through, or under the Lessor or any successor in interest to the Subject Property, in the event of any default or breach by the Lessee or for any amount which become due to the Lessor, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

Section 25.2 Lease Agreement Only Effective Against Lessor upon Assembly Approval.

This Lease Agreement is effective against Lessor only upon the approval of such Lease Agreement by the Assembly of the City and Borough of Sitka.

Section 25.3 Binding Effects and Attorneys Fees.

This Lease Agreement shall be binding up and inure to the benefit of the respective successors and assigns of the Parties. In the event of litigation over this Lease Agreement, the Parties agree that the prevailing party shall receive full reasonable attorneys' fees.

Section 25.4 Duplicate Originals.

This Lease Agreement may be executed in any number of copies, each of which shall constitute an original of this Lease Agreement. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the parties.

Section 25.5 Declaration of Termination.


With respect to Lessor's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of the Lessee in the Subject Property, the Lessor shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Lessee in the Subject Property, and the revesting of any title in the Lessor as specifically provided in this Lease Agreement.

Section 25.6 Authority.

The Lessor and Lessee represent to each other that each has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease Agreement and perform its obligations. Both Parties also represent that this Lease Agreement has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

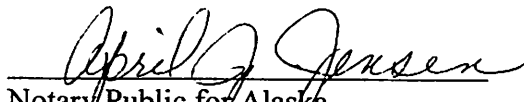
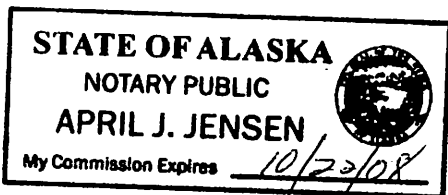
**NORTHERN SOUTHEAST
REGIONAL AQUACULTURE ASSOC.**

CITY AND BOROUGH OF SITKA


John C. Stein
Administrator

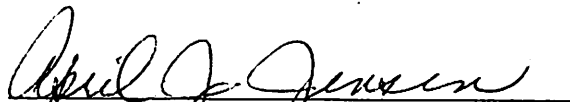
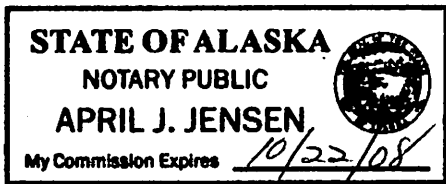
STATE OF ALASKA)
)ss: **CORPORATE ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

On this 8th day of May, 2006, personally appeared before me Peter A. Esquiro whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states by signing this Lease Agreement that he affirms under oath that he has the authority to sign this Lease Agreement on behalf of Northern Southeast Regional Aquaculture Association and acknowledges that the Lease Agreement is freely and voluntarily signed by him on behalf of Northern Southeast Regional Aquaculture Association .


Notary Public for Alaska
My Commission Expires: 10/22/08

STATE OF ALASKA)
)ss. **MUNICIPAL ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 8th day of May, 2006, personally appeared before me JOHN C. STEIN, and who is known by me, and who states by signing this Lease agreement that he affirms under oath that he has the authority to sign this Lease Agreement on behalf of the City and Borough of Sitka and acknowledges that the Lease Agreement is freely and voluntarily signed by him on behalf of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska.


Notary Public for Alaska
My Commission Expires: 10/22/08



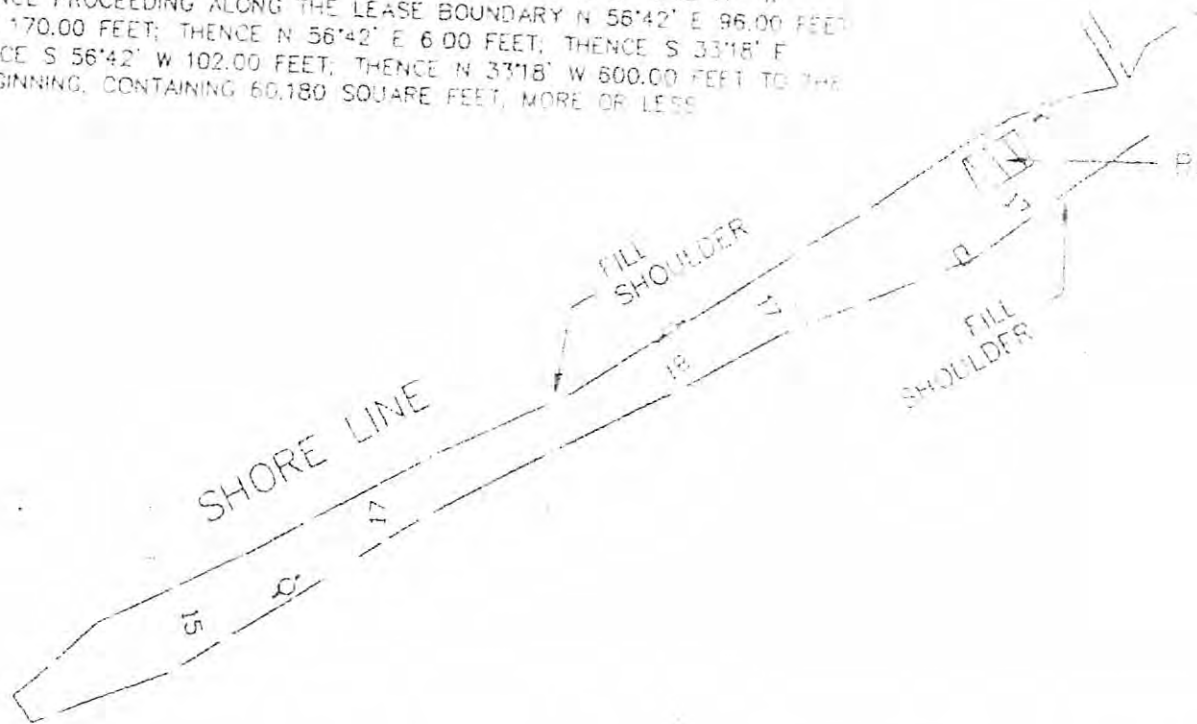
SHEET FILE

LEGAL DESCRIPTION

NSRAA LEASE LOT

A PARCEL OF LAND LYING IN PART WITHIN FILED PORTIONS OF ALASKA TIDELAND SURVEY NO. 6, FILED AS PLAT NO. 21 ON FEBRUARY 5 1962 IN THE SITKA RECORDING DISTRICT, STATE OF ALASKA, AND ALSO LYING PARTIALLY WITHIN US SURVEY 3551, APPROVED JULY 17, 1957 AND ON FILE IN THE US BUREAU OF LAND MANAGEMENT OFFICE IN ANCHORAGE, ALASKA, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

COMMENCING AT A REBAR AND 1/2" ALUMINUM CAP MARKING THE MOST WESTERLY CORNER OF THE NSRAA LEASE LOT, SAID POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION, FROM WHICH SAWMILL COVE INDUSTRIAL PARK CONTROL MONUMENT SCIP-2 BEARS S 83°41'46" W 638.53 FEET, THE MOST WESTERLY CORNER OF UPLAND LEASE LOT 4A (THE BOAT COMPANY) BEARS S 17°19'53" W 278.11 FEET, AND THE US COAST AND GEODETIC SURVEY TRIANGULATION STATION "DOCK 1959" BEARS S 12°02'47" W 2031.12 FEET; THENCE PROCEEDING ALONG THE LEASE BOUNDARY N 56°42' E 96.00 FEET; THENCE S 33°18' E 170.00 FEET; THENCE N 56°42' E 6.00 FEET; THENCE S 33°18' E 430.00 FEET; THENCE S 56°42' W 102.00 FEET; THENCE N 33°18' W 600.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 60,180 SQUARE FEET, MORE OR LESS



O'NEILL

SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700

A 11

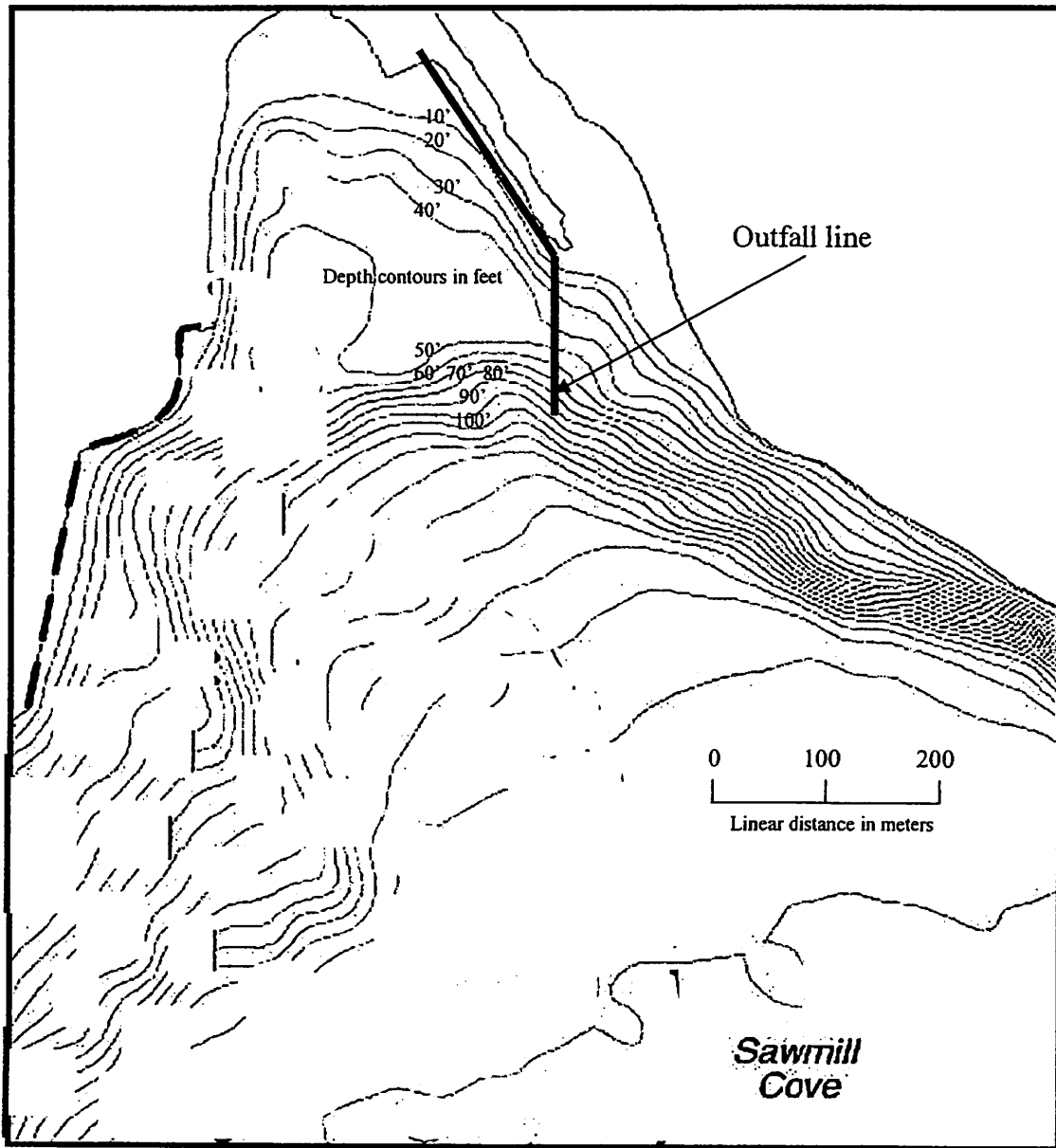


Figure Bathymetric contour map of Sawmill Cove area. Effluent pipeline indicated.
Exhibit A2 to NSRAA lease with City and Borough of Sitka at Sawmill Cove

**PROSPECTIVE PURCHASER AGREEMENT BETWEEN THE STATE OF ALASKA
AND THE CITY-BOROUGH OF SITKA FOR THE FORMER ALASKA PULP
CORPORATION PULP MILL PROPERTY**

I. PARTIES AND JURISDICTION

1. This Prospective Purchaser Agreement, together with the Attachments hereto and Exhibits thereto (Agreement) are made, and entered into, by the State of Alaska (State), through its Departments of Environmental Conservation (DEC) and Law, and the City and Borough of Sitka (Sitka), a Unified Home Rule Municipality, through its Mayor and Assembly.

2. The State enters into this Agreement under Alaska Statutes (AS) 46.03.020 (Powers of DEC); AS 44.23.020 (Powers of the Attorney General) and AS 46.09.040 (Authorizing municipal agreements for hazardous substance response actions).

3. Sitka enters into this Agreement under AS 46.09.060 (Municipal authority to enter into response actions), AS 29.06.190, AS 29.35.010 and Sections 9, 10 and 11, art. 10 of the Constitution of Alaska.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

II. STATEMENT OF PURPOSE

The purpose of this Agreement is to settle and resolve, subject to reservations and limitations contained herein, the potential liability of Sitka for the Existing Contamination at the Property which might otherwise accrue when Sitka takes ownership of the Property. In consideration of that resolution, Sitka provides covenants regarding care, maintenance and operation of the Property.

III. DESCRIPTION OF THE AFFECTED REALTY

This Agreement pertains, relates and creates obligations appurtenant to certain realty, described and depicted on Attachment 1 as five (5) parcels and expressly including the tidal and submerged lands thereof and overlying territorial seas. Such parcels, lands and seas shall collectively be called "the Property."

AGREEMENT TO CONVEY

AGREEMENT made this 6th day of April, 1999, by and between *Alaska Pulp Corporation* (APC) of Sitka, Alaska, and *the City and Borough of Sitka* of Sitka, Alaska (CBS).

WHEREAS, APC is the landowner of certain property in and around Silver Bay in Sitka, Alaska (property), concerning which the Alaska Department of Environmental Conservation (DEC) is completing the site clean up investigation and remediation process (remedial studies) pursuant to a September 1995 Commitment Agreement between APC and the State of Alaska (State), and

WHEREAS, APC desires to convey the property, along with certain buildings, docks, equipment, permits, water and other real property rights to the CBS for the benefit of the people of Sitka and to settle natural resource damage claims which the State of Alaska has asserted against APC, and

WHEREAS, in April 1998, the Assembly of CBS voted in concept to accept the property subject to staff working out the details of the transaction, assuring the ability to redevelop and use the site, and protecting the CBS from potential liability, and

WHEREAS, CBS is reasonably aware of the status of environmental and other issues concerning the property, having conducted its own due diligence review and all reasonable inquiry into existing contamination, which has been on going since April 1998, based on DEC's remedial studies, and

WHEREAS, CBS is reasonably aware of the potential operating and maintenance costs associated with the property based upon its own investigation and analysis, and

Management Requirements at Sawmill Cove Industrial Park

Sitka, Alaska

This industrial park offers access to a deepwater marine port, a large supply of energy and pure fresh water, and a lovely scenic setting. The Park includes both uplands and tidelands. Several buildings sitting on the uplands testify to the Park's former role as a pulp mill. The City and Borough of Sitka owns and manages this Park, runs a long-term environmental program in the adjoining bay, and requires lessees to follow certain rules.

The rules are set out in full in two documents that memorialize agreements with the State of Alaska under which the City and Borough manages the Park. The agreements are the Memorandum of Understanding's Management Plan and the Prospective Purchaser Agreement. A key purpose of these agreements is to insulate Park tenants from any liability for past uses of the uplands and tidelands. Tenants who follow these rules cannot be held responsible for any cleanup costs from historical uses. Both of those documents are free for the asking from the City and Borough, and both are automatically provided before any tenant leases property at the Park. Both are automatically incorporated into any lease the City and Borough makes with a tenant at the Park.

The following is a summary of these rules for environmental management, navigation, moorage, and dredging. Reading this summary is a useful aid for understanding the Memorandum of Understanding's Management Plan and the Prospective Purchaser Agreement, but is not a substitute for reviewing those documents. (References to those documents appear in parentheses.)

Summary of Management Requirements

Environmental Management

1. The upland portion of the Park can be used for commercial or industrial purposes. (Management Plan, Sec. I.A.)
2. Unless the State of Alaska grants specific approval, the upland portion cannot be used for residential development or any purpose requiring residency by humans around the clock. This restriction on the uplands may last until July 11, 2097. (Management Plan, Sec. I.A.)
3. Part-time residency on board moored vessels is allowed on a short-term basis. (Management Plan, Sec. I.A.1.b.)

4. The State of Alaska has agreed not to take action against those who lease from the City and Borough for any claim for releases of pre-existing contamination at the park as long as the tenant does not aggravate any pre-existing contamination. This protection does not extend automatically to sublessees, who may individually obtain it if they get written approval from the State of Alaska's Department of Environmental Conservation. (Prospective Purchaser Agreement, Secs. VI-VII.)
5. If a tenant or contractor encounters contaminated soils or other media that require special handling, work will cease and the person or entity will immediately contact the City and Borough's Director of Public Works. (Management Plan, Sec. I.C.1.)
6. Properly treated stormwater and relatively clean industrial water may be permitted to be discharged near the Utility Dock. Treated sewage and existing volumes of properly treated stormwater may be permitted to be discharged from an outfall near the Pulp Dock (Outfall 001). Other proposed discharges into impaired areas of Sawmill Cove will likely involve a detailed review of source control, additional treatment, and monitoring so that the discharge will not (a) resuspend contaminated sediments or (b) discharge pollutants that will set back the natural recovery process in impaired areas of Sawmill Cove. (Management Plan, Sec. IV.C; and Prospective Purchaser Agreement; Sec. X, Sec. 7.)
7. Tenants are responsible for securing their own discharge permits and for monitoring and properly reporting their own discharges. Tenants shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise agreed by the City and Borough. Not less than ten (10) days in advance of applying for permits to agencies other than the City and Borough (or such other time as agreed by the Director of Public Works), the tenant shall provide copies of all permit applications and associated plans and specifications to the Director of Public Works to facilitate review by City and Borough departments for consistency with the Management Plan and other plans for and uses of Sawmill Cove Industrial Park. The City and Borough is not obligated to comment on permit applications and plans, and the result of any City and Borough review does not affect the tenant's obligation to comply with the Management Plan and other applicable laws. Tenants are required to provide to the City and Borough of Sitka copies of permit correspondence and reports.
8. Tenants are required to participate in joint use agreements for common use of stormwater, industrial wastewater, sanitary wastewater, potable water, raw water, and outfall systems. The tenant shall connect or otherwise discharge to such utility lines as are approved by the Director of Public Works, and shall obtain any permits and comply with any conditions specified by the Director of Public Works for such connections.
9. The Alaska Department of Environmental Conservation can access parcels in the Park to monitor compliance with the agreements. The Department's staff and each tenant agree to use reasonable efforts to minimize any interference with each other's activities. (Prospective Purchaser Agreement, Sec. XII.)

Navigation, Moorage, and Dredging

1. Dredging, expansion of moorage, and in-water construction are allowed within the area of Sawmill Cove known as "the Area of Concern" if best management practices are employed. Dredging inside the Area of Concern must occur within a specific navigational corridor. Dredging outside the Area of Concern is subject to normal permitting processes. Prospective tenants are advised that certain areas outside the Area of Concern are classified as impaired water bodies and that special permitting and construction techniques may apply. (Management Plan, Sec. III.A-C and Ex. 2; Prospective Purchaser Agreement, Sec. X.4.)
2. Dredging, expansion of moorage, and in-water construction are not allowed within an area inside the Area of Concern known as "the No Disturbance Zone" except for maintenance of existing facilities. (Management Plan, Sec. III.D and Ex. 2.)
3. Vessel movements across the No Disturbance Zone must follow a specific approach/departure path that keeps the vessels within deeper water. (Management Plan, Sec. III.E.)
4. New single-point mooring buoys may be constructed within the Area of Concern as long as such buoys are located outside the No Disturbance Zone. (Management Plan, Sec. III.E.5; Prospective Purchaser Agreement, Sec. X.5.b.)
5. Vessels are not permitted to anchor inside the Area of Concern. (Management Plan, Sec. III.E.2; Prospective Purchaser Agreement, Sec. X.5.)
6. Existing docks may be permitted for use and certain dock expansion plans have already been evaluated. Other berthing options will be evaluated on a case-by-case basis. (Management Plan, Sec. III.B.)

March 28, 2001



Incorporated

CONSULTING
ENGINEERS

June 30, 2004

PND 042049.01

Jonathan Krebs
Executive Director
Sitka Economic Development Association
329 Harbor Drive, Suite 212
Sitka, Alaska 99835

Subject: Sawmill Cove Pulp Dock Use Guidelines
Engineering Report

Dear Jon,

Per your request, PND, Incorporated has investigated the capacity of the Sawmill Cove Pulp Dock and developed guidelines for use. Prospective users and their uses include:

- Freight company shipping pallets of bottled water across the dock to a barge moored at the pierhead,
- Fish processor (modified barge) moored at the dock pierhead, and
- Fishing vessels (limit seiners and smaller) moored at the pierhead transferring fish totes across the dock.

As reported in Sawmill Cove Ocean Docks Evaluation (May 2000), by PND, the Pulp Dock is in poor condition. Many of the piles exhibit damage, significant corrosion and deterioration, many pile caps and beams are extensively cracked, the deck shows delamination and concrete strength is low. The dock must be used carefully or additional deterioration will be experienced. Extensive repairs were recommended in the report and they have not been performed.

The condition of the dock has remained much as what was witnessed during the preparation of the May 2000 report. PND performed a very brief, limited inspection on June 23 and witnessed the same conditions as previously in the May 2000 report.

Based upon our analysis and findings we recommend the following:

- 1) Pile supported areas of the dock should continue to be restricted to light vehicle and pedestrian loads, unless noted below.

- 2) Fender piles should be installed for any moorage. For a barge with a 40 foot high sail height, 16-inch diameter by ½ inch wall steel pipe piles should be installed at 40 feet on-center. The fender piles may be supplemented with camel logs floating seaward of the fender piles. Camel logs should be as long as possible and loosely connected to the fender piles. Multiple logs may be bundled together to obtain a more stable stringer camel log system.

Fender piles should be driven to 15 to 20 feet of penetration and should be connected by bolts and brackets to the existing dock. The fender piles should be galvanized and covered with HDPE sleeves, if a more permanent installation is anticipated. This type of fender pile system should last for many years. The piles can be extracted and re-used if the dock is repaired and reconfigured.

No vessel should be allowed to breast against the bearing piles along the seaward edge of the dock. Camel logs should not be placed against the bearing piles along the seaward face of the dock. Any length of vessel, less than 600 feet, may tie up to the dock, but they should not be allowed to breast against the dock unless fender piles are installed.

- 3) Freight can be transferred across the dock, using small forklifts, where piles are in fair condition and concrete beams, caps and deck are also in fair condition. A 12 foot wide access lane at the second door from the north end of the Pulp Warehouse, seaward side, is suitable for a 5,000 pound capacity fork-lift at maximum capacity. This lane should be restricted by placing barriers on either side to ensure vehicles will not travel outside the lane. Please see attached sketch. Such an access lane is suitable for transporting pallets of bottled water and fish totes, provided that fork lifts and fork lift loads are kept to loads below a 10,000 pound axle load.

Please note that vehicle loads on the slab-on-grade portion of the Pulp Warehouse need not be restricted. Therefore fork lifts and other vehicles should travel from the slab-on-grade to the pierhead directly through the access lane and then back-up from the pierhead to the slab-on-grade. Vehicles should not turn around at the pierhead.

Materials and equipment can be staged or stored on the slab-on-grade portion of the Pulp Warehouse. Large stacks of materials and heavy equipment should not be placed within 10 feet of the face of the retaining wall at the edge of the slab-on-grade.

Note the bullrail on the dock is in poor condition and should be replaced where vehicles are allowed to approach the edge of the dock.

- 4) Cleat anchor bolts should be replaced at cleats to be used by vessels mooring at the dock.
- 5) The City and Borough of Sitka (CBS) should inspect the pile-supported dock before and after freight is transferred and before and after larger vessels temporarily breast against the dock. Piles, pile caps, beams and deck should be photographed at and below the access lane. This inspection and documentation should be performed to determine if the condition of the dock is

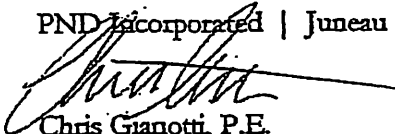
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deteriorating further and if damage occurs the responsible party can be asked to pay for damages or repair damages.

Hopefully, these guidelines are adequate for your use. If you have questions or need additional questions, please feel free to call me.

Sincerely,

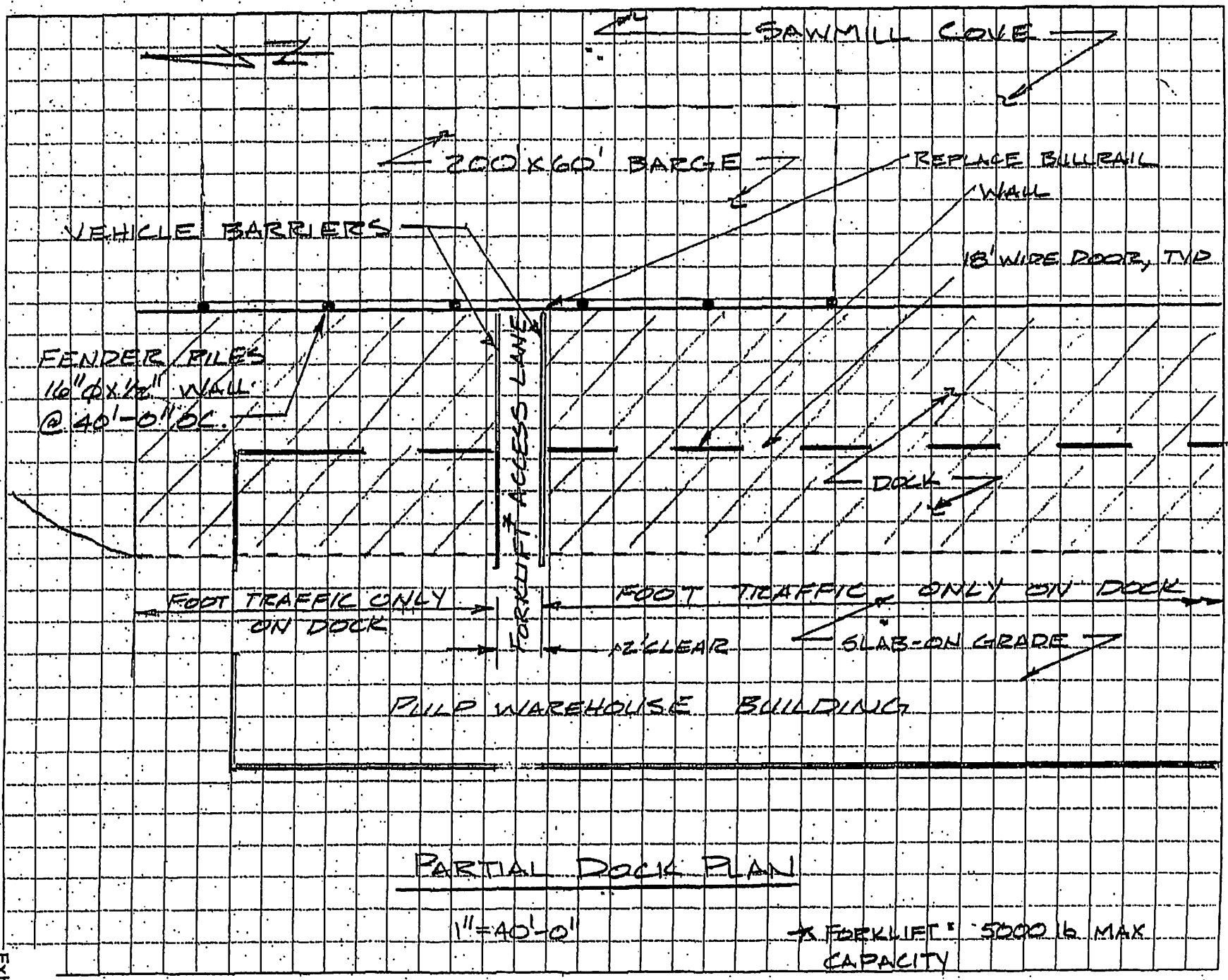
PND Incorporated | Juneau Office



Chris Gianotti, P.E.
Senior Engineer/Principal

Enc.

cc: Hugh Bevan, City Administrator



Economic Impacts of Northern Southeast Regional Aquaculture Association

Prepared for:
**Northern Southeast
Regional Aquaculture Association**



Research-Based Consulting

Juneau
Anchorage

July 2009

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Executive Summary

The purpose of this study is to present the economic impacts of the Northern Southeast Regional Aquaculture Association (NSRAA) salmon enhancement program. Based in Sitka, NSRAA is a private nonprofit cooperative working to increase salmon returns for the commercial fleet, sportfish charter operators and other user groups. The organization produces four species of Pacific salmon—chum, sockeye, chinook, and coho. Two hatchery facilities and several remote release sites are utilized.

Economic impacts generated by NSRAA’s salmon production and business operations are widely spread throughout Southeast Alaska. The key findings from the analysis of NSRAA’s economic impacts are presented in this section.

Commercial Harvest

- Between 2001 and 2008, NSRAA contributed salmon worth an ex-vessel value of \$65 million to the commercial salmon industry, averaging \$8 million annually. NSRAA contributions reached 22.8 million pounds of salmon in 2008, worth \$20.1 million in ex-vessel value in 2008.
- Chum salmon is NSRAA’s primary species of production. On average, chums accounted for approximately four-fifths of all NSRAA returns between 2001 and 2008, averaging an annual value of \$6.4 million. Chinook and coho each accounted for about 10 percent and sockeye for less than 1 percent.
- The purse seine fleet harvested the majority (nearly 60 percent) of NSRAA returns between 2001 and 2008, averaging \$4.8 million annually, followed by trollers (\$1.8 million) and gillnetters (\$1.5 million).

Total Ex-Vessel Value of NSRAA Salmon Harvested in Common Property Commercial Fisheries, 2001-2008

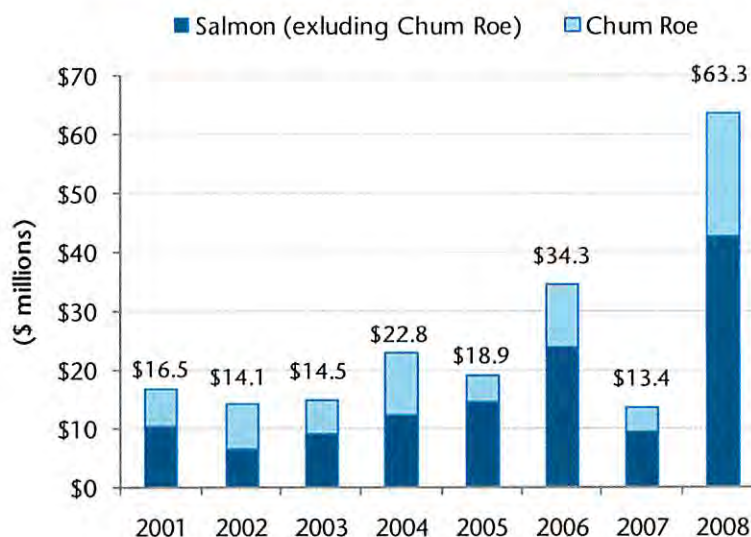


Source: NSRAA, 2009.

Seafood Processing

- The cumulative first wholesale value of NSRAA salmon harvested in common property and cost recovery commercial fisheries was nearly \$200 million between 2001 and 2008. In 2008 alone, that value reached \$63.3 million.
- Chum roe products accounted for one-quarter to one-half of the annual first wholesale value of all NSRAA salmon between 2001 and 2008. The value of chum roe products was approximately \$21 million in 2008, one-third of the total value that year.

**First Wholesale Value of NSRAA Salmon,
with Chum Roe Shown Separately, 2001-2008**



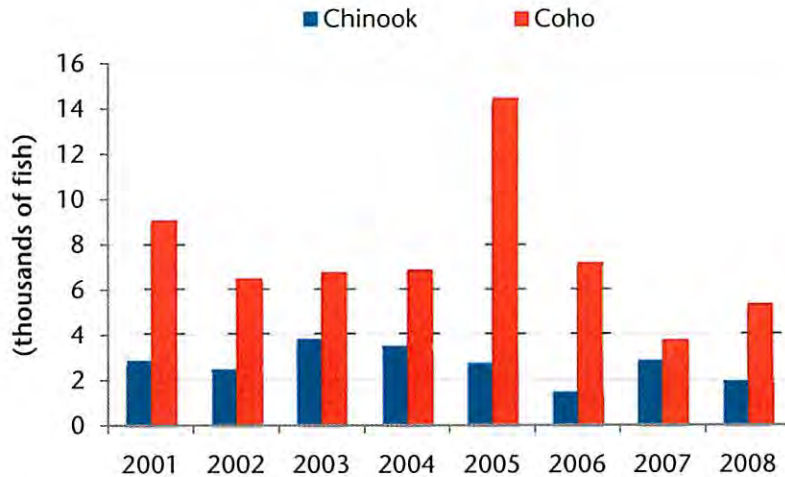
Source: McDowell Group estimates, based on data provided by NSRAA, ADF&G and ADOR, 2009.

Note: Includes common property and cost recovery harvests.

Sport Harvest

- NSRAA's contribution to Southeast Alaska's sport fishery has fluctuated over the past eight years, generally ranging from 6,000 to 12,000 fish annually and has averaged 10,000 fish. In 2006, the contribution peaked at more than 17,000 Chinook and coho combined.
- Between 2001 and 2007, NSRAA-produced salmon averaged 7 percent of the chinook and coho sport harvest in the Juneau and Sitka areas.
- While very difficult to quantify precisely, the economic impact of sport harvest of NSRAA salmon is significant, and estimated at approximately \$1 million in 2008. This total includes direct and indirect effects of non-resident sport harvest of NSRAA salmon.

Recreational Harvest of NSRAA Salmon, 2001-2008



Source: NSRAA, 2009.

NSRAA Subsistence Contributions

NSRAA continues to be a consistent provider of surplus salmon for subsistence, cultural, and educational purposes. While not quantifiable in economic terms, NSRAA fully understands the importance of contributing in its home region. The organization's policy is to provide salmon to anyone in need.

Over the past decade NSRAA regularly provided chinook, coho and chum salmon to villages and communities in Northern Southeast Alaska. For example, the villages of Kake and Angoon regularly request and receive surplus coho from the Hidden Falls Hatchery. In Sitka, NSRAA chinook salmon are provided to the Dog Point Fish Camp for both subsistence and educational purposes. The Sitka Tribe of Alaska Traditional Food Program receives both salmon and fresh salmon roe for subsistence. The Alaska Native Brotherhood, tribal elders and general public also receive salmon from NSRAA.

NSRAA Operations

- In 2008, NSRAA generated an annual average of 36 jobs, with a total payroll of approximately \$1.5 million annually.
- Spending on goods and services in support of hatchery operations totaled approximately \$4.8 million, of which nearly \$2.7 million went to 180 Alaska businesses and fishermen.
- Including all of the indirect and induced effects associated with NSRAA spending on payroll and other goods and services, the organization itself has a total Alaska economic impact of about \$5 million, including \$2 million in labor income.

Total Economic Impacts

- The total economic impact of commercial harvest of NSRAA salmon, including all direct, indirect and induced effects, amounted to approximately \$30 million in spending and income in 2008.
- Including all direct, indirect and induced impacts associated with harvesting and processing, NSRAA salmon in 2008 had a total economic impact of approximately \$100 million. This includes spending by NSRAA in support of its operations, the gross (ex-vessel) income earned by commercial fishermen, income earned by processors (net of what they pay fishermen), and all the expenditures fishermen and processors make in support of their operations and households.
- Of the \$100 million total impact, approximately 30 percent (\$30 million) is labor (personal) income for fishermen, processing workers, and owners/employees of businesses that provide goods and services to fishermen and processors.
- It is not possible to measure the number of people in Southeast Alaska that directly or indirectly earn income from the harvest and production of NSRAA salmon. However, the total includes several hundred fishermen, plus processing plant employees, NSRAA employees, and workers employed by the numerous businesses that provide goods and services to fishermen, processors and their households. Based on the average annual wage in the Southeast Alaska economy, \$30 million in labor income is the amount that would be generated by approximately 780 typical Southeast region jobs.

Summary of NSRAA Production, Operations and Economic Impacts, 2008

Harvest Volume	
Total NSRAA Production (# of fish; includes common property, cost recovery & sport)	3.8 million
Commercial harvest of NSRAA salmon (# of fish, includes common property)	2.8 million
NSRAA commercial harvests % of the Southeast commercial harvest	18%
Sport harvest of NSRAA salmon (# of fish)	7,200
Commercial Harvest Value	
Total ex-vessel value of NSRAA salmon (all fisheries)	\$20.1 million
harvested by Sitka residents (Hidden Falls & Deep Inlet chum fisheries)	\$2.1 million
NSRAA salmon ex-vessel value as % of the Southeast commercial harvest	23%
First wholesale value of NSRAA salmon	\$63.3 million
NSRAA Employment, Payroll and Spending	
NSRAA annual average employment	36
NSRAA total annual payroll	\$1.5 million
NSRAA total annual spending on goods and services	\$4.8 million
spending in Sitka	\$2.0 million
Direct and Indirect Economic Impacts*	
Total labor income related to commercial harvest and processing of NSRAA salmon	\$30 million
Total annual average employment equivalent	780 jobs
Total income and spending (output) related to harvest and processing of NSRAA salmon	\$100 million

*Impacts include commercial harvesting and processing of NSRAA salmon, NSRAA operations, and all indirect multiplier effects throughout the regional economy. The estimated \$1 million total economic impact of sport harvest of NSRAA salmon is not included in this total.

Purpose and Methodology

Purpose and Scope

The Northern Southeast Regional Aquaculture Association (NSRAA) contracted with McDowell Group, an Alaska research and consulting firm, to analyze the economic impacts of its salmon enhancement program. Updating information published in a 2001 McDowell Group impact analysis, this report presents volume and value data associated with NSRAA-produced salmon harvested between 2001 and 2008, as well as the 2008 economic impacts resulting from the hatchery's production and operations. The analysis is delivered in the following five sections:

1. Commercial Harvest—The economic value of commercially caught NSRAA salmon is measured using the ex-vessel income earned by Southeast Alaska fishermen. Ex-vessel income represents the gross value paid to fishermen for their catch.
2. Processing—The economic benefits from processing NSRAA salmon are presented in terms of the first wholesale value of those fish commercially harvested in Southeast Alaska. First wholesale value represents the value paid to the primary processor by the initial buyer outside its affiliate network.
3. Sport Harvest—Estimates of the economic contributions of NSRAA salmon to the Southeast Alaska sport fishery are discussed, including economic activity resulting from non-resident harvests facilitated by the charter industry.
4. NSRAA Operations—Economic and employment information related to NSRAA production and operations are presented.
5. Regional Economic Impacts—The overall economic benefits to Southeast Alaska resulting from the commercial harvest, processing, and sport harvest of NSRAA salmon, and NSRAA operations are estimated in this section. This includes local and regional tax benefits generated via the Salmon Enhancement Tax and the Fisheries Business Tax.

For purposes of this report, Southeast Alaska is defined as commercial fishing Districts 1 through 16 and non-coastal Districts 152, 154, 156, and 157.

Methodology

The data presented in this report comes from a variety of sources, including NSRAA, Alaska Department of Fish and Game (ADF&G), Alaska Commercial Fisheries Entry Commission (CFEC), Alaska Department of Labor and Workforce Development (ADOLWD) and Alaska Department of Revenue (ADOR). Additionally, McDowell Group conducted interviews with Southeast sportfish charter operators and incorporated recent research relevant to communities in Southeast.

Estimates provided in this report are based on the most recent and relevant data. Volume and ex-vessel value estimates of NSRAA salmon harvested in commercial [and cost recovery] fisheries are based on data provided by NSRAA, ADF&G and CFEC. First wholesale values prior to 2008 are calculated using average annual prices per product from Southeast Alaska processors, as published by ADOR. Wholesale values for 2008 are estimated by applying the ratio of ex-vessel values to first wholesale values from prior years to 2008 ex-vessel values.

Some first wholesale data was unavailable due to DOR confidentiality regulations. In these instances, McDowell Group used conservative estimates from a range of values. Therefore, wholesale values reported in this study should be considered minimum estimates.

Sportfish estimates are based on data provided by NSRAA, ADF&G, Southeast municipal governments and interviews conducted with charter operators in Southeast communities.

McDowell Group developed an economic model to estimate the economic impacts related to NSRAA production and operations. Inputs to this model were drawn from the sources described above. The model linked ADOLWD employment and payroll data, ex-vessel volume and value data, first wholesale value data and other information to generate estimates of average annual employment, income and total economic activity related to NSRAA-produced salmon.

Introduction

Northern Southeast Regional Aquaculture Association (NSRAA) is a private nonprofit cooperative working to increase salmon returns for the benefit of commercial, sport, and personal use fishermen. Established in 1978, NSRAA has become an integral part of Southeast Alaska's commercial and sportfishing industries.

The organization's overall strategy is to develop hatchery returns that are isolated from wild stocks. This process allows extensive terminal harvest that produces high quality and valued fish with minimal impact on wild stocks. Chum and sockeye are produced for commercial fleets operating in northern Southeast Alaska, while chinook and coho are produced primarily for the Sitka sport fishing fleets.

NSRAA's current projects include the Medvejie Hatchery, Hidden Falls Hatchery, the Deer Lake rearing program, three spawning channels near Haines, as well as incubation boxes and three spawning channels near Haines. Descriptions of their primary facilities are presented below.

Facilities and Operations

Medvejie Project

The Medvejie Hatchery is located on the western coast of Baranof Island, south of the community of Sitka. The hatchery has been in operation for nearly 30 years and produces chum, chinook, and coho salmon. Chum salmon make up the largest number of returns from Medvejie and are typically harvested in the Deep Inlet area. A large expansion of NSRAA's chinook program has enabled the hatchery to double its production of that species, increasing returns significantly since 2002. Additionally, the association began an experimental zero-check chinook program in 1999 (first release in 2000), which has shown some promise with 16,000 adult returns to date. (A zero-check program releases smolts after only one year of rearing instead of the traditional two.)

The Medvejie coho program is undergoing a shift of its brood stock. Rearing associated with the new stock, under development at Salmon Lake, will occur at NSRAA's new Sawmill Cove Hatchery, but production goals from this effort will likely take several years to reach.

Hidden Falls Project

The Hidden Falls Hatchery is on Baranof Island adjacent to Chatham Strait. It was built by the State of Alaska in 1978-79 and operated by the state until 1988, when operation of the facility was transferred to NSRAA. Since taking over the operation of Hidden Falls, NSRAA has more than doubled chum production, tripled chinook production, and initiated a successful coho program. In 2004, a major hatchery expansion was conducted at this site and its success has allowed fishermen continued increases in fishing opportunities in the early part of the season.

Deer Lake Rearing Project

NSRAA operates its successful coho rearing program at Deer Lake, located on the southeastern shore of Baranof Island. Since 2005, the program has used a net-pen system, averaging approximately one million fry annually. In 2009, NSRAA plans to double this number in attempts to generate additional adult returns of 180,000 to 200,000 coho per year.

Commercial Harvest of NSRAA Salmon

This section opens with an overview of recent salmon market conditions in Southeast Alaska and a discussion of commercial salmon harvest volume and value, including value generated through seafood processing.

Southeast Alaska Salmon Market Overview: Production & Price Trends

The major commercial fisheries in Southeast Alaska produced \$206 million in ex-vessel value in 2008, according to preliminary figures, up from \$192 million in 2006 and \$204 million in 2007.

Salmon remains the value leader in the region's major fisheries by a wide margin. In 2008, salmon value was nearly \$117 million (57 percent of the total), based on preliminary estimates, and is expected to increase as the 2008 season value data is finalized. The 2008 season represents a sixth consecutive year of salmon value growth in the region, having more than doubled from the decade's low point of \$50 million in 2002.

The value growth in salmon is driven by a combination of strong harvest volumes for pink and chum salmon and steady growth in the price per pound of all five salmon species caught in the region. Salmon harvest volume in the strong years of the pink salmon abundance cycle has declined recently, but this has been offset by substantial price increases for all five salmon species, particularly for pink and chum salmon in 2008.

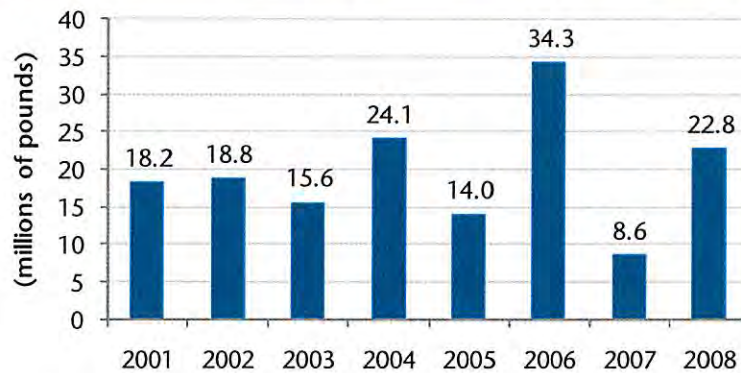
Recent price growth in pink and chum salmon is driven by a combination of steady growth in the average wholesale price of meat products (frozen, canned, etc.) and by a major price increase for roe products in 2008.

The outlook for salmon value in 2009 is uncertain. Prices for the traditional high-value salmon species of the region (particularly chinook and coho) will likely see substantial downward pressure with recessionary spending patterns. Chum salmon prices are also likely to be lower, as the unusually strong roe market (primary driver for chum price) has cooled since 2008.

Commercial Harvest Volume and Ex-Vessel Value

NSRAA salmon production provides a significant contribution to Southeast Alaska's commercial salmon harvest. Between 2001 and 2008, the organization has added 156.3 million pounds of salmon to the Southeast harvest, an average of 19.5 million pounds annually. With a contribution of 34.3 million pounds, 2006 was a record year for commercially harvested NSRAA salmon. The following chart shows NSRAA's annual contribution, in terms of volume, to common property fisheries between 2001 and 2008. It does not include cost recovery harvests.

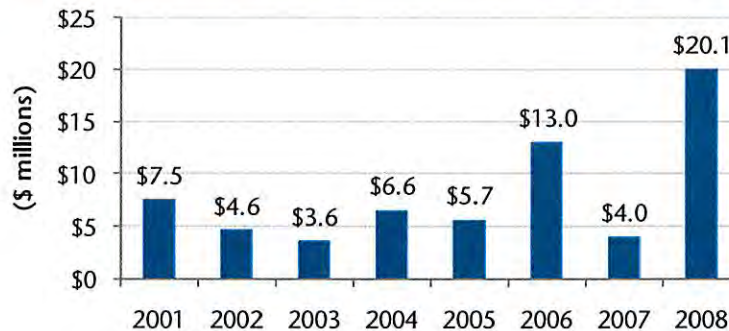
Figure 1: Total Pounds of NSRAA Salmon Harvested in Common Property Commercial Fisheries, 2001-2008



Source: NSRAA, 2009.

NSRAA-produced salmon also have a substantial impact on the value of Southeast Alaska's commercial salmon industry. The total ex-vessel value of NSRAA's contribution between 2001 and 2008 was \$65.1 million, averaging \$8.1 million annually. In 2008, NSRAA-produced salmon was valued at a record \$20.1 million. Southeast salmon prices hit record levels that year, and chum, NSRAA's primary species, averaged an ex-vessel price that was double the five-year average from 2003 to 2007 (\$0.62 per pound compared to \$0.30). The following chart shows NSRAA's annual contribution, in terms of ex-vessel value, to common property fisheries between 2001 and 2008. It does not include cost recovery harvests.

Figure 2: Total Ex-Vessel Value of NSRAA Salmon Harvested in Common Property Commercial Fisheries, 2001-2008



Source: NSRAA, 2009.

Chum salmon constitute the overwhelming majority of NSRAA adult returns. Ninety-four percent of NSRAA's 2001-2008 average returns were chum salmon, followed by coho (4 percent), chinook (2 percent), and sockeye (fewer than 1 percent). Similar distributions were seen specifically in 2007 and 2008.

Table 1: Recent Commercial Harvest Composition (Volume) of NSRAA Salmon, by Species, 2007 & 2008

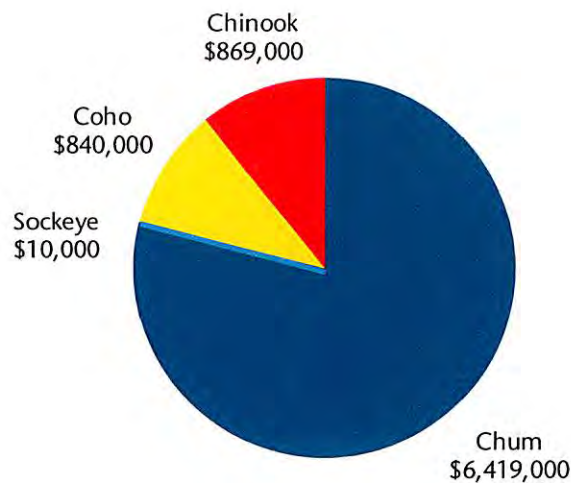
Species	2001-2008 Average		2007		2008	
	Lbs. (in thousands)	Percent	Lbs. (in thousands)	Percent	Lbs. (in thousands)	Percent
Chum	18,399	94%	8,096	94%	21,442	94%
Coho	743	4	223	3	836	4
Chinook	387	2	271	3	495	2
Sockeye	10	<1	0	0	0	0
Total	19,540	100%	8,590	100%	22,773	100%

Source: NSRAA, 2009.

Note: Totals may not equal column sums due to rounding.

Among the four species produced by NSRAA, chum salmon is by far the most prevalent. Between 2001 and 2008, commercially harvested NSRAA chum averaged an ex-vessel value of \$6.4 million, followed by chinook (\$869,000) and coho (\$840,000). NSRAA-produced sockeye averaged \$10,000, but was only harvested during four of the eight years.

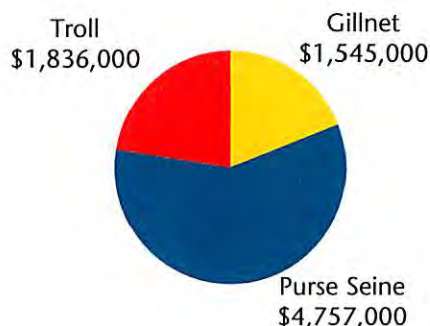
Figure 3: Average Ex-Vessel Value of NSRAA Salmon Harvested in Common Property Fisheries, by Species, 2001-2008



Source: NSRAA, 2009.

The majority of earnings from commercially harvested NSRAA salmon are associated with Southeast's purse seine fleet. Earnings associated with regional troll and gillnet fleets are roughly evenly distributed. Between 2001 and 2008, seiners harvested an annual average of \$4.7 million worth of NSRAA salmon. The troll fleet harvested an annual average of \$1.8 million during that time period, and gillnetters harvested an annual average of \$1.5 million.

Figure 4: Average Ex-Vessel Value of NSRAA Salmon Harvested in Common Property Fisheries, by Gear Type, 2001-2008



Source: NSRAA, 2009.

The following table presents annual ex-vessel values from 2001 to 2008 associated with the four salmon species produced by NSRAA and with the three harvest gear types. Chum and coho values tended to fluctuate between 2001 and 2005 before substantial increases in 2006 and 2008. Chinook values did not see an increase in 2006, but jumped significantly in 2008 with record ex-vessel prices. Similarly, the seine and gillnet fleets, harvesting primarily NSRAA chum and coho, saw increased earnings in 2006 and 2008, while trollers, harvesting primarily NSRAA chinook, saw a substantial increase in 2008 only.

Table 2: Commercial Harvest Composition (Value) of NSRAA Salmon, by Gear Type and Species, 2001-2008
(\$ in thousands)

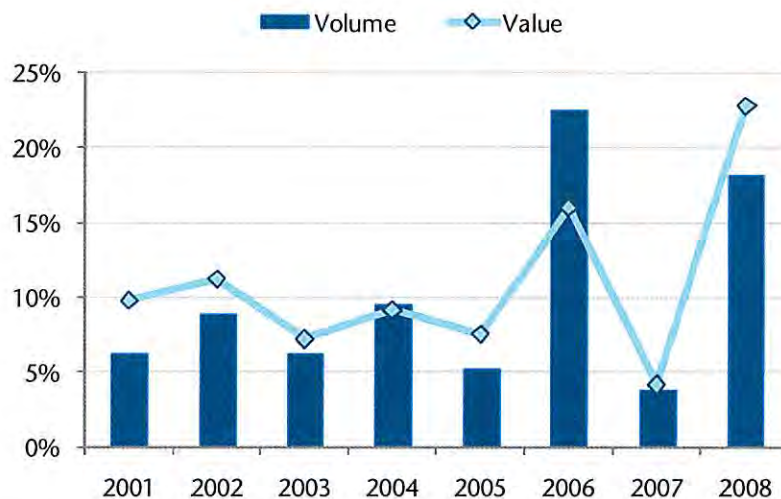
	2001	2002	2003	2004	2005	2006	2007	2008
Species								
Chum	\$6,185	\$3,556	\$2,871	\$4,853	\$3,910	\$11,187	\$2,923	\$15,867
Sockeye	31	25	0	0	14	7	0	0
Coho	633	557	379	828	982	1,389	298	1,656
Chinook	668	484	366	896	753	430	788	2,572
Gear Type								
Purse Seine	4,453	2,683	2,270	3,403	2,117	8,226	1,636	13,269
Gillnet	1,133	888	535	1,473	1,542	2,633	976	3,182
Troll	1,931	1,050	810	1,699	2,001	2,153	1,398	3,644
Total	\$7,517	\$4,622	\$3,616	\$6,576	\$5,660	\$13,012	\$4,009	\$20,094

Source: NSRAA, 2009.

Note: Totals may not equal column sums due to rounding.

The proportion of Southeast Alaska’s total salmon harvest that is attributable to NSRAA’s production has fluctuated over recent years, averaging approximately 10 percent of the region’s harvest volume and value. Between 2001 and 2005, NSRAA salmon accounted for 5 to 10 percent of the regional salmon harvest, in terms of both volume and value. In 2006, the percentage increased to more than 20 percent due to an extremely low regional pink salmon harvest, which decreased the overall salmon harvest volume that year. The following year, the portion of the Southeast harvest attributable to NSRAA production dropped significantly before rebounding in 2008. Record market prices account for 2008’s impressive harvest value. That year, NSRAA-produced salmon accounted for nearly one-fifth of the regional harvest volume and, with record prices, nearly one-quarter of the value.

Figure 5: Volume and Ex-Vessel Value of NSRAA Salmon as a Percentage of the Southeast Commercial Salmon Harvest, 2001-2008



Source: NSRAA, 2009.

Geographic Distribution of Commercial Harvest

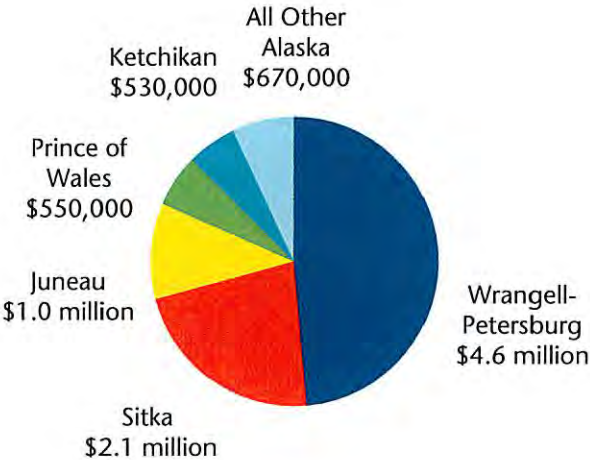
The commercial harvest of NSRAA salmon is widely distributed throughout Southeast Alaska. Information on the residency of Alaskan fishermen in the Hidden Falls and Deep Inlet chum fisheries provides a good measure of this distribution because the overwhelming majority of NSRAA salmon are harvested in these two fisheries.

In 2008, a little more than half of the Hidden Falls chum harvest went to Alaska fishermen, a value of \$4.8 million. Among Alaskans, fishermen from Wrangell and Petersburg harvested salmon worth approximately 60 percent of the total fishery value. Sitka residents harvested another 13 percent.

Alaskan fishermen made up 70 percent of the Deep Inlet chum fishery in 2008, earning \$2.9 million. Sitka resident fishermen harvested the largest portion (45 percent), followed by residents of Wrangell or Petersburg (20 percent), and Juneau (16 percent).

Based on these proportions, an estimated three-fifths of commercially harvested NSRAA chum were harvested by Alaska fishermen in 2008. Among Alaska fishermen, Wrangell and Petersburg residents harvested approximately half, earning \$4.6 million in ex-vessel value. Sitka residents harvested nearly one-quarter, earning \$2.1 million, followed by residents of Juneau (\$1 million), Prince of Wales Island (\$550,000) and Ketchikan (\$530,000). The remaining harvest, valued at \$670,000, went to fishermen from other communities throughout Alaska.

Figure 6: Ex-Vessel Value of NSRAA Chum Salmon Harvested in Common Property Fisheries in Southeast, by Residency of Fishermen, 2008



Source: NSRAA, 2009.

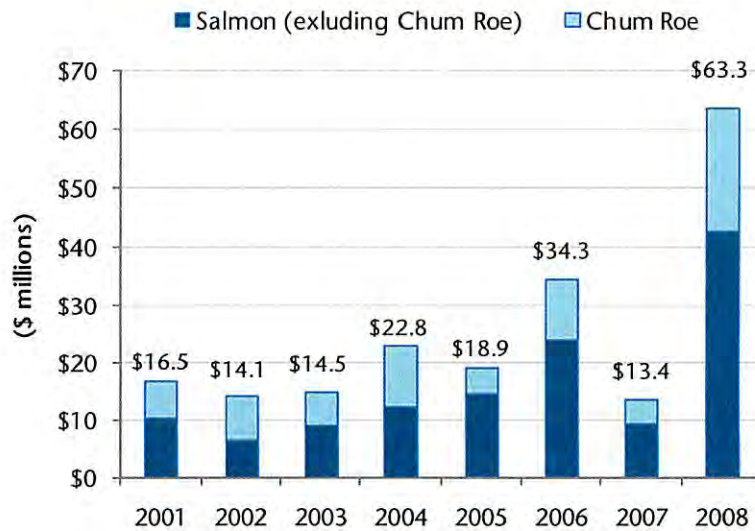
Processing of NSRAA Salmon

In addition to earnings for regional fishermen, NSRAA salmon generates significant economic benefits for Southeast Alaska’s seafood processors. These benefits are measured in terms of first wholesale value: the amount received by processors for the initial sale of product outside their affiliate network. First wholesale values include the processing value of salmon harvested in commercial (common property) and cost recovery fisheries.

Between 2001 and 2008, the cumulative first wholesale value of NSRAA salmon totaled \$198 million. In 2008 record ex-vessel prices generated high earnings for processors as well. The first wholesale value of NSRAA salmon reached \$63 million in 2008, compared to an average value of \$19 million between 2001 and 2007. Chum accounted for \$54 million, or 86 percent, of the total first wholesale value of NSRAA salmon in 2008. Coho accounted for \$5 million that year, and chinook for \$3 million. No NSRAA sockeye were harvested in 2008.

Salmon roe is a particularly valuable salmon product and chum roe are the most lucrative for hatchery-produced fish. On average, between 2001 and 2008, chum roe accounted for approximately one-third of the first wholesale value of NSRAA salmon, ranging from one-quarter to over half the total value. In 2008, Southeast Alaska processors earned a record \$25 million from NSRAA chum roe.

Figure 7: First Wholesale Value of NSRAA Salmon, with Chum Roe Shown Separately, 2001-2008



Source: McDowell Group estimates, based on data provided by NSRAA, ADF&G and ADOR, 2009.

Note: Includes common property and cost recovery harvests.

The first wholesale value of NSRAA-produced salmon is driven by a wide variety of factors, including worldwide commodity values of salmon and the success of differentiation strategies in the marketplace.

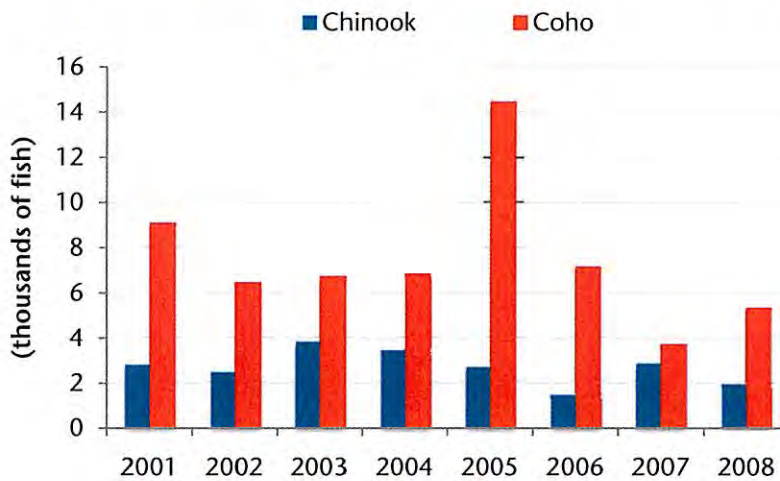
One significant advantage of Southeast hatchery-produced salmon is the large chum roe component. While chum roe is the most desirable of salmon roe products, farmed salmon is not a suitable or preferred source for most salmon roe products. Considering the long-term growth in salmon production, consumption, and market demand (all driven higher by steadily increasing farmed salmon production), this puts chum producers in an advantageous position. The recent market diversification for chum roe has heightened market competition for a limited product stream, with limited prospects of product substitution activity from farmed salmon production.

For seafood processors and for common-property fishermen that harvest NSRAA-produced salmon, this translates to good prospects for continued strength in chum salmon values, which are driven primarily by the roe market. Over the past two decades, the first wholesale value of NSRAA salmon steadily increased, with particularly high value years in 2000, 2006, and 2008.

Sport Harvest of NSRAA Salmon

NSRAA salmon play a significant role in the Sitka sport and personal use fisheries, and also contributes to the Juneau district sport fish harvest. Traditionally, chinook and coho are the primary species targeted in these fisheries, with an average of 2,700 NSRAA chinook caught annually and 7,500 NSRAA coho. As reflected in the chart below, between 2001 and 2008, annual chinook harvests fluctuated between approximately 1,500 and 4,000 fish, while coho ranged generally from 4,000 to 9,000 with the exception of 2005, when more than 14,000 were harvested by sport fishermen. Total harvest from 2001-2008 was 80,900 fish with an average of 10,100 fish per year.

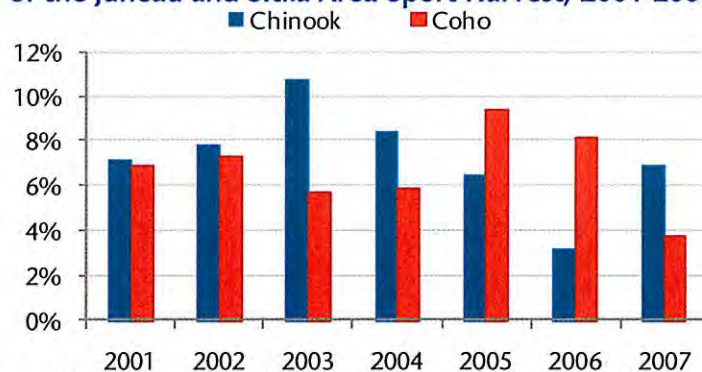
Figure 8: Recreational Harvest of NSRAA Salmon, 2001-2008



Source: NSRAA, 2009.

Nearly all of the NSRAA salmon sport and personal use harvest occurs in the areas around Sitka and to a lesser extent Juneau. On average, NSRAA salmon accounted for 7 percent of the area chinook sport harvest and 7 percent of the coho harvest between 2001 and 2007.

Figure 9: Recreational Harvest of NSRAA Salmon as a Percentage of the Juneau and Sitka Area Sport Harvest, 2001-2007



Source: McDowell Group estimates based on data provided by NSRAA and ADF&G, 2009.

User Groups

While nearly all sport-harvested NSRAA salmon are caught in Sitka and Juneau-area waters, anglers come from a variety of communities, including: Sitka, Juneau, other Alaskan towns and communities outside of Alaska.

Resident Fishermen

Sport-harvested NSRAA salmon offer many local residents a unique food source and recreational experience, including contributions to the Sitka Salmon Derby. According to data provided by NSRAA, chinook returns from their Medvejie hatchery have accounted for roughly one-third of Sitka Salmon Derby Chinook in recent years.

Non-Resident Fishermen

The largest economic impact associated with sport-harvested NSRAA salmon is seen among non-resident anglers. Whether purchasing a charter package or fishing on their own, non-resident fishermen spend significant amounts of money with Sitka and Juneau businesses, purchasing items and services such as: fuel, fishing gear, repair services, bait, food, lodging, transportation, and charter fees.

Economic Impacts of NSRAA Production and Operations

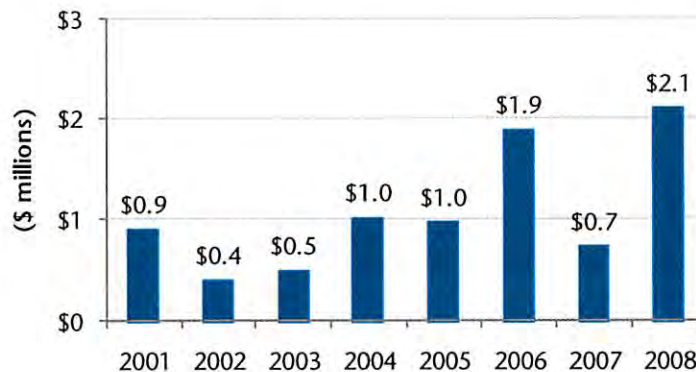
NSRAA's salmon production and business operations generate direct, indirect, and induced economic impacts to communities throughout Southeast Alaska. Commercial and sport fishermen purchase fuel, food, gear, and many other supplies in support of their effort to catch NSRAA salmon, and seafood processors spend money on an array of goods and services, including employee labor. This spending cycles through the regional and local economies, creating additional economic activity. Direct impacts describe ex-vessel earnings from commercially harvested NSRAA salmon, income to seafood processors, local spending by non-resident anglers and NSRAA expenditures on local goods and services. Indirect and induced impacts describe the added economic activity generated as direct spending circulates through the local economy.

This section discusses the impacts from commercially harvested and sport-caught NSRAA salmon on the community of Sitka, as well as the total economic impact of NSRAA salmon harvests, processing, operations, and tax revenue to Southeast Alaska's regional economy. Limited data prohibit community-level analysis of seafood processing.

Commercial Harvest

While the economic impact of the commercial harvest of NSRAA salmon is seen throughout Southeast Alaska, the majority of the impact occurs in Sitka. Between 2001 and 2008, fishermen living in Sitka harvested approximately \$8.5 million worth of NSRAA chum from the Hidden Falls and Deep Inlet chum fisheries, averaging \$1.1 million annually. Sitka residents harvested \$2.1 million worth of NSRAA chum from these two key terminal fisheries in 2008.

Figure 10: Ex-Vessel Income to Sitka Commercial Permit Holders from NSRAA Salmon Harvested in the Hidden Falls and Deep Inlet Chum Fisheries, 2001-2008



Source: McDowell Group estimates based on data provided by NSRAA and CFEC, 2009.

The local economic impact of commercial harvest of NSRAA chum by Sitka residents totaled approximately \$3.2 million in 2008. This includes the \$2.1 million in direct impact, plus another \$1.1 million in indirect and induced economic effects. Over half (about \$1.8 million) of this economic impact is labor income for fishermen, processing workers, and workers in the support sector. These are conservative estimates of NSRAA's local economic impact because they relate only to the chum harvest by Sitka residents. Sitka residents also commercially harvest NSRAA Chinook salmon.

The total regional economic impact of the commercial harvest of NSRAA salmon includes the \$20.1 million in ex-vessel value, plus all the additional spending that occurs as fishermen purchase goods and services in support of their fishing activity and households. Including the total ex-vessel value, plus all the indirect and induced spending effects, the total economic impact of the commercial harvest of NSRAA salmon was approximately \$30 million in 2008. Since a portion of the commercial harvest is taken by non-residents, some of this economic impact occurs outside the region. However, even non-resident fishermen have an impact on the Southeast economy, through their purchases of goods and services while in the region.

Seafood Processing (Southeast)

Nearly all NSRAA salmon harvested in commercial fisheries are processed in Southeast Alaska. According to two processors interviewed for this study, the commercial harvest of NSRAA fish (including cost recovery) represents 6 to 25 percent of their total processing activity, depending on the year.

In 2008, first wholesale value of NSRAA salmon was a record \$63.3 million. This is nearly double the 2006 value and almost five times the 2007 volume. Chum roe values also spiked in 2008, reaching \$20.8 million.

The economic impact associated with the processing of NSRAA salmon includes those impacts generated from the commercial harvest as well. Seafood processors in Southeast Alaska pay commercial fishermen for their catch, and these expenditures are reflected in the first wholesale price, which is the basis for the first wholesale value estimate.

Including all direct, indirect and induced impacts, commercial harvest and processing of NSRAA salmon in 2008 had a total economic impact of approximately \$100 million. This includes the gross (ex-vessel) income earned by commercial fishermen, and all the expenditures those fishermen made in support of their fishing operations and households. The total economic impact also includes all the expenditures processors made (in addition to payments to fishermen for their fish) in support of their activity to process NSRAA fish such as payroll for employees, purchases of supplies, utilities expenses, taxes, etc. Indirect and induced effects are felt throughout nearly all sectors of the economy. Approximately 30 percent (\$30 million) of the total economic impact is labor income

Sport Harvest (Sitka and Juneau)

In addition to the commercial harvest, the sport harvest of NSRAA salmon contributes to the local economies of Juneau and Sitka. Resident and non-resident anglers spend money on items such as gear, fuel, and food in support of sport and personal use fishing. Additionally, non-residents add to local tourism industries, paying for accommodations, restaurants, and charter fees, among other expenditures.

Traditionally, NSRAA has been a major contributor to the chinook and coho harvests associated with Sitka Salmon Derby, with chinook returns from their Medveje hatchery accounting for roughly one-third of all chinook entered into the derby. A smaller portion of NRSAA fish contributes to Juneau's annual Golden North Salmon Derby.

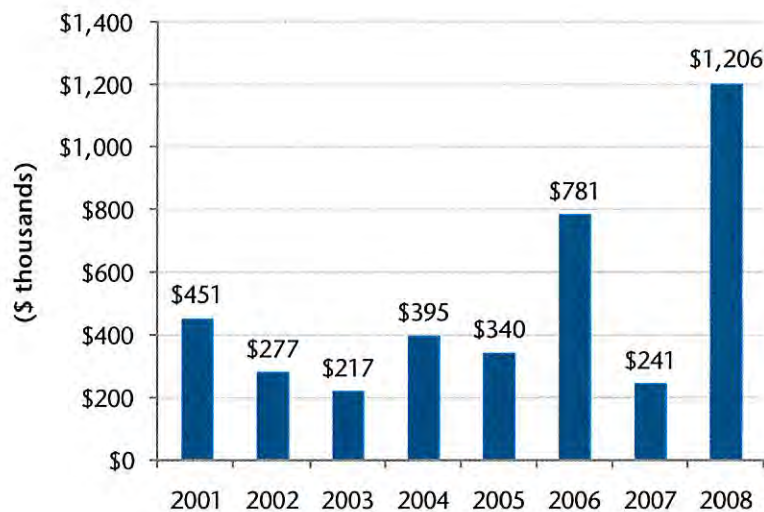
In 2008, an estimated 7,200 NSRAA salmon were harvested in Juneau and Sitka's sport and personal use fisheries. While total 2008 sport and personal use harvest figures for the area were not yet available at the time this report was written, NSRAA salmon has accounted for, on average, 7 percent of both the chinook and coho harvests between 2001 and 2007 (the most recent data available).

It is not possible to precisely measure the economic impact of sport-caught salmon, whether wild or hatchery raised. The value of sport fishing is a blend of the actual money spent in pursuit of salmon (or halibut and/or other sport-caught fish) and the experiential value of sport fishing. Further, actual spending on sport fishing varies widely for resident and non-resident fishermen, and insufficient data exists regarding spending by either group. Still, the economic impact of the opportunity to fish for, and catch, NSRAA salmon is important. A recent detailed study of the impacts of non-resident sport-harvested hatchery-produced fish in Ketchikan found a total direct and indirect economic effect of approximately \$3 million. The sport harvest of NSRAA salmon is approximately one-third the number of hatchery fish harvested in Ketchikan, suggesting a total economic impact of about \$1 million annually, including \$300,000 in labor income. This estimate does not include spending by local residents in support of their effort to catch hatchery-produced salmon.

Salmon Enhancement and Fisheries Business Taxes (Southeast)

All salmon commercially harvested and processed in Southeast Alaska, including NSRAA-produced fish, are subject to a 3 percent Salmon Enhancement Tax paid by commercial fishermen and a 3 percent Fisheries Business tax paid by commercial seafood processors. Revenue from the Salmon Enhancement Tax helps fund continued operations of regional aquaculture efforts, such as NSRAA, and revenue from the Fisheries Business Tax is shared between the State of Alaska and the city or borough in which the fish were landed. Both of these taxes are based on the ex-vessel value of the harvest.

Figure 11: Estimated Salmon Enhancement and Fisheries Business Tax Revenue Generated from NSRAA Salmon, 2001-2008



Source: McDowell Group estimates based on data provided by NSRAA, 2009.

NSRAA Operations

As a locally-based organization, NSRAA has economic impacts on the Sitka economy as well. In 2008, NSRAA accounted for an average of 36 jobs, with total payroll of approximately \$1.5 million. Spending on goods and services in support of hatchery operations also generates activity in the local economy. Goods and services include a wide range of expenditures, including hatchery infrastructure and office supplies, maintenance, travel, and payments to commercial seiners during cost recovery efforts. NSRAA spent approximately \$4.8 million on goods and services in support of operations in 2008, of which \$2.7 million went to approximately 180 Alaska businesses and fishermen.

Including all of the indirect and induced effects associated with NSRAA spending on payroll and other goods and services, the organization has a total Alaska economic impact of about \$5 million, including \$2 million in labor income.

Qualitative Benefits

As part of McDowell Group economic impact analysis of NSRAA, the study team interviewed a number of Sitka retailers and regional seafood processors about the impact of NSRAA on their particular business. Those interviewed said NSRAA has a positive impact on their specific businesses and the community's overall economy by providing long-term, stable, family-wage jobs. As a result, NSRAA employees tend to stay in Sitka for a long time and their families are active members of the community. Hatchery production also allows fishermen to work a longer season, some businesses said.

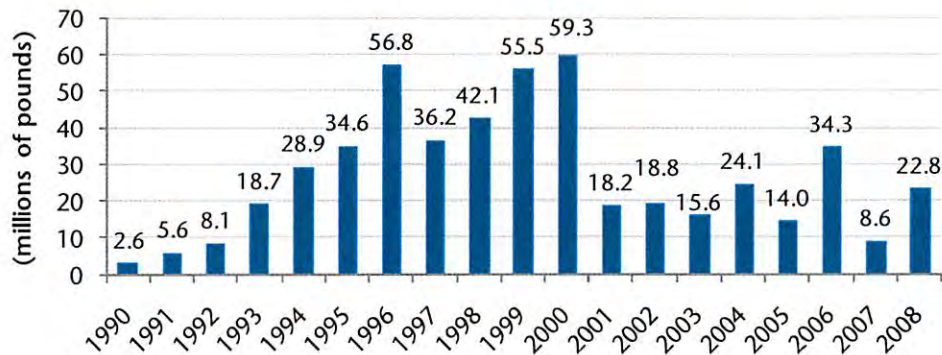
One fishing-related retailer noted that business increased each year, in part due to NSRAA production. Commercial and recreational fishermen start their seasons earlier and usually end later because of enhanced salmon stocks stemming from increased hatchery production.

Businesses unrelated to fisheries also said that NSRAA production helped their bottom line. One retailer, for instance, estimated that fishermen and charter boat clients account for roughly one-third of its annual business. In past summers, a surge of customers from mid-May through August caused this business to hire two to four additional employees during the fishing season. This summer has been the exception, with no need yet to hire additional workers because of changes in the charter industry unrelated to hatcheries.

Historical Overview of NSRAA Contributions, 1990-2008

Commercial Harvest Volume and Value

Figure 12: Total Pounds of NSRAA Salmon Harvested in Common Property Commercial Fisheries, 1990-2008



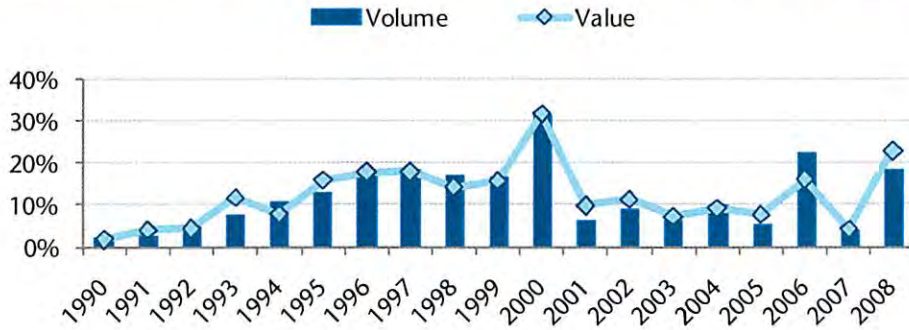
Source: NSRAA, 2009.

Figure 13: Total Ex-Vessel Value of NSRAA Salmon Harvested in Common Property Commercial Fisheries, 1990-2008



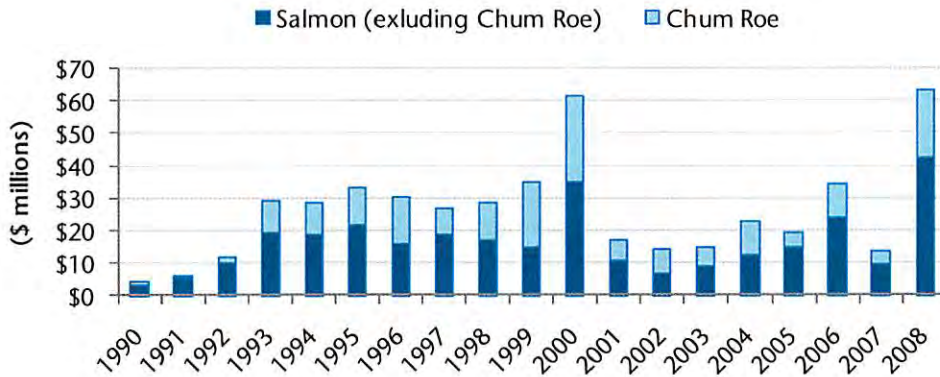
Source: NSRAA, 2009.

Figure 14: Volume and Ex-Vessel Value of NSRAA Salmon as a Percentage of the Southeast Commercial Salmon Harvest, 1990-2008



Source: McDowell Group estimates based on data provided by NSRAA and CFEC, 2001 and 2009.

Figure 15: First Wholesale Value of NSRAA Salmon with Chum Roe Shown Separately, 1990-2008



Source: McDowell Group estimates based on data provided by NSRAA, ADF&G and ADOR, 2001 and 2009.



CITY AND BOROUGH OF SITKA

Legislation Details

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File created: 4/20/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Supporting the City's application to the Alaska Federal Lands Access Program (FLAP) grant program for \$2,000,000 for construction of phase 6 of the Cross Trail Multimodal Pathway in 2019

Sponsors:

Indexes:

Code sections:

Attachments: [Motion, Memo, Res 2016-08.pdf](#)
[Sitka Trail Works Memo.pdf](#)
[Memo CBS Fire Department.pdf](#)

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

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-08 on first and final reading.

MEMORANDUM

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

From: Michael Harmon, P.E., Public Works Director *DT For MH*
Nick Kepler, Maintenance & Operations Superintendent *NK*

Reviewed: Jay Sweeney, Finance Director *JS*

Date: April 20, 2016

Subject: Cross Trail Multimodal Pathway – Federal Land Access Program (FLAP)
Grant Application for \$1,819,400 for Phase 6 Construction

Attached to this memorandum is a detailed information letter from Sitka Trail Works (STW) describing the proposed Cross Trail FLAP 6 project. CBS will be partnering with STW to design and construct the Cross trail extension from Harbor Mountain Road to Starrigavan Recreation Area. With Assembly approval STW will compile the grant application on behalf of CBS.

The total project cost is estimated to be \$2 million. The grant request will be for 90.97% of project costs or \$1,819,400. CBS will commit to a \$4,000 in-kind match in addition STW will commit to secure the remainder of the match requirement of \$176,600 to reach a total of \$180,600 or 9.03% match of the total project cost of \$2 million.

The grant application to fund this project shall need to be submitted by May-2016 and the grant funds will be available to use in October-2018. If the Assembly decides prior to October-2018 that it is not in the best interest to construct additional infrastructure CBS can de-obligate grant funds no penalty.

Once phase 6 of the Cross Trail is constructed it will be added to the CBS's infrastructure to be maintained by city staff.

Fiscal Note

The Municipality intends to charge the maximum allowable of indirect cost reimbursement to the grant. This will reduce the amount of the grant available for project costs. The Municipality intends to reimburse Sitka Trail Works, to the extent allowable under the grant, for its indirect costs as was done with prior cross trail grants. The rationale for indirect cost reimbursement is that both the Municipality, and its contractors, incur significant indirect costs administering grants. The Municipal Finance Department must account for grants and prepare grant reimbursement reports and expenditure reimbursement requests. In addition, the Municipality, as the Grantee, bears the cost of external Single Audit Act auditing of the grant.

If the grant is received, the Municipality must still obtain expenditure appropriations of grant funds in upcoming budgets. Receipt of a grant does not provide an automatic appropriation to spend.

Recommendation:

Approve Resolution 2016-08 authorizing CBS to apply for a grant from the Alaska Federal Lands Access Program (FLAP).

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-08

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA SUPPORTING THE CITY'S APPLICATION TO THE ALASKA FEDERAL LANDS ACCESS PROGRAM (FLAP) GRANT PROGRAM FOR \$2,000,000 FOR CONSTRUCTION OF PHASE 6 OF THE CROSS TRAIL MULTIMODAL PATHWAY IN 2019

WHEREAS, a grant from the Alaska Federal Lands Access Program (FLAP), if awarded, will fund the Phase 6 Cross Trail Multimodal Pathway (Cross TMP) construction from Harbor Mountain to the Alaska Marine Highway Terminal and Starrigavan; and

WHEREAS, the Sitka Cross Trail multimodal pathway project is a community priority since the pathway provides a non-motorized transportation alternative to Sitka's roads and links schools, recreation facilities, downtown, trails, subdivisions and other major public destinations; and

WHEREAS, the Sitka Cross Trail is a publicly-identified priority in the 2003 Sitka Trail Plan to which the City is a MOU partner, the 2002 Sitka Non-Motorized Transportation Plan, Sitka Parks and Recreation Plan, 2007 CBS Comprehensive Plan and 2011 Sitka Outdoor Recreation Action Plan; and

WHEREAS, the City and Borough of Sitka Assembly has passed eleven separate resolutions since 1998 in support of the Cross Trail project; and

WHEREAS, the Cross TMP Phase 6 construction provides the final link to the Alaska Marine Highway and Starrigavan Recreation area and campground with neighborhood access at the new McGraw Old Sitka Rocks Dock; and

WHEREAS, the Cross TMP Phase 6 will provide a safe and pleasant non-motorized transportation alternative to Halibut Point highway for residents and visitors; and

WHEREAS, the Cross TMP Phase 6 will provide an alternative emergency evacuation route if Halibut Point Road becomes impassible as a result of a catastrophic earthquake and/or tsunami; and

WHEREAS, the Cross TMP Phase 6 will be a sustainable, multimodal pathway design requiring little to no major maintenance over time.

THEREFORE, BE IT RESOLVED, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby authorized to negotiate, execute and administer any and all documents required for the application and acceptance of funding from the Alaska Federal Lands Access Program and to manage those funds on behalf of the City and Borough of Sitka.

BE IT FURTHER RESOLVED, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby directed to execute any and all agreements with the Alaska Federal Lands Access Program in such a way as to provide for the maximum amount of indirect cost reimbursement to the City and Borough Sitka allowable under Federal guidelines and regulations.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 26th day of April 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



Sitka Trail Works, Inc

801 Halibut Point Road, Sitka AK 99835

Phone: 747- 7244 email: trail@gci.net

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

From: Lynne Brandon, Executive Director, Sitka Trail Works

Date: April 20, 2016

Subject: Cross Trail Multimodal Pathway - Federal Land Access Program (FLAP) Grant Application for \$1,819,400 for Phase 6 Construction

Background:

The City and Borough of Sitka, in partnership with Sitka Trail Works, has an opportunity to apply for another MAP-21 Federal Lands Access Program (FLAP) Grant for the Cross Trail multimodal pathway (Cross TMP) Phase 6 construction for \$1,819,400. Funding will be available October 2018 for construction in 2019.

The FLAP provided funding for the construction of Cross TMP Phases 4 and 5 and planning and design for Phase 6 which is now underway. Since 2007, 2.4 million dollars have been expended to construct and reconstruct 5.5 miles of the Cross TMP.

The Cross TMP along with Sitka multimodal pathway (Sawmill Creek and Indian River Road separated pathways) will soon stretch from Harbor Mountain Road to Sawmill Cove Industrial Park. Phase 6, once constructed, will extend the Cross TMP to the Alaska Marine Highway terminal, Starrigavan Recreation Area and establish a connector to the Old Sitka Rocks cruise ship dock. The pathway provides a non-motorized transportation alternative to Sitka's roads and links schools, recreation facilities, downtown, subdivisions and other major public and visitor destinations.

Analysis:

It's anticipated that the Alaska FLAP will receive approximately \$7.9 million annually. Grant applications are accepted every two years. If funded, the grant award will be in October 2018.

The FLAP program is designed to assist state agencies and municipalities with transportation projects that enhance access to federal lands, assist municipalities economically and improve safety and transportation networks. Construction of trail and transportation facilities and projects that improve public safety for pedestrians and bicycles are high priorities for funding

This project is a partnership effort with Sitka Trail Works and the US Forest Service. Applicants for funding are required to work closely and coordinate with a Federal Land Management Agency (FLMA) in development of the project proposals. Since the Cross TMP provides multiple access points to the Forest, crosses USFS land and the USFS is a Sitka Trail Plan

Sitka Trail Works Mission Statement: To contribute to the overall health of the community through the development, maintenance and promotion of a comprehensive trail system in the Sitka area.

partner in the project, the Forest Service has said they will provide joint project endorsement. The Cross TMP will provide critical access to high use USFS recreational facilities: the Gavan Trail, Indian River Trail, Harbor Mountain Trail, Starrigavan Recreation Area and Campground and Harbor Mountain recreation area therefore ranks high in the grant evaluation criteria.

The Cross Trail Multimodal Pathway Phase 6, when constructed, will provide adequate and safe non-motorized facilities along State managed Halibut Point Road. According to DOT, any upgrade to non-motorized facilities along HPR is unlikely in the near term so the Cross TMP Phase 6 will provide a safe, pleasant alternative route for bicyclists and pedestrians.

The Sitka Fire Department views the Cross TMP as a priority community safety project and the municipal emergency evacuation plan calls for use of the Cross TMP. Once completed, it will function as a primary emergency evacuation route since it is capable of sustaining vehicle traffic. Sitka Search and Rescue (SAR) has used the Cross TMP to provide better access to their search and rescue operations in the National Forest. When accidents occur or hikers are missing they have used four wheelers on the Cross TMP to transport patients and SAR personnel.

The Cross Trail is a low maintenance, high use trail that provides maximum public benefit. Trail tread has an indefinite service life and won't require capital replacement. Any bridges will have a projected life of fifty to seventy years. Sitka Trail Works will continue to partner with the City and Borough for trail maintenance.

Fiscal Note:

The grant request is for \$1,819,400 for Phase 6 construction. Funds will be available October 2018 for construction in 2019.

The required match for funding is 9.03% of the total project cost of \$2 million. This match will be comprised of in-kind CBS staff time to manage the project and Sitka Trail Works will provide the rest of the match with support from foundation donors. Major funders have expressed an interest in helping finish this last Phase of this project. If matching grant funds are not in place by October 2018, the project will not proceed.

Sources of matching funds:

STW Grant Funds	\$176,600
<u>CBS Personnel In-Kind</u>	<u>\$ 4,000</u>
	\$180,600

Recommendation:

Approve Resolution 2016 – 08 authorizing the City and Borough of Sitka to apply for and execute a Federal Lands Access Program grant for the Phase 6 construction of the Cross Trail Multimodal Pathway.



City and Borough of Sitka

FIRE DEPARTMENT

209 LAKE ST. • SITKA, ALASKA • 99835

907-747-3233

April 15th, 2016

To: Mayor Mim McConnell and Assembly Members
Via: City Administrator, Mark Gorman

Subject: Resolution of support for MAP-21 Federal Lands Access Program (FLAP) grant for the Cross Trail multimodal pathway (Cross TMP) Phase 6 construction.

Lynne Brandon, Executive Director, Sitka Trail Works has asked for supporting a grant application to the Federal Lands Access Program, Phase 6 construction. As the Emergency Manager and Fire Chief for the City and Borough of Sitka, and the Incident Commander to the City and Borough Disaster Declaration slide incident of August 18th, 2015, we are both absolutely in support of this resolution request.

In my previous letter dated January 11th, 2013, (see attached copy), all of the bulleted items that I addressed still hold true to this date and for the future. On August 18th, 2015 the newly constructed Cross Trail was a life saver. Kramer Avenue was cut completely off by two slides on either end of the road. The only motorized access for the initial 24 hours was by four wheeler ATV's utilizing the cross trail. This access route into the disaster area was in constant use for the next 9 days. Emergency Services personnel gained access in and out of the area via the cross trail access from Cascade Creek Road to Kramer Avenue. Throughout the incident, a patient experiencing a cardiac event was also transported to a waiting ambulance utilizing the Cross Trail route.

The Cross Trail provided a fast and safe access route during the August 18th, 2015 City and Borough of Sitka disaster declaration for Emergency Services personnel and Law Enforcement personnel as well as the over 600 volunteers who participated in the recovery of three deceased members of this community.

As I mentioned in my letter of January 11th, 2013, “in the event of a major disaster, this trail system will save many lives”. The City and Borough of Sitka experienced a major disaster and the Cross Trail proved to be invaluable. Please pass a Resolution of Support for the Phase 6 construction for the FLAP grant. There is no doubt or question how necessary this Cross Trail is to the City and Borough of Sitka.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Miller". The signature is fluid and cursive, with the first name "Dave" being more prominent than the last name "Miller".

Dave Miller, Fire Chief
City and Borough of Sitka, Emergency Manager

Cc: Lynne Brandon, Executive Director, Sitka Trail Works
Michael Harmon, Public Works Director
Jay Sweeney, Finance Director



City and Borough of Sitka

FIRE DEPARTMENT

209 LAKE ST. • SITKA, ALASKA • 99835

907-747-3233

January 11th, 2013

To: Mayor Mim McConnell and Assembly Members

Via: City Administrator, Jim Dinley

Subject: Resolution of support for a grant application to the Federal Lands Access Grant Program.

Deborah Lyons, Executive Director of Sitka Trail Works has asked for support from an emergency management stand point for a Resolution of support for a grant application to the Federal Lands Access Grant Program. As the Emergency Manager and Fire Chief for the City and Borough of Sitka, I am absolutely in support of this resolution request. I understand that the City and Borough of Sitka Public Works is submitting the grant with the help of Sitka Trail Works in the development and improvement of the Cross Trail.

What Deborah and the members of the Sitka Trail Works board and organization have accomplished in the development and improvement of the Cross Trail from Sitka High School to Harbor Mountain Road could potentially saved the lives of thousands of residents in the City and Borough of Sitka in the event of a major disaster.

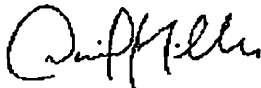
- No longer do residents along Halibut Point Road have to drive to Sitka High School. Instead, they can use any road from Granite Creek to Cascade Creek to gain high ground in their private vehicles. In the event of an actual tsunami, they can easily get to Keet Gooshi Heen or the High School by utilizing the cross trail.
- If the residents along Halibut Point Road begin to utilize the cross trail for emergency access, this helps to relieve the traffic jam problem in getting to the designated shelters along Halibut Point Road and Sawmill Creek Road.
- Emergency personnel and ATV's can now safely mobilize equipment and conduct rescues to residents by utilizing the entire length of the Cross trail to access the main road systems of Halibut Point road and Sawmill Creek road.
- Damage assessment and recovery efforts are dramatically improved by creating a secondary access from the main road system which would be littered with debris and hazardous conditions.

Imagine if the improvements to the Cross Trail were to extend the entire length of Sawmill Creek Road? In addition to the items described above:

- The residents of Sawmill Creek Road would also be able to utilize the side roads to access high ground and if needed, could utilize the cross trail to get to the designated shelters.
- The traffic along Sawmill Creek Road would allow the heavy equipment and fuel trucks to deploy to the ball fields in a timely manner.
- The pre-schools on Sheldon Jackson Campus and Baranof School would be able to access the improved Cross Trail as a designated emergency evacuation route if needed.
- During any day time emergency, if the residents of Halibut Point Road and Sawmill Creek Road utilized the side roads for high ground, the round about would be clear for all the Japonski Island residents to evacuate without causing a congestion.

There are certainly other uses for the Cross Trail for recreational purposes. However, by design or by accident, this trail system has provided the City and Borough of Sitka a safe evacuation route along the entire main road systems of Halibut Point Road and Sawmill Creek Road. Any and all improvements to this trail system only benefit the safety and emergency response to all residents of Sitka. Please pass a Resolution of Support for this grant. In the event of a major disaster, this trail system will save many lives.

Sincerely,



Dave Miller, Fire Chief
City and Borough of Sitka, Emergency Manager

cc: Lynne Brandon, Parks and Recreation Manager
Michael Harmon, Public Works Director
Jay Sweeney, Finance Director
Deborah Lyons, Executive Director, Sitka Trail Works



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-075 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/20/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Reappoint Tamie (Harkins) Parker Song to a term on the Planning Commission and Appoint: 1) Scott Saline to a term on the Historic Preservation Commission, and, 2) Allison Massey to a term on the Parks and Recreation Committee

Sponsors:

Indexes:

Code sections:

Attachments: [Motion.pdf](#)
[Parker Song.pdf](#)
[Saline..pdf](#)
[Massey.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Tamie (Harkins) Parker Song to a term on the Planning Commission and appoint: 1) Scott Saline to a term on the Historic Preservation Commission, and, 2) Allison Massey to a term on the Parks and Recreation Committee.



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

Board/Commission/Committee: Planning & Zoning Commission
Name: Tamie (Harlins) Parker Song Daytime Phone: 907-623-7687
Address: P.O. Box 1121, Sitka Evening Phone: "
Email Address: tamie.parker.song@gmail.com Fax Number: —
Length of Residence in Sitka: Almost 2 years Registered to vote in Sitka? Yes No
Employer: Blue Plum Editing (self-employed)
Organizations you belong to or participate in:
Sitka Health Summit Coalition, Island Institute, Sitka Cirque

Explain your main reason for applying:
I want to continue my work on the Planning Commission, which work I see as an attempt to be meaningfully engaged in civic life in Sitka.

What background, experience or credentials will you bring to the board, commission, or committee membership?
I have 5 months experience with this particular commission, plus the experience detailed in the attached letter

- 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.

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: April 13, 2016 Signature: [Handwritten Signature]

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

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

Tamie Parker Song

P.O. Box 1121, Sitka, AK 99835
907.623.7687 / tamieparkersong@gmail.com

Education

University of Southern Maine
MFA, Creative Nonfiction Writing
Portland, ME 2012

Trinity Western University
BA, Philosophy and English Literature
Langley, British Columbia, Canada 2002
Dean's List

Experience

Blue Plum Editing
Freelance Editor
Sitka, Alaska Nov 2014-Present

- Own and operate a freelance academic editing company focused on social justice

Ariel Parkinson
House Manager & Live-in Caretaker
Berkeley, California Sept 2012-Sept 2014

- Managed all aspects of household of multiple employees
- Attended to all daily, short-term, and long-term needs of a patient with dementia

College of Alameda
Adjunct English Instructor
Alameda, California June 2013-June 2014

- Taught Critical Thinking in the English Department
- Taught three different versions of the class (6-week, 8-week, semester-long)

National Parks Revealed
Operations Manager
Berkeley, California May 2012-May 2013

- Assisted in tour operations for private tours in the National Parks.
- Wrote extensive web copy for the company website

Cirque: Journal of the Pacific Rim
Associate Editor
San Francisco, California Autumn 2012

- Reviewed and selected manuscripts for publication

826 Valencia
Writing Tutor
San Francisco, California June 2012-Dec. 2012

- Tutored high school students on writing personal essays and college entrance essays
- Assisted middle school students with writing articles for their school magazine

Kosciusko County Jail
Literacy Teacher
Warsaw, Indiana June 2009 - June 2010

- Taught poetry, story-telling, and essay-writing to one class of incarcerated men and one class of incarcerated women each week

Giverny Fitness Studio
Yoga Teacher
Winona Lake, Indiana Jan 2010 - June 2010

- Taught two engaging and dynamic weekly yoga classes

Unitarian Universalist Fellowship of Flagstaff, Flagstaff, Arizona
Director of Religious Education
Sept 2008 - Mar 2009

- Oversaw and helped design curriculum for grade school age children at church
- Met monthly with and taught new volunteers



PLANNING COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
CHRIS SPIVEY PO Box 312	747-6636 w 738-2524 c spi3050@yahoo.com	12/11/12 1/28/14	2/8/14 1/28/17	CHAIR
DARRELL WINDSOR PO Box 1973	738-4046 c dwindsor@gci.net	6/28/11 6/24/14	6/28/14 6/24/17	VICE CHAIR
TAMIE (HARKINS) PARKER SONG PO Box 1121	623-7687 tamieparkersong@gmail.com	4/23/13	4/23/16	<i>Parmelee's term</i>
DEBRA POHLMAN 209 Moller Avenue	747-1722 w dpohlman@sitkahospital.org	6/25/13	6/25/16	
RANDY HUGHEY 220 Lakeview Drive	738-2999 c randywhughey@gmail.com	2/24/15 10/13/15	10/23/15 10/13/18	
Michael Scarcelli Senior Planner	747-1815 michael.scarcelli@cityofsitka.org			Staff Liaison
Maegan Bosak Planning and Community Development Director	747-1824 maegan.bosak@cityofsitka.org			
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Secretary

5 members from public, 3-year terms
 Established by Ordinance 74-118/SGC2.18 & Charter Article VIII
 Must be registered to vote
 First and Third Tuesdays 7:00 p.m. – Sealing Cove Business Center

**CONFLICT OF INTEREST FORMS
 OATHS OF OFFICE**

Revised: February 22, 2016



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

Board/Commission/Committee: HISTORIC PRESERVATION AT LARGE

Name: Scott Saline Daytime Phone: 8-7889

Address: BX 3183 Sitka AK Evening Phone: "

Email Address: shsaline@gci.net Fax Number: N/A

Length of Residence in Sitka: 35 years Registered to vote in Sitka? Yes No

Employer: self employed/mechanical administrator #962/HACIBUT IFQ holder

Organizations you belong to or participate in: Sitka Veterans Assn.
serve as Historian

Explain your main reason for applying:

Sitka needs to enhance historical assets as a baseline for historic tourism's potential development

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

I own the last haulout for canoe subsistence of Sitka Kwan, this property was declared "no historical significance"... first day I owned it I discovered ~~an~~ an anchor with 3 pre contact designs and allowed it to be gathered into tribal hands

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.

I can't see any conflict ready to answer any query

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: 11 Apr 14 Signature: [Signature]

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

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

Scott Kevin Saline 58 years old 35 years in Sitka (2 winters in Petersburg)
High School - St Anthony Village Mpls MN 1976
US Navy Submarine School 1977
US Navy SCUBA School - Diver USS Queenfish 651 1978
Diver's Inst Mixed GAS 1981
Diving Medicine certification 1985
Dunwoody Inst 2 year degree in Refrigeration 1994-95 Mpls MN
Fisherie Advisory comm Sitka 1996-?
Sitka collaboration 2 years missed 2 meetings
Sitka emer planning 200?

quit coz all we did was stuff envelopes
Sitka chamber of commerce current

Historian position as officer in Sitka Veterans Assn. currently -

self employed - Saline Services Admin # 962 unlimited Refrigeration
Statewide

Halibut IFQ 3K lbs
Sea cucumber permit

Separated w/ 3 kids in Sitka Schools



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15	4/22/17	CHAIR At large
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	Vice-Chair At large
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-6866 h roblylittlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	SECRETARY Native community
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17	At large
PETER GORMAN 103 Rands Dr	747-5553 pcgorman@gmail.com	12/23/03 1/9/07 12/22/09 1/5/13	12/23/06 1/9/10 12/22/12 1/8/15	CHAIR At-large Secretary 2/1/11
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sn.gov	2/24/15	2/24/18	STA
CLARA GRAY PO Box 401	752-7880 clara.gray@sitkatriben-sn.gov	4/12/16	2/24/18	STA (alternate) <i>Miller's term</i>
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Aaron Swanson 1410 C Sawmill Creek Rd	747-5499 h 623-7869 c assemblyswanson@cityofsitka.org			Assembly Liaison

7 members from selected categories 3-year terms

Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)

Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409

Second Wednesday, 6 p.m. – Sealing

Cove Business Center 601 Alice Loop

Quorum is met when 4 Commission members are present

Revised: April 13, 2016



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

Board/Commission/Committee: Parks and Recreation Committee

Name: Allison Massey Daytime Phone: (907) 887-4555

Address: 1510 B Davidoff St. Evening Phone: (907) 887-4555

Email Address: asajm46@gmail.com Fax Number: N/A

Length of Residence in Sitka: 28 yrs born + raised Registered to vote in Sitka? Yes No

Employer: Sitka Counseling + Prevention Services

Organizations you belong to or participate in:

Sitka Softball Association, USA Jumprope,
St. Peters Episcopal Church

Explain your main reason for applying: As a born and raised Sitka resident, I am a person who believes that the quality of life in Sitka is greatly enhanced by both the parks + recreational opportunities afforded residents. Being a lifelong resident I believe my familiarity + energy would be an asset.

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

My background of ongoing involvement in multiple indoor and outdoor sports activities makes me a good fit for this committee. I am also a regular Sitka park and trail user that believes this city is a better place because of its parks.

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.

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: 4/19/16 Signature: Allison Massey

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

Allison Massey
1510 B Davidoff Street
Sitka, AK 99835
907-887-4555
Email: asajm46@gmail.com

Education:

Sitka High School, 1000 Lake Street, Sitka, AK 99835.
Graduation date May 26, 2006.

University Alaska Anchorage, August 2006 to December 2010
Bachelors of English, emphasis in Romanticism and Scottish Literature

University Alaska Anchorage, August 2011 to May 2013
Occupational Endorsement Certificate in Children's Behavioral Health

Work Experience:

Harborside Fitness, Desk Clerk. Sitka, AK 99835.
June 6 2003 to September 25 2005.

Sitka Bazaar, Retail Sales Position. Sitka, AK 99835.
May 15 2004 to August 20 2004.

Talon Lodge, General Employee Apple Island, Sitka, AK 99835
April 29 2006 to June 11 2006. Job ended early due to broken ankle.
Remote Island lodge.

Icicle Seafoods, Inc. Herring Technician. Sitka, AK 9835
March 12 2006 to March 31 2006 and March 17 2007 to April 4 2007.

Sitka Fur Gallery and Baranof Jewelers, Sales and Floor Clerk. Sitka, AK 99835
May 14 2007 to August 23 2007.

University of Alaska Anchorage, Laboratory Technician. Anchorage AK 99508
October 16 2009 to December 2010
Supervisory Position

10th and M Seafoods, Sales Associate. Anchorage AK 99501
April 24th to August 20th

Sitka Counseling and Prevention Services, Direct Service Provider. Sitka, AK 99835.
April 11 2011 to present.

Volunteer Positions:

Sitka School District, Assistant Volleyball Coach 6th grade.
2014 and 2015

USA Jumprope, Head Judge.
2016 Region 9 Tournament.



PARKS AND RECREATION COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
JEFF FELDPAUSCH 211 Cascade Creek Road B	752-0775 cell 747-2751 h sitkafootball08@yahoo.com	7/13/10 8/13/13	7/13/13 8/13/16	CHAIR
CLARA WHITEHEAD 2111 Sawmill Creek Road	966-5575 w 360-265-3533 c clara.a.whitehead@uscg.mil	10/7/13	10/7/16	VICE-CHAIR
JEFF MOSSIGE 525 Monastery St., Apt #2	970-708-3931 mossigej@gmail.com	7/30/10 1/11/11 1/28/14	1/22/11 1/11/14 1/28/17	
CHRIS WHITEHEAD 2111 Sawmill Creek Road	747-7395 w 360-797-3152 c chris.whitehead@sitkatriben-sns.gov	10/7/13	10/7/16	
LORRAINE LIL 105 Austin Street	747-3309 738-1350 c committeework@outlook.com	03/22/16	03/22/19	
BARBARA MORSE PO Box 2972	752-0240 c morseb9@hotmail.com	03/22/16	03/22/19	
NON-VOTING				
Wanda Bush Assistant Contract Coordinator/Office Manager City and Borough of Sitka	747-1806 wanda.bush@cityofsitka.org			Secretary
Wayne Challoner Sitka National Historical Park 106 Metlakatla Street	747-0111 w 747-5938-fax wayne_challoner@nps.gov			Ex Officio
Lynne Brandon Sitka Trail Works 801 HPR	747-7244 w 747-7315 fax trail@gci.net			Ex Officio
Benjamin Miyasato 405 B DeGroff Street	752-0163 c assemblymiyasato@cityofsitka.org			Assembly Liaison

7 members from public - 3 year terms
 Established by Ordinance 75-199 (2.56 SGC)
 Second Thursday, Noon – Sealing Cove Business Center, 601 Alice Loop

Revised: April 12, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-05 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/16/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Amending Sitka General Code Title 10 "Public Peace, Safety and Morals" by adding a new Chapter 10.25 entitled, "Cellular Phone Use While Driving"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-05.pdf](#)
[Memo Ord 2016-05.pdf](#)
[Ord 2016-05 AMENDED.pdf](#)
[Ord 2016-05 Original.pdf](#)

Date	Ver.	Action By	Action	Result
4/12/2016	1	City and Borough Assembly		
4/12/2016	1	City and Borough Assembly		
3/22/2016	1	City and Borough Assembly	PASSED ON FIRST READING	Pass

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-05 on
third and final reading.

Memo

February 10, 2015

To: City and Borough of Sitka Assembly

Subject: 2016 Safe Streets - Focused Driver ordinance

In March of 2015 the Health Needs and Human Services Commission began discussing distracted driving, which is very common in Sitka. The group indicated this was a health issue and that the recommended best practice, which includes legislative action, could help prevent a tragedy. We have sensible guidelines and enforcement for speeding and drunk driving, but are severely lacking when it comes to distracted driving. In Alaska there is a State law prohibiting texting while driving but nothing to address all the other forms of distracted driving which are both common and problematic.

The Health Needs and Human Services Commission found a well thought out ordinance from Austin, Texas (which prohibits the use of hand held portable devices while driving or bicycling) and used that as a template to build our own local ordinance. Sitka's ordinance, like Austin's, focuses on the most common form of distracted driving: cell phone use.

According to the National Safety Council, in 2008, 28% of all crashes were attributed to cell phone use resulting in 1.6 million crashes and 645,000 injuries. Using a cell phone while driving increases the chance of a crash by 4 times according to the nonprofit Insurance Institute for Highway Safety.

Many local residents have shared stories of distracted driving contributing to collisions and hair raising close calls. The intent of the 2016 Safe Streets – Focused Drivers ordinance is to reduce Sitka's risk of experiencing crashes, injuries and even fatalities caused by distracted driving. Sitkans walk and bike at significantly higher rates than the national average, so we have a potentially deadly combination of having lots of vulnerable roadway users and lots of distracted motorists.

An observation survey of 265 motorists in Sitka from February of 2015, showed 21% of drivers clearly were multitasking and had one hand off the wheel and on something else, usually a cell phone. Talking on a hand-held cell phone while driving is banned in 46 countries plus 14 U.S. states, the District of Columbia, and many municipalities. This is a positive trend that will save lives.

The overall goal of the ordinance and the accompanying injury prevention project; is to cut the number of distracted drivers in half (under 10%) as measured by the post project survey of Sitka drivers which is scheduled for March 2016. If this goal is achieved, Sitka will undoubtedly be a safer town for pedestrians, cyclists and motorists.

On September 8th the Health Needs and Human Services Commission (HNHSC) voted unanimously to approve the Safe Streets – Focused Drivers draft ordinance. On September 23rd the Police and Fire Commission also reviewed, evaluated and voted to endorse this same ordinance. The ordinance went through the City's Legal Department where it was reviewed and was further refined. The final draft was unanimously passed at the Health Needs and Human Services Commission on Feb. 9. Now the ordinance

will go before the Assembly for consideration. Please feel free to contact any of us about this important public safety ordinance.

Thank you for your consideration and service,

Doug Osborne, Chair CBS Health Needs and Human Services Commission,

Loyd Platson, Vice Chair CBS Health Needs and Human Services Commission, and
Chair CBS Police and Fire Commission

Don Jones, Vice Chair CBS Police and Fire Commission

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE TITLE 10 "PUBLIC PEACE, SAFETY AND MORALS" BY ADDING A NEW CHAPTER 10.25 ENTITLED, "CELLULAR PHONE USE WHILE DRIVING"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. PURPOSE. The purpose of this ordinance is to establish a code that defines conduct and penalties considered unlawful within the City and Borough of Sitka regarding the use of cell phones while operating a motor vehicle.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 10 is amended by adding a new section 10.25 entitled, "Cellular Phone Use While Driving" to read as follows (new language underlined; deleted language stricken):

Title 10
PUBLIC PEACE, SAFETY AND MORALS

Chapter 10.25
Cellular Phone Use While Driving

Sections:

- 10.25.010 Definitions
10.25.020 Unlawful Use
10.25.030 Exceptions

10.25.010 Definitions

- A. Cell phone means a hand-held cellular telephone.
B. Use means employing a cell phone for any reason including, without limitation, the following activities while holding or touching the device:
1. Dialing or deactivating a phone call;
2. Speaking in or listening to a conversation, or music;

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- 3. Viewing, taking or transmitting electronic images including videos;
- 4. Composing, sending, viewing, accessing, browsing, retrieving or saving email messages;
- 5. Entering or changing information in a global positioning or navigation system or any software or application designed for navigation;
- 6. Accessing or viewing an internet website or computer application or;
- 7. Playing a game.

C. Authorized emergency personnel means a person who is a law enforcement officer, firefighter, member of a governmental emergency medical services function, or member of a governmental emergency management function.

10.25.020 Prohibited Use

A. An operator of a motor vehicle may not use a cell phone when the vehicle is in motion, or while stopped at a stop sign or traffic light.

10.25.030 Exceptions

A. It is an affirmative defense to prosecution of an offense under this section if:

- 1. The cell phone is used in a hands-free mode of operation;
- 2. Use of the cell phone is for obtaining emergency assistance to report a crime, traffic accident, medical emergency, or serious traffic hazard or to prevent a crime about to be committed;
- 3. Use of a cell phone is in the reasonable belief that a person's life or safety is in immediate danger.

B. 10.25.020 (A) does not apply to:

- 1. Vehicle dispatching and response information for motor vehicles providing emergency road service or roadside assistance;
- 2. Information for use in performing highway construction, maintenance, or repair or data acquisition by the municipality; or

94 3. Information for use in performing utility construction, maintenance, repair, or data
95 acquisition by a public utility; in this subparagraph, "public utility" has the meaning
96 given in AS 42.05.990;

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98 4. Authorized emergency personnel using a cell phone while acting in an official
99 capacity;

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101 5. **EFFECTIVE DATE.** This ordinance shall become effective 30 days after the
102 date of its passage.

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104 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
105 Sitka, Alaska this 26th day of April, 2016.

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Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st reading 3/22/16

2nd reading 4/12/16 amended

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE TITLE 10 "PUBLIC PEACE, SAFETY AND MORALS" BY ADDING A NEW CHAPTER 10.25 ENTITLED, "CELLULAR PHONE USE WHILE DRIVING"

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Title 10
PUBLIC PEACE, SAFETY AND MORALS

Chapter 10.25
Cellular Phone Use While Driving

Sections:

- 10.25.010 Definitions
10.25.020 Unlawful Use
10.25.030 Exceptions

10.25.010 Definitions

- A. Cell phone means a hand-held cellular telephone.
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1. Dialing or deactivating a phone call;
2. Speaking in or listening to a conversation, or music;

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- 3. Viewing, taking or transmitting electronic images including videos;
- 4. Composing, sending, viewing, accessing, browsing, retrieving or saving email messages;
- 5. Entering or changing information in a global positioning or navigation system or any software or application designed for navigation;
- 6. Accessing or viewing an internet website or computer application or;
- 7. Playing a game.

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10.25.020 Prohibited Use

A. An operator of a motor vehicle may not use a cell phone when the vehicle is in motion, or while stopped at a stop sign or traffic light.

10.25.030 Exceptions

A. It is an affirmative defense to prosecution of an offense under this section if:

- 1. The cell phone is used in a hands-free mode of operation;
- 2. Use of the cell phone is for obtaining emergency assistance to report a crime, traffic accident, medical emergency, or serious traffic hazard or to prevent a crime about to be committed;
- 3. Use of a cell phone is in the reasonable belief that a person's life or safety is in immediate danger.

B. 10.25.020 (A) does not apply to:

- 1. Vehicle dispatching and response information for motor vehicles providing emergency road service or roadside assistance;
- 2. Vehicle dispatching information for passenger transport or freight or package delivery;

94 3. Information for use in performing highway construction, maintenance, or repair or
95 data acquisition by the municipality; or

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97 4. Information for use in performing utility construction, maintenance, repair, or data
98 acquisition by a public utility; in this subparagraph, "public utility" has the meaning
99 given in AS 42.05.990;

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101 5. Authorized emergency personnel using a cell phone while acting in an official
102 capacity;

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104 5. **EFFECTIVE DATE.** This ordinance shall become effective 30 days after the
105 date of its passage.

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107 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
108 Sitka, Alaska this 26th day of April, 2016.

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111 _____
112 Mim McConnell, Mayor

113 **ATTEST:**
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116 Sara Peterson, CMC
117 Municipal Clerk

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119 1st reading 3/22/16
120 2nd reading 4/12/16 amended



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-09 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/5/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Adjusting the FY16 Budget
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-09.pdf](#)
[Memo Ord 2016-09.pdf](#)
[Ord 2016-09.pdf](#)

Date	Ver.	Action By	Action	Result
4/12/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-09 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

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

From: Bryan Bertacchi, Utility Director

Date: April 6, 2016

Subject: Transfer of Funds for Project #80003 Feeder Improvements

Background

The Electric Department respectfully requests Assembly approval to transfer \$670,000 of the Bond Funds from CIP No. 90594 (Blue Lake Third Turbine and Dam Upgrade) to CIP No. 80003 (Feeder Improvements). This transfer is required to complete several unplanned construction projects scheduled to begin early April including: replacement of high voltage switches on Japonski Island, high voltage equipment related to the Marine Street substation, undergrounding the line in front of the Aspen Hotel, and a second spare transformer for the Marine Street Substation.

Analysis

Subsequent to the identification of the failed Marine Street substation spare transformer, many community members have expressed a concern over the emergency response plan should an additional failure occur. With the advanced age of our existing Marine street transformers, failure of all of these transformers is likely within the next fifteen year period. Although our longer term plan is to create a back-up for the Marine Street substation, we are proposing a short term plan of adding a 2nd spare Marine Street Transformer to further reduce the likelihood of extended rolling blackouts in our community. Since we recently repaired our Marine street spare transformer, the complete specifications of the transformer internals were recorded by the repair company. That company (T&R Electric) has offered to create an additional spare transformer at a cost of approximately \$150,000. This 2nd spare would significantly reduce our risks of outages when the next transformer failure occurs in that we would have a spare during the time required to repair the next failed unit. Again, since 80% of the Sitka customers are served by the Marine street substation, it is likely prudent to proceed with this procurement and avoid the potential significant financial damage to the community from long term rolling outages. Based on Sitka General Code 3.16.060 for "emergency" procurement and for "specialized equipment for standardization", the Electric Department is requesting the Assembly approval to "sole source" this transformer from T&R Electric.

Additionally, a number of unplanned projects have been recently identified which require immediate attention during this spring and summer period: A key "four way switch: needs to be installed on Japonski Island in order to provide effective troubleshooting during faults (as were recently experienced), high voltage equipment near the Marine street substation is in desperate need of repair and replacement, and the overhead lines in the area near the new Aspen hotel need to be relocated underground.

Fiscal Note

This request will not require any new appropriations.

Recommendation

Approve Ordinance No. 2016-09.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-09

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY16 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 FY16 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 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, 2015 and ending June 30, 2016 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u>			
<u>ENTERPRISE AND INTERNAL SERVICE FUND</u>			
Management Information Systems Fund – Fixed Assets: The Information Technology Director has requested to increase his fixed asset appropriation for the completion of the Property Tax and Sales Tax System Upgrade Project in the amount of \$95,000. The funds are to be designated from the MIS undesignated working capital.			
<u>CAPITAL PROJECTS</u>			
Fund 700 – Katlian Avenue, Gavan & Lincoln Street Project #90801: The Senior Engineer is requesting that the budget appropriation of \$310,000 from the Gavan Street Utility and Street Improvements Project #90772 and the budget appropriation of \$500,000 from the Lincoln Street Project #90802 be moved to the Katlian Avenue, Gavan & Lincoln Street Project #90801. This is for informational purpose only, no further action is necessary.			
Fund 710 – Feeder Improvements Project 80003: The Utility Director has requested to re-appropriate \$670,000 from the Blue Lake Third Turbine and Dam Upgrade Project #90594 to the Feeder Improvements Project #80003. With this re-appropriation, \$150,000 of those funds will be sole sourced from T&R Electric for a 2 nd spare Transformer at the Marine Street Substation. This is for informational purpose only, no further action is necessary.			
Fund 730 - Channel Lift Station Project #90816: The Senior Engineer is requesting that an appropriation of \$600,000 be moved from the Channel, Lake, Monastery & Landfill Lift Stations Project #90601 to the Channel Lift Station Project #90816. This is for informational purpose only, no further action is necessary.			
Fund 730 – Crescent & Landfill Lift Station Replacement Project #90713: The Senior Engineer is requesting that an appropriation of \$1,173,696 be moved from the Channel, Lake, Monastery & Landfill Lift Stations Project #90601 to the Crescent & Landfill Lift Station Replacement Projects #90713. This is for informational purpose only, no further action is necessary.			

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EXPLANATION

Necessary revisions in the FY 2016 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 26th Day of April, 2016.

ATTEST:

Mim McConnell, Mayor

**Sara Peterson, CMC
Municipal Clerk**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-10 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/6/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Amending the City and Borough of Sitka Personnel Policies Handbook to allow the Municipal Administrator, for budgetary reasons, to change daily hours of work and the workweek and establish furlough days

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-10.pdf](#)
[Memo Ord 2016-10.pdf](#)
[Ord 2016-10.pdf](#)

Date	Ver.	Action By	Action	Result
4/12/2016	1	City and Borough Assembly		

POSSIBLE MOTION


I MOVE TO approve Ordinance 2016-10 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Mayor and Assembly Members
From: Mark Gorman, Municipal Administrator 
Date: April 6, 2016
Subject: Personnel Policy Ordinance

Ordinance 2016-10 amends the Sitka Personnel Policies allowing the Administrator, with Assembly approval, to change the hours of work and utilize furlough days as a budgetary reduction instrument. This provides the Administrator the necessary flexibility to balance the budget.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-10

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE CITY AND BOROUGH OF SITKA PERSONNEL POLICIES HANDBOOK TO ALLOW THE MUNICIPAL ADMINISTRATOR, FOR BUDGETARY REASONS, TO CHANGE DAILY HOURS OF WORK AND THE WORKWEEK AND ESTABLISH FURLOUGH DAYS

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the City and Borough of Sitka Personnel Policies Handbook.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.
- 3. **PURPOSE.** The proposed amendment to the City and Borough of Sitka Personnel Policies Handbook would allow the Municipal Administrator, with Assembly approval, to change the daily hours of work and the workweek to include unpaid furlough days for employees covered by the handbook.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the following provisions of the City and Borough of Sitka Personnel Policies Handbook are amended as follows (new language underlined; deleted language stricken):

* * *
Section 7
* * *

VII. HOURS OF WORK, OVERTIME, ETC.

7.1 HOURS OF WORK

Except as otherwise provided in this title, the regular workweek shall consist of five (5) days at eight (8) hours per day, or upon approval of the Department Head, four (4) days at ten (10) hours per day, totaling forty (40) hours per week. The Municipal Administrator may, for budgetary reasons, and as approved by the Assembly and in accordance with state labor laws, change the daily hours of work and workweek for employees covered by this policy. This may include but is not limited to unpaid furlough days or a reduction in work hours.

* * *

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 26th day of April, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-11 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/6/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Amending Sitka General Code Title 22 "Zoning" by amending Chapter 22.08 "Definitions" by adding Section 22.08.587 "Marijuana", amending Section 22.16.015 "Permitted, Conditional and Prohibited Uses", and amending Chapter 22.24 "Special Use Permits" by adding Section 22.24.026 "Marijuana Conditional Use Permits"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-11.pdf](#)
[Memo Ord 2016-11.pdf](#)
[Ord 2016-11.pdf](#)
[Addtl info Ord 2016-11.pdf](#)

Date	Ver.	Action By	Action	Result
4/12/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-11 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

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

From: Samantha Pierson, Planner I *SP*
Michael Scarcelli, Senior Planner
Maegan Bosak, Planning and Community Development Director *MB*

Subject: Ordinance 2016-11 Allowing all licensed marijuana activities as conditional uses in CBD, GP, I, C-1, C-2, WD, LI, and GI zones.

Date: April 6, 2016

The Planning Commission is recommending approval¹ of a zoning text amendment to modify SGC Sections 22.08, 22.16, and 22.24 to allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial Zoning Districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) Zoning Districts. If approved, licensed marijuana uses would include retail, cultivation, manufacturing, and testing. The unanimous vote was taken at the Planning Commission's March 15, 2016 meeting.

The purpose of this ordinance is to 1) allow licensed marijuana businesses to be established in Sitka while 2) providing a local regulatory mechanism. The Marijuana Advisory Committee and the Planning Commission saw the conditional use proposal as a compromise in the best interests of the community and prospective businesses. Conditional use permit approvals are based on plans submitted, which provides a level of control over where and how businesses may be established and operate. The Gary Paxton Board of Directors will consider this item at their April 7, 2016 meeting.

The proposed zoning text amendment is consistent with the following Comprehensive Plan Sections: 2.2.1 to contribute to a stable local economic base; 2.2.2 to provide needed goods and services locally; 2.4.4 to resolve land use conflicts through the public process; 2.4.24 to consider the views of residential property owners in regard to new commercial uses; 2.6.2 to

¹ Pohlman/Hughey moved to RECOMMEND to the City Assembly to allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts. Motion PASSED 5-0.

encourage commercial and industrial developments without impacting residential areas; and 2.6.5 to productively use the property at Gary Paxton Industrial Park.

The zoning text amendment would allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial Zoning Districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) Zoning Districts.

Recommendation: Approve the ordinance.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-11

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, AMENDING SITKA GENERAL CODE TITLE 22 "ZONING" BY AMENDING CHAPTER 22.08 "DEFINITIONS" BY ADDING SECTION 22.08.587 "MARIJUANA", AMENDING SECTION 22.16.015 "PERMITTED, CONDITIONAL AND PROHIBITED USES", AND AMENDING CHAPTER 22.24 "SPECIAL USE PERMITS" BY ADDING SECTION 22.24.026 "MARIJUANA CONDITIONAL USE PERMITS"

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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 allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts. The definition changes in Title 22 Chapter 8 reflect State definitions.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapters 22.08, 22.16, and 22.24 are amended to read as follows (new language underlined; deleted language stricken):

* * *

**Chapter 22.08
Definitions**

* * *

22.08.587 Marijuana

A. "Marijuana" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate. "Marijuana" does not include fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

B. "Marijuana Establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store.

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C. “Marijuana Cultivation Facility” means an entity registered to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

D. “Marijuana Cultivation Facility, Limited” means a Marijuana Cultivation Facility with fewer than 500 square feet under cultivation.

E. “Marijuana Product Manufacturing Facility” means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

F. “Marijuana Product Manufacturing Facility, Extract Only” means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana concentrate; and sell marijuana concentrate to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

G. “Marijuana Retail Facility” means an entity registered to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell marijuana and marijuana products to consumers.

H. “Marijuana Testing Facility” means an entity registered to analyze and certify the safety and potency of marijuana.

I. “Marijuana products” means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

Table 22.16.015-3
General Services Uses

ZONES	P(1)	SF	SFLD	R-1 (6)	R-1 MH (6)	R-1 LDMH (6)	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I	GI(3)	LI(3)	R	OS	GP (8)
PERSONAL SERVICES																		
• General services									P	P	P			C				
• Dry cleaning									P	P	P							
• Industrial laundry										C	C		P					
• Funeral home/crematorium									C	P	P			C				
• Cemeteries/mausoleum	p													C	C			
• Day care/kindergartens	p			P(6)	P(6)	P(6)	P(5)	P(5)	C	P(5)	P(5)			P	P			
• Veterinary clinic							(7)		C	C	C		P	C				
• Automotive repair									C	P	P	P	P	C				

ZONES	P(1)	SF	SFLD	R-1 (6)	R-1 MH (6)	R-1 LDMH (6)	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I	GI(3)	LI(3)	R	OS	GP (8)
• Automotive service									C	P	P	P	P	C				
• Miscellaneous repair									P	P	P	P	P	C	C			
• Social service agencies									P	P	P	C		CU/*S	C			
• Stable	C									C	C			PU/CS		C		
• Kennel										C	C		C	P				
• Bank							C	C	P	P	P			C	C			
• Credit union							C	C	P	P	P			C	C			
• Massage treatments																	C	
HEALTH SERVICES																		
• Offices/outpatient clinic							C	C	P	P	P			C	C			
• Hospital	C(4)								C	P	P			C	C			
• Medical/dental laboratory							C	C	P	P	P		P	C	C			
• <u>Marijuana Testing Facility</u>									<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C</u>
• <u>Miscellaneous health facility</u>							C	C	C	C	C	-	-	C	C	-	-	-
EDUCATIONAL SERVICES																		
• Elementary school	P						C	C	C	C	C			C	C			
• Middle/junior high school	P						C	C	C	C	C			C	C			
• Secondary/high school	P						C	C	C	C	C			C	C			
• Vocational school	P						C	C	C	C	C			C	C			
• Specialized instruction school	P						C	C	C	C	C			C	C			
• College/university	P								C	C	C			C	C			
• School district support facility (excluding bus barns)	P						C	C	C	P	P		P	C	C			
• Auditorium	P																	

Table 22.16.015-5
Manufacturing/Storage Uses

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP (7)
MANUFACTURING																		
• Food products include seafood processing										C	C	P	P	C	C	C		

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ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP (7)
• Mariculture												P		C	C			
• Winery/brewery, small scale									C	C	C	P	P	C	C			
• Textile mill products										C	C	P	P	C	C			
• Apparel and textile products										C	C	P	P	C	C			
• Wood products, except furniture										C	C	P	P	PU/CS	C			
• Furniture and fixtures										P	P	P	P	P	C			
• Paper and allied products										C	C	P	P	C	C			
• Petroleum refining and related products										C	C	P	P					
• Rubber and plastics products										C	C	P	P					
• Leather and leather goods										P	P	P	P	C	C			
• Tannery										C	C							
• Stone, clay, glass and concrete products										C	C	P	P	C	C			
• Primary metal products										C	C	P	P	C	C			
• Asphalt plant/concrete batch plant													C					
• Fabricated metal products										C	C	P	P	C				
• Industrial and commercial machinery										C	C	P	P					
• Heavy machinery and equipment										C	C	P	P					
• Computer and office equipment										P	P	P	P	C	C			
• Electronic and electric equipment										P	P	P	P	PU/CS	C			
• Miscellaneous vehicle manufacturing										C	C	P	P	C				
• Boat building										C	C	P(5)	P	C				
• Tire retreading										C	C	P	P					
• Other manufacturing										C	C	P	P(6)	C	C			
• <u>Marijuana Cultivation Facility</u>									<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C</u>
• <u>Marijuana Cultivation Facility, Limited</u>									<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C</u>
• <u>Marijuana Product Manufacturing Facility</u>									<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C</u>

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP (7)
• <u>Marijuana Product Manufacturing Facility, Extract-Only</u>									C	C	C	C	C	C	C			C
STORAGE AND WAREHOUSING													P					
• Marine equipment/commercial fishing gear/material storage										P	P	P	P	PU/CS	C			
• Boat storage										P	P	P	P					
• Construction materials storage									P	P	P	P	P	C	C	C		
• Trucking, courier and taxi service facilities									P	P	P	P(5)	P	C	C			
• Warehousing and wholesale trade									P	P	P	P(5)	P	C				
• Self-service storage									P	P	P	P	P	C				
• Log storage	C									C	C	P	P	C		P		
• Freight and cargo services									P	P	P	P(5)	P	C				
• Equipment rental services									P	C	C	P	P	C				
• Vehicle rental services									P	P	P	P	P	C				
• Natural resource extraction and mining support facilities												C	C	C	C			C
• Storage of explosives													C					
• Bulk fuel storage												C						

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Table 22.16.015-6
Retail and Business Uses

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD (8)	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP
RETAIL USES																		
• Building, hardware and garden materials										P	P		P	C	C			P
• Bulk forest products sales									P	P	P	P	P	P				P
• Retail forest products sales										P	P	P	P					C
• Art galleries and sales of art									P	P	P	P						
• Department and variety stores									P	P	P	P(5)		C	C			
• Food stores									P	P	P	P(5)		C	C	C(6)		C

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD (8)	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP
• Agricultural product sales										P	P		P	C	C			P
• Motor vehicle and boat dealers									P(7)	P	P	P(5)		C				P
• Auto supply stores									P	P	P			C	C			P
• Gasoline service stations									C	P	P		P	C	C			C
• Apparel and accessory stores									P	P	P	P(5)		C	C			
• Furniture and home furnishing stores									P	P	P			C				C
• Eating and drinking places									P	P	P	P	C	PU/CS	C			C
• Drug stores									P	P	P			C	C			
• Liquor stores									P	P	P	P(5)		C	C			
• Used goods, secondhand stores									P	P	P	P(5)		C	C			C
• Sporting goods									P	P	P	P(5)		C	C			
• Book, stationery, video and art supply									P	P	P	P(5)		C	C			
• Jewelry stores									P	P	P	P(5)		C	C			
• Monuments, tombstones and gravestones									P	P	P		P	C	C			P
• Hobby, toy, game stores									P	P	P			C	C			
• Photographic and electronic stores									P	P	P	P(5)		C	C			
• Fabric stores									P	P	P			C	C			
• Fuel dealers										P	P		P	C	C			C
• Florists									P	P	P			C	C			
• Medical supply stores									P	P	P			C	C			
• Pet shops									P	P	P			C	C			
• Sales of goods that are wholly manufactured at Gary Paxton industrial park GPIP																		P
• Sales of gifts, souvenirs and promotional materials that bear the logo or trade name of a GPIP permitted use business																		P
• Stand alone souvenir and gift shops									P	P	P	P						
• Bulk retail										P	P			C	C			
• Commercial home horticulture	P	C	C	C(9)	C(9)		C(9)	C(9)	P	P	P	P		PU/CS(9)	C(9)	P	P	
• Horticulture and	P								P	P	P	P						P

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD (8)	C-1	C-2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP
related structures																		
• <u>Marijuana Retail Facility</u>									<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C</u>
BUSINESS SERVICES																		P
• General business services									P	P	P	P(5)	P	C	C			C
• Professional offices							C	C	P	P	P	P(5)		C	C			P
• Communications services									P	P	P	P(5)		C	C			P
• Research and development services									C	P	P	C(5)	P	C	C			P

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**Chapter 22.24
SPECIAL USE PERMITS**

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22.24.026 Marijuana Conditional Use Permits.

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A. Intent. This section shall govern the approval of all conditional use permits for the following uses defined as: 22.08.587 A. Marijuana Activity, Licensed; 22.08.587 C. Marijuana Cultivation Facility; 22.08.587 D. Marijuana Cultivation Facility, Limited; 22.08.587 E. Marijuana Product Manufacturing Facility; 22.08.587 F. Marijuana Product Manufacturing Facility, Extract Only; 22.08.587 G. Marijuana Retail Facility; and 22.08.587 H. Marijuana Testing Facility. Such uses shall only be approved where there are no negative impacts that exist or where any negative impacts are mitigated through conditions that shall mitigate any potential negative impacts to preserve the public's health, safety, and welfare.

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B. Application Requirements. Same as conditional use application in Table 22.24.010-1.

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C. Standard Regulations, Dimensions, and Setbacks

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1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.

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2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building official.

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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 Marshall or their designee and the Building Official.

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4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.

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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.

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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

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114 abandon and extinguish any associated municipal license or conditional use
115 permit.

116 7. All approved Conditional use permits shall comply with all Sitka General Code
117 or shall be deemed to abandon and extinguish any associated municipal
118 license or conditional use permit

119 D. All proposed licensed facilities and/or uses for a conditional use at a specific
120 location shall be reviewed according to the following objective criteria to determine
121 whether the proposed use presents any negative impacts to the public's health,
122 safety, and welfare:

123 1. All criteria listed in section 22.24.010(I)

124 2. Any impact or criteria that surfaces through public comment, planning staff
125 review, or planning commission review

126 E. Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission
127 shall determine whether the proposed use(s) at the proposed project location are found to not
128 present a negative impact to the public's health, safety, and welfare.

129 1. If such a finding can be made, than the proposed use shall be approved with standard
130 regulations, dimensions, and setbacks.

131 2. In the alternative, where the Planning Commission finds negative impacts are present, the
132 Planning Commission shall only approve conditional use permits where the negative
133 impacts can be adequately mitigated by conditions of approval that preserve the public's
134 health, safety, and welfare. These conditions of approval shall be case by case specific and
135 in addition to the standard regulations.

136 3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through
137 conditions of approval than the Planning Commission shall so find and deny the proposed
138 conditional use permit.

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

147 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
148 Alaska this 26th day of April, 2016.

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151 _____
152 Mim McConnell, Mayor

152 ATTEST:

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154 _____
155 Sara Peterson, CMC
156 Municipal Clerk



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Tamie (Harkins) Parker Song
Debra Pohlman
Randy Hughey

Tuesday, March 15, 2016

7:00 PM

Sealing Cove Business Center

I. CALL TO ORDER AND ROLL CALL

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

II. CONSIDERATION OF THE AGENDA

Planner I Pierson stated that items E and K were pulled from the agenda.

III. CONSIDERATION OF THE MINUTES

Approval of the minutes for the March 1, 2016 meeting.

Windsor/Pohlman moved to approve the March 1, 2016 minutes with the amendment to correct Jerry Neel's name. Motion PASSED 5-0.

IV. REPORTS

A Letter to the Commission from Planning and Community Development Department staff.

This item was NO ACTION TAKEN.

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

This item was APPROVED.

V. THE EVENING BUSINESS

C Discussion and direction of municipal hazard mapping, presented by Planning and Community Development Department staff.

Bosak shared the pros and cons of road system-wide hazard mapping. The commission will make a recommendation to the Assembly.

Spivey asked if an RFP should have went out to the expenditure. Bosak stated that the \$150,000 cost is an approximation. Gorman stated that the completed hazard mapping was \$45,000. Windsor and Spivey stated concern that the

\$150,000 estimate is accurate. Dave Bruce stated that there may be efficiencies of scale when doing a larger project. Bruce said that the FEMA submission was made without CBS approval, and the DGGs could move forward regardless of city approval. Pohlman reiterated that we could be collaboratively involved, or it could happen anyway. Windsor asked if the city is open to liability, and Bruce said that he doesn't think so. Spivey asked why proceed if FEMA will do the mapping anyway. Bosak stated that the FEMA grant is not guaranteed. Bruce stated that collaboration would likely result in FEMA and CBS both contributing financially. Hughey stated that the commission should guide the where the community wants to go.

Clyde Bright recommended that the commission recommend road system-wide mapping to the Assembly for peace of mind. Nancy Davis said that something needs to be done, and people are scared. Susan Jensen asked why we wouldn't do it. Kyle Schull said that the city should not decide for individuals, and that individuals can elect to pay for their own surveys. Scarcelli reminded commissioners of the economy of scale, and that it is cheaper per parcel to do a larger scale study. Clyde Bright stated that the study recommended that no future development be made in the study area, and many parts of the city have the potential to be affected. Nancy Davis stated that we should not put emphasis on property values, but on lives. Richard Parmelee reminded the commissioners that other landslides have caused damage, and he believes that landslides will continue. Parmelee stated that people need to know their risk.

Parker Song wondered how efficacious a study would be, since the data cannot predict when a landslide will occur. Spivey stated that there are no zero-risk zones. Windsor stated that it would be negligent to not undertake the study. Pohlman stated support for community hazard mapping. Parker Song said that she didn't feel like she knew enough to proceed in either direction. Hughey stated that we should try to keep people safe. Commissioners discussed deferring the item to the next meeting to allow for more public comment. Spivey asked if the commission could place this item on the next agenda. Parker Song stated that the meeting will be set up specifically for the comprehensive plan. Parker Song stated that she would be open to having another meeting on this item. Hughey asked if the FEMA study would assess tsunamis. Bosak stated that the FEMA study would be multi-hazard. Hughey recommended that the commission move forward with the recommendation to the Assembly.

Hughey/Windsor moved to RECOMMEND that the Assembly undertake a community-wide hazard mapping, with or without FEMA involvement. Motion PASSED 5-0.

D

Discussion and direction of state land requests, presented by Planning and Community Development Department staff.

Bosak reported that the municipality has the opportunity to ask the state for land. She described three desired properties: Indian River, Millersville, and Starrigavan/Katlian Bay. Windsor asked if there are any downsides, and Bosak stated that there are no downsides. Bosak stated that it is good to have options for future development. Hughey stated that these parcels are good land. Bosak stated that there are no guarantees.

Steven Eisenbeisz stated that this would be a massive haul for the city. Eisenbeisz recommended looking to SEDA and other groups for letters of support. Matthew Jackson stated that the proposal is a no-brainer, and encouraged the commission to pursue this aggressively.

Hughey/Parker Song moved to RECOMMEND the request for state land. Motion PASSED 5-0.

E PULLED - Public hearing and consideration of a variance request filed by Jennifer Alley for 208 Kogwanton Street. The variance is for the reduction in the southerly and easterly side setbacks from 5 feet to 0 feet for the construction of a new house. The property is also known as Lot 56, Block 2, as shown on the supplemental plat of Sitka Indian Village. The request is filed by Jennifer Alley. The owner of record is Jennifer Alley.

F Public hearing and consideration of a variance request filed by Richard Parmelee for 405 Hemlock Street. The variance is for the reduction in the side setback from 8 feet to 2 feet for the construction of a carport. The property is also known as Lot 11 of Tower Heights Subdivision. The request is filed by Richard Parmelee. The owners of record are Richard J. Parmelee and Marjorie A. Parmelee.

Pierson explained the request. The applicant seeks to build a carport with one corner within two feet of the side property line. Staff recommended that the request be modified to a three foot setback. Pierson read a letter of concern from William Adickes, the adjacent property owner.

Richard Parmelee stated that he spoke to Mr. Adickes several times about this proposal and didn't expect the comment. Parmelee stated that the carport will only come 4 inches past the current canopy. Parmelee stated that he can park a vehicle beside the carport, and space is still available for the neighbor to drive past. Parmelee stated that the driveway is primarily on his property, and the neighbors have used the driveway through an informal agreement. Parmelee stated that he wants to clean the area up. Bosak stated that a condition of approval could be that Parmelee and the neighbor reach an agreement on the project.

Spivey stated that Mr. Adickes had spoken to him of his concerns with the carport. Windsor asked if he could wait another month to allow for discussion with the neighbor.

Pohlman/Hughey moved to POSTPONE the variance request filed by Richard Parmelee for 405 Hemlock Street to the next meeting. The variance is for the reduction in the side setback from 8 feet to 2 feet for the construction of a carport. The property is also known as Lot 11 of Tower Heights Subdivision. The request is filed by Richard Parmelee. The owners of record are Richard J. Parmelee and Marjorie A. Parmelee. Motion PASSED 5-0.

G Public hearing and consideration of a variance request filed by Clyde Bright for 402 Degroff Street. The variance is for the reduction in the front setback along Degroff Street from 20 feet to 8 feet for the conversion of a single-family home to a duplex. The property is also known as Lot 2 of the Amended Portion of Block 19, Sitka Townsite. The request is filed by

Clyde Bright. The owners of record are Clyde and Valerie L. Bright.

Pierson explained the request, and stated that staff recommend a modification to the site plan which would allow the creation of a duplex while eliminating the need for a variance along Degroff Street. Scarcelli stated that he has seen helical piers installed. Windsor asked why staff did not catch this before the helical piers were installed. Scarcelli stated that the building permit has not been approved.

Clyde Bright stated that the building permit had been filed, but the contractor was already in town so he had the contractor install the helical piers. Bright stated that the helical piers can be removed. Bright stated that the building will actually be 22 feet from Hollywood Way. Bright said that the lot is undersized, and he wants to preserve parking in the rear. Bright said that the alley has traditionally been the access to the property. Hughey asked for clarification regarding the applicant's proposal versus staff's modified proposal. Scarcelli explained the diagrams. Bright stated that you don't always want shared walls and shared parking spaces in a duplex. Bright stated plans to install fencing for aesthetic purposes. Bright stated that the staff proposal would not give the required ground clearance per building code. Spivey suggested digging to provide for the foundation. Windsor stated that the water table is high in that area. Bright stated that the garage will be removed. Bright stated that he plans new windows, doors, and roofing. Pohlman asked if he is gutting the entire interior, and Bright said that he was. Bright said that with the staff's proposal, entrances and parking would be next to each other. Scarcelli state that building has stated concerns with the structure as a mobile home. Bright stated that the building is modular, and an engineer has approved the plans.

Kyle Schull stated that he lives at 403 Degroff, and stated that Bright was considerate in his design. Judson Thomas stated that he lives at 420 Lake Street, and stated concerns for respecting the property lines in regard to fencing.

Hughey stated that there are many solutions, and that he would rather not grant a deep variance when it is not necessary. Spivey stated that Bright stated that he was not previously aware of the staff proposal. Spivey asked Bright if deferring the item for a modification would cause difficulty. Bright stated that the modification would cause difficulty, and building in the rear would impact alley access. Windsor stated that the parking in the rear is more important than the front setback. Spivey stated concern that a variance is approved and the applicant will need to come back to the planning commission because of building concerns. Spivey stated that a variance is to be granted when alternative options do not exist. Pohlman stated a preference to defer the item. Windsor asked if the deferral would require a deferral on the conditional use permit. Bosak stated that it would, as approvals are based on plans submitted.

Hughey/Pohlman moved to POSTPONE the variance request filed by Clyde Bright for 402 Degroff Street to the next month. The variance is for the reduction in the front setback along Degroff Street from 20 feet to 8 feet for the conversion of a single family home to a duplex. The property is also known as Lot 2 of the Amended Portion of Block 19, Sitka Townsite. The request is filed by Clyde Bright. The owners of record are Clyde and Valerie L. Bright. Motion PASSED 5-0.

H

Public hearing and consideration of a conditional use permit request filed

by Clyde Bright for 402 Degroff Street. The conditional use permit would allow two short-term rental units. The property is also known as Lot 2 of the Amended Portion of Block 19, Sitka Townsite. The request is filed by Clyde Bright. The owners of record are Clyde and Valerie L. Bright.

Pierson explained the request. The applicant seeks to rent both sides of a duplex as short term rental units. Scarcelli stated research findings that short term rentals can increase long-term rent rates. Staff recommended that the applicant only rent one unit as a short term rental.

Clyde Bright stated that the property has been owner-occupied in the past. Bright stated that he is not opposed to one unit being a short term rental and one unit being a long term rental.

Pohlman/Parker Song moved to POSTPONE the conditional use permit request filed by Clyde Bright for 402 Degroff Street. The conditional use permit would allow two short term rental units. The property is also known as Lot 2 of the Amended Portion of Block 19, Sitka Townsite. The request is filed by Clyde Bright. The owners of record are Clyde and Valerie L. Bright. Motion PASSED 5-0.

Public hearing and consideration of a zoning text change request filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow licensed marijuana activities as a conditional use in the Central Business District, Waterfront District, Industrial Zone, Commercial C-1 and C-2 zones, Gary Paxton Special Zone, Large Island Zone and General Island Zones.

Scarcelli stated that this proposal has come back to the Planning Commission three times. After discussion, the Marijuana Advisory Committee has decided to move forward with conditional use for marijuana businesses. Staff supports the recommendation of this amendment to the Assembly. Spivey asked about time limits for public comment. Bosak stated that each commenter is allowed 3 minutes.

Steven Eisenbeisz stated that he is a member of the MAC, but is not speaking on behalf of the board. Eisenbeisz stated concern that the commission has not asked input of the Gary Paxton board. Eisenbeisz stated that horticulture is a permitted use in several zones, and stated that he can't see the difference between growing one plant and several plants. Eisenbeisz stated that the facts stated in the staff report appeared to be cons, and would like to have seen more to address the pros. Bright recommended that any marijuana businesses should have to go through the planning commission, as growing marijuana is not the same as growing carrots. Mike Dailey stated that he plans to open a retail and cultivation facility at Sawmill Plaza. Hughey asked Dailey if the conditional use process causes undue difficulty, and Dailey stated no, that the conditional use permit is redundant in regard to the state process. Dailey stated that he is in support of the conditional use process. Dailey stated that he knows of three other proposed marijuana businesses.

Windsor stated that the conditional use permit provides a means of control. Parker Song spoke in favor of the conditional use.

Hughey/Pohlman moved to APPROVE the factual findings that the proposed zoning text change to adequately protect the public's health, safety, and

welfare because the conditional use process allows us to move slowly; and that each proposed use is compatible with the potential surrounding land uses; and that the proposal is consistent with the Comprehensive Plan. Motion PASSED 5-0.

Pohlman/Hughey moved to RECOMMEND to the City Assembly to allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts. Motion PASSED 5-0.

J

Public hearing and consideration of a conditional use permit request filed by Michelle Barker for a specialized instruction school at 213 Harbor Drive. The property is also known as Lot 2 of Wilmac Resubdivision. The request is filed by Michelle Barker. The owner of record is Island Fever Diving & Adventures, LLC.

Scarcelli explained the request. All educational services in the CBD require a conditional use permit. Drop-off and pick-up would occur during three time ranges. This proposal is on the lower end of other businesses in regard to parking. The proposal does not include outdoor activities. Approximately 18 letters of support were received. Staff supports the proposed conditional use permit.

Michelle Barker stated that she is the current owner, and Terry Bartolaba plans to buy the building. Barker stated that Bartolaba's business is a benefit to the community, as parents spend time in the downtown area. Barker stated that Bartolaba has operated her education business in the building before, and they were days away from closing when they were notified of the conditional use permit requirement. Barker stated that she renovated approximately three years ago as a glass studio. Barker stated that Bartolaba has been a business owner for 15 years.

Terry Bartolaba clarified that some tutoring services are offered on Fridays, and she sticks to the school schedule. Nancy Davis stated that she represents Bartolaba, and the planning commission previously advised Bartolaba to look for a commercially zoned property. Mary Magnuson said that approval would be an erosion of the downtown business district. Magnuson stated that this proposal impacts her prospects for opening a liquor retail store and expanding her bar area. Steven Eisenbeisz stated that is the renter of 208 Lincoln Street, and said that 208 Lincoln Street owns the alleyway between Mean Queen and 205 Harbor Drive. Eisenbeisz asked that if an approval is made, that the alleyway not be blocked. Eisenbeisz stated that the issue is larger than a single permit. Eisenbeisz stated that marijuana businesses are measured from the front door of the establishment, and there are potential marijuana locations on Harbor Drive. Gene Bartolaba stated that the alleyway is also blocked by patrons of other businesses, and stated that Terry has spoken to parents about not blocking the alleyway. Robin Bahna stated that her daughter has attended Terry's school, stated that it is a great school, and said that the location makes it easier to go shopping. Ryan Harris identified himself as Barker's son, and stated that Terry's school makes it easier to distribute parking and other information to patrons in comparison with a bar. Celeste Tydingco stated that the community wants Terry's school, and Sitka has various uses in close proximity. LacyAnne Ward stated that her 3 children attend Terry's school, and

that Terry has told parents to not block the alley. Lori Johnson stated that two of her children attend Terry's school, and stated that Terry has been looking for a location for years. Jeanette Foss stated that Terry is an asset to the town, and that the town has enough bars. Foss stated that we want to present a good face for tourists. Linda Barker-Olson stated that she is Barker's aunt, and stated that the letters of support were from business owners, not parents. Barker-Olson stated that parking in the alley has always been an issue. Barker-Olson stated that the location is convenient for working parents, and brings people into the business district. Barker-Olson stated that Bartolaba runs a business. Susan Jensen encouraged approval, as this is an established ongoing business, as opposed to a potential idea.

Parker Song asked if it would be impossible for Magnuson to get a liquor license. Spivey stated that Magnuson could still apply for a license. Bosak stated that staff are not clear on state liquor regulations, but could research if the commission requested. Hughey stated that Magnuson raises a valid concern for her business prospects. Windsor stated that he wanted to know more about state liquor regulations.

Parker Song/Hughey moved to POSTPONE the conditional use permit request and instruct staff to provide additional information on state liquor regulations. The conditional use permit request filed by Michelle Barker for a specialized instruction school at 213 Harbor Drive. The property is also known as Lot 2 of Wilmac Resubdivision. The request is filed by Michelle Barker. The owner of record is Island Fever Diving & Adventures, LLC. Motion PASSED 5-0.

K Public hearing and consideration of a minor subdivision at 211 Shotgun Alley filed by Barth Hamberg. The subdivision would result in four lots. The property is also known as Lot 2 of Johnstone Subdivision Replat. The request is filed by Barth Hamberg. The owner of record is Barth Hamberg.

L Discussion and direction of the Comprehensive Plan logo, presented by Planning and Community Development Department staff.

Pierson presented the two logos that were submitted for the Comprehensive Plan logo contest.

Commissioners discussed utilizing both images in the Comprehensive Plan. Commissioners discussed seeking tribal input on Henshaw's logo in regard to the use of formline design.

Henshaw's logo received 3 votes and Richter's logo received 2 votes.

VI. PLANNING DIRECTOR'S REPORT

Staff has a third of the land use inventory completed. Scarcelli explained the next agenda.

VII. PUBLIC BUSINESS FROM THE FLOOR

Steven Eisenbeisz clarified that a school can move in next door to a bar, but not vice versa. Eisenbeisz stated that the same is true for marijuana.

VIII. ADJOURNMENT

Pohlman/Hughey moved to adjourn at 10:35 PM. Motion PASSED 5-0.

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
February 16, 2016**

Present: Darrell Windsor (Vice-Chair), Debra Pohlman (Member), Randy Hughey (Member), Tamie Parker Song (Member), Maegan Bosak (PCDD), Michael Scarcelli (Senior Planner), Samantha Pierson (Planner I)

Absent: Chris Spivey (Chair) - Excused

Members of the Public: Krystina Scheller, Frances Brann, Erik de Jong, Dana Pitts, Margie Esquiro, Pete Esquiro, Judy Bigsby, Jennifer Alley, Mark White, Tim Fulton, Sharon Romine, David Moore

Vice-Chair Windsor called the meeting to order at 7:01 p.m.

Roll Call:

PRESENT: 4 –Windsor, Pohlman, Hughey, Parker Song

Consideration of the Minutes from the February 2, 2016 meeting:

MOTION: M/S HUGHEY/POHLMAN moved to approve the meeting minutes for February 2, 2016.

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

The evening business:

**COMPREHENSIVE PLAN PRESENTATION – MARKETING PLAN
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT STAFF**

Comprehensive Plan discussion and direction on marketing plan presented by Planning and Community Development Department staff.

Bosak led an interactive visioning exercise, asking commissioners and attendees to brainstorm words to describe Sitka and the Comprehensive Plan process. Bosak stated that the Planning staff would use this brainstorm information to develop logos and other marketing materials, and would bring those to the Commission for approval.

When asked to describe Sitka in one word, participants responded: Home, Community, Tlingit, Beautiful, Close-knit, Unique, Independent, Incredible, Historical, Coastal, Complex, Vibrant.

When asked to describe the Comprehensive Plan in one word, participants responded: Guiding, Vision, Framework, Progressive, Collaboration, Inclusive, Comprehensive, Sustainable.

When asked to describe Sitka in one image, participants responded: Tlingit People, Town Panorama, Mt. Edgecumbe, Islands, Fish, Whales, Children, Boats.

COMMISSIONER DELIBERATION: Parker Song stated concern that the Commission should be making more decisions about Comprehensive Plan details, and would like to be involved with coming up with the options. Bosak stated that the Assembly indicated that the Comprehensive Plan would be staff-facilitated, so staff will gather public input and provide Commissioners with options. Bosak stated that she envisions focusing on one topic per month. The first Planning Commission meeting of the month would include a public workshop, then the staff will present a draft for approval at the second meeting of the month. Hughey stated that he wants to invite public participation, but has concern with spending too much time on a logo. Pohlman reported that she spoke to art teachers from Sitka High and Mt. Edgecumbe, and they were open to involving their students in a time-limited logo contest. Windsor stated that he would prefer to choose among several logo options. Parker Song stated concern for the process by which decisions are made. Pohlman stated that this is a public process, and the Commission needs to move forward with a logo. Commissioners agreed to give an open call for participation to schools and local artists.

ZONING TEXT CHANGE

LICENSED MARIJUANA ACTIVITY AS PERMITTED USE IN I, CBD, & GP ZONES, AND AS A CONDITIONAL USE IN WD, C-1, C-2, GI, & LI ZONES CBS MARIJUANA ADVISORY COMMITTEE

Public hearing and consideration of a zoning text amendment filed by the City and Borough of Sitka Marijuana Advisory Committee. The amendment would allow licensed marijuana activities (retail, cultivation, manufacturing, and testing) as a permitted use in the Industrial District, Central Business District, and Gary Paxton Special Zone, and as a conditional use in the Waterfront District, General Commercial C-1 District, General Commercial Mobile Home District, General Island District, and Large Island District.

STAFF REPORT: Scarcelli explained the proposal. Standardized conditions of approval would be attached by default for approved marijuana conditional use permits. These conditions largely mirror state regulations. Designating some districts as permitted use may help to funnel businesses to those districts. Permitted uses would still go through a lengthy state-level process, including a public comment period. Hughey asked if businesses in permitted zones would be vested in the right to maintain that business, and Scarcelli stated that they would be vested as long as they continued to state and local regulations. Bosak stated that the Assembly approves leases for the Gary Paxton zone. Hughey asked about the status of a request to reduce the buffer to 200 feet. Windsor stated that the Assembly requested that the state reduce the buffer, but the state did not make the change. Scarcelli stated that the proposal is supported and opposed by various sections of the Comprehensive Plan.

COMMISSIONER DELIBERATION: Pohlman expressed concern for enforcement and safety of businesses, and wanted to hear input from the police. Pohlman asked “what kind of response and what kind of good faith evaluations would happen” by the police in the event of break-ins or robberies. Scarcelli stated that the MAC has not heard from local police. Pohlman stated that regulation without enforcement is not helpful. Windsor stated that the Marijuana Advisory Committee initially wanted to recommend permitted across the board, and conditional use permits

were introduced as an enforcement tool. Windsor stated that the state security regulations are extensive. Pohlman stated that in some urban cities, police response is delayed to domestic violence calls in comparison to other emergency calls. Windsor stated that there weren't any special rules and regulations guiding the police response to the recent break-in at Harry Race Pharmacy, so the argument is that marijuana businesses should not need a special set of law enforcement rules and regulations. Pohlman wants to know if there would be the same response for a break-in at a marijuana business. Pohlman stated that neighbors get uneasy when nearby houses are experience break-ins. Bosak recommended that Pohlman's question is a conversation that should occur between the MAC and police. Hughey asked what harm would be done to new business owners if they had a conditional use permit versus a permit. Scarcelli stated that the extra conditional use permit fee is minimal compared to state fees. Hughey stated that across-the-board conditional use permits would allow the community to assess as businesses. Scarcelli shared some statistics from the staff report. Pohlman urged caution in using statistics, explaining that "marijuana-related" was not defined in the cited reports.

PUBLIC COMMENT: Margie Esquiro stated preference for the conditional use permit process. Dana Pitts stated that she didn't want marijuana businesses to be located downtown and visible to tourists. Krystina Scheller asked if the expectation is that the bulk of marijuana income will come from locals or tourists. Bosak stated that the expectation is that income will come from both groups. Pete Esquiro stated preference for the conditional use permit, and warned against moving too fast. Pete Esquiro stated that he wouldn't mind if Gary Paxton Industrial Park is a permitted use. Judy Bigsby stated concern for recovery groups that meet downtown, and stated that marijuana smoke and visibility could trigger individuals recovering from addiction.

MOTION: M/S HUGHEY/POHLMAN moved to refer this item back to the City and Borough of Sitka Marijuana Advisory Committee for further discussion concerning law enforcement, and to recommend that all licensed marijuana activities be conditional uses in all zones.

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

8:13-8:20 – Break

VARIANCE REQUEST

**LOTS 2 AND 3, BLOCK 2, US SURVEY 2542 A & B, SITKA INDIAN VILLAGE; LOT 56, BLOCK 2, AS SHOWN ON THE SUPPLEMENTAL PLAT OF SITKA INDIAN VILLAGE
JENNIFER ALLEY**

Public hearing and consideration of a variance request filed by Jennifer Alley for 208 Kogwanton Street. The variance is for the reduction of the westerly side setback of Lot 2 from 5 feet to 0 feet, the reduction of the easterly side setback of Lot 3 from 5 feet to 0 feet, the reduction in the rear setback of Lot 3 from 10 feet to 0 feet, and the reduction of the southwesterly and southeasterly side setbacks of lot 56 from 5 feet to 0 feet for the construction of a new house. The new house will cross internal lot lines of Lots 2, 3, and 56. The variance is also for a reduction in the westerly external side setback of Lot 3 from 5 feet to 2 feet for the construction of a covered stairway. The property is also known as Lots 2 and 3, Block 2, U.S. Survey 2542 A

& B, Sitka Indian Village, and Lot 56, Block 2, as shown on the supplemental plat of Sitka Indian Village. The request is filed by Jennifer Alley. The owner of record is Jennifer Alley.

STAFF REPORT: Scarcelli described the property and the request. The three legal lots have historically been held in common ownership. A recently demolished house crossed the adjoining lot lines of Lots 2 and 3. The proposed house would cross the adjoining lot lines of Lots 2, 3, and 56. Scarcelli stated that a replat would be the appropriate process. Scarcelli stated that approval is based on plans submitted, and cited neighbor concerns with building orientation. The prior owner of the property granted an easement to CBS, which resulted in street improvements. Concerns were raised at the February 2nd meeting that property markers may have been removed or covered by the city during construction, but there is no way to know that these markers were in place prior to road construction. Scarcelli stated that the "lot merger" described in Title 22 is a misnomer, and is not a legal lot merger process. State law states that variances cannot be granted solely for pecuniary or convenience reasons.

APPLICANT: Jennifer Alley shared pictures of the lot and proposed house. Hughey asked how much the survey would cost. Alley stated that a survey would be \$2000-3000. Alley stated that without a variance she might build a smaller house on one of the lots. Alley stated that she may move the house back further on the lot, which would give more space between the neighboring house.

PUBLIC COMMENT: Neighbor Mark White stated that he is satisfied with the site plan.

COMMISSIONER DELIBERATION: Pohlman stated that the plat process provides clarity, and a variance would be inconsistent. Bosak stated that staff are supportive of the construction of a new home; however, fairness requires adherence to the Municipal Code. Hughey stated a preference for a replat. Windsor stated a preference for a replat. Scarcelli recommended that if the commission is leaning toward denial, a postponement to allow for amendment could expedite the process and save the applicant money. The amendment would change the application to a variance from development standards.

MOTION: M/S POHLMAN/HUGHEY moved to postpone this item to allow for amendments to the application.

ACTION: Motion **PASSED unanimously 3-0** on a voice vote.

**ZONING TEXT CHANGE
SHORT TERM RENTALS AND BED AND BREAKFAST OPERATIONS IN PUBLIC ZONE
TIM FULTON**

Public hearing and consideration of a zoning text change request filed by Tim Fulton. The proposed zoning text change would permit Bed and Breakfast operations and Short-Term Rentals in the Public Zone. The request is filed by Tim Fulton.

STAFF REPORT: Scarcelli reviewed the request. Administration requested that this proposal be considered again by the Planning Commission. The applicant would like to see short-term rentals

allowed on boats in municipal harbors. This proposal could result in unique experiences for tourists. Planning and Harbors staff believe that previous concerns can be mitigated by harbor regulations and the conditional use process. Hughey asked about the Harbormaster's previously stated concerns. Bosak replied that the Harbormaster is supportive if approvals state that a proposed boat short-term rental is in conformance with Title 13, which addresses sewage. Bosak stated that prospective applications would go before Ports and Harbors Commission before coming to the Planning Commission. Windsor asked which other areas in town are zoned Public, which would also be impacted by the change. Scarcelli stated that staff could include language which specifies that Public zone short-term rentals are limited to boats in harbors.

APPLICANT: Fulton stated that this proposal is a good opportunity for the community. Fulton stated that he has used AirBnB across the world, and it has granted him the opportunity to experience the community more fully. Pohlman asked about sewage processing. Bosak stated that harbor regulations require that boats have a sewage containment system aboard, or that boat owners pay to have sewage pumped out. Pohlman clarified that any boat that did not conformed would not be approved for a permit, and Bosak confirmed this statement.

PUBLIC COMMENT: None.

COMMISSIONER DELIBERATION: Pohlman stated support for the amendment if the approval clearly indicates that the conditional use is for boats in harbors.

MOTION: M/S HUGHEY/POHLMAN moved to approve the staff findings that 1) The proposal does not impact public health, safety, and welfare; 2) The proposal is consistent with the comprehensive plan as discussed in the staff report; and; 3) The proposal would promote tourism, alleviate some burdens on the housing market, promote economic development, and utilize existing resources for the betterment of the public, health, and safety of the community.

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

MOTION: M/S POHLMAN/HUGHEY moved to recommend approval of a zoning text change request filed by Tim Fulton to permit boats as short-term rentals and Bed and Breakfast operations in harbors in the Public Zone as a conditional use.

MOTION: M/S HUGHEY/POHLMAN moved to amend the motion to remove "Bed and Breakfast operations" from the motion.

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

ACTION: Main motion as amended **PASSED 4-0** on a voice vote.

**CONDITIONAL USE PERMIT REQUEST
LOT 27 OF US SURVEY 3302
FRANCES ANNE BUDYNGE AND KRISTINA ANN SCHELLER**

Public hearing and consideration of a conditional use permit request filed by Frances Brann and Krystina Scheller for a short-term rental at 2116 Sawmill Creek Road. The property is also known as Lot 27 of US Survey 3302. The request is filed by Frances Brann and Krystina Scheller. The owners of record are Frances Anne Budyngge and Krystina Ann Scheller.

STAFF REPORT: Scarcelli described the property and the conditional use permit request. The lot is greater than four acres with ample space for parking and foliage for privacy. The owners will rent the unit when they are out of town. Neighbor David Moore has expressed concerns for access. Scarcelli stated that access concerns could be mitigated with directional signs and clear directions. Neighbors Steve and Cathy Shaffer and Barth Hamberg have stated support in writing.

APPLICANT: Krystina Scheller stated that the property is their home most of the year, and they want to earn rental income while they are out of town. Scheller stated that she has spoken to several neighbors who are in support. Scheller stated that Clyde Shaffer has organized for the neighbors to update the access and utilities. Scheller stated that concerns have been raised about trash, and the property manager has a strict trash management policy. Scheller stated that she will be talking with the neighbors to negotiate locations for signage. Sharon Romine of Welcome Home Vacations stated that she will be managing this rental. Romine stated that for properties that are hard to find, her company meets renters at the airport to guide them to the property. Romine stated that she posts trash management guidelines in all of her rentals, stating that no food is to be put in the trash. Romine stated that her company calls Stragier to pick up trash if it piles up before the designated trash day.

PUBLIC COMMENT: David Moore stated that access easements are to be limited to 4 residences, but this neighborhood has 6 residences. Moore stated that people get lost and end up at his house. Moore stated that the road is only wide enough for one car in some places. Moore stated that trash has attracted bears. Moore stated that he is opposed to having a short-term rental in the subdivision. Parker Song clarified that traffic issues are not only related to an existing rental in the vicinity, and Moore replied that 90 percent is related to the existing rental. Romine suggested erecting a "Private Drive" sign. Scheller stated that their signs would primarily need to be placed on the Reifenstuhl property. Windsor asked which seasons the rental would be active, and Scheller replied that it would mainly function in the summer. Pohlman asked if the bear problem has increased during the last two years, and stated that it only takes one person to start a bear problem. Moore stated that he believes the bear situation has worsened. Parker Song asked if Moore knew that the renters were the ones putting the trash in the cans early, and stated that we shouldn't base a decision on conjecture. Frances Brann stated that long-term renters are also in the neighborhood.

COMMISSIONER DELIBERATION: Parker Song stated that she didn't see any reasons to deny the permit, and that Moore's concern is primarily with a different property. Windsor stated that Romine has a great track record of managing properties. Hughey stated that Moore's concerns do not rise to the level to deny the permit. Windsor asked about the 6-lot subdivision sharing an access easement. Bosak stated that this is a great example of the need to follow code. Bosak stated that the subdivision should not have been approved.

MOTION: M/S POHLMAN/HUGHEY moved to approve the required findings for conditional use permits:

C. Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that 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.
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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes,

off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

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

MOTION: M/S POHLMAN/HUGHEY moved to approve the conditional use permit request filed by Frances Brann and Krystina Scheller for a short-term rental at 2116 Sawmill Creek Road, subject to nine conditions of approval. The property is also known as Lot 27 of US Survey 3302. The request is filed by Frances Brann and Krystina Scheller. The owners of record are Frances Anne Budyng and Krystina Ann Scheller.

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 following the first nine months of operations 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. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
9. An approved access plan that details efforts to mitigate disturbance to adjacent and surrounding land uses shall be submitted to and approved by the Planning and Community Development Department.

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

DIRECTORS REPORT: Bosak reminded commissioners to submit their financial disclosure forms to the Municipal Clerk, and stated that the landslide report is available on the city's website. Pierson reminded commissioners that beginning in March, the first meeting of the month will be dedicated to the comprehensive plan, while the second meeting of the month will be available for other planning actions.

MOTION: M/S HUGHEY/POHLMAN moved to adjourn at 9:33 p.m.

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

Darrell Windsor, Vice-Chair

Samantha Pierson, Secretary



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: March 8, 2016

From: Michael Scarcelli, Senior Planner

To: Planning Commission

Re: ZTC 15-08—To allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts.

GENERAL INFORMATION

Applicant: Marijuana Advisory Committee,
City and Borough of Sitka

Property Owner: N/A

Property Address: N/A

Legal Description: N/A

Parcel ID Number: N/A

Size of Existing Lot: N/A

Zoning: CBD, I, GP, WD, C-1, C-2, GI, & LI

Existing Land Use: N/A

Utilities: N/A

Access: Varies

Surrounding Land Use: Varies

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Providing for today...preparing for tomorrow

Attachment A: Proposed Zoning Text Amendment

BACKGROUND AND ANALYSIS

Through voter initiative, the State of Alaska approved recreational use of marijuana. In addition, this law created a process for local municipalities to opt-in to self-regulate whether or not to allow certain licensed marijuana uses such as retail sales, commercial cultivation, manufacturing, and testing facilities. The City and Borough of Sitka has “opted in” to self-regulation of these licensed marijuana activities, giving local control via the local regulatory authority as approved on November 24, 2015 by the City Assembly.

Regarding the proposed zoning text change, the Marijuana Advisory Committee (MAC) had presented two prior versions of a proposed zoning text amendment. After considering the Planning Commission’s concerns, that MAC has again amended their proposal to one that reflects prior Planning Commission and staff recommendations.

Discussion at the MAC on this item centered on a general overview of Planning, the conditional use process, and other items relating to review by the Planning Commission and Planning and Community Development Department. Specific topics included treating licensed marijuana uses similar to uses such as bars, retail, horticulture, pharmacies, or other uses that could be argued to have similar qualities. In addition, promotion of a business that could contribute to the economy was central in how to craft appropriate regulations. Buffers and how the state proposed buffers restrict the ability of such business to potentially locate within certain distances to state identified sensitive uses was also central to the discussion regarding this zoning text amendment proposal. Other items raised through public comment were mixed: some were in support, others were against. Some provided information about the impacts to the community in Colorado following the commercialization of marijuana. Prospective marijuana business operators provided the majority of public comment. Finally, though the Marijuana Advisory Committee sees argument to support having permitted uses, they defer to the conditional use proposal to move this zoning text forward as a compromise in the best interests of the community and the prospective businesses awaiting a final ordinance allowing commercial marijuana activities.

On the topic of allowing licensed marijuana uses as conditional uses in the CBD, I, and GP zoning districts, several major points were in support for this proposal. First, the CBD zone is a business zone. In addition, this is the place where tourists and visitors will come first. It is most walkable, accessible, and visible. On the other side, there are current sensitive uses within the existing state five-hundred foot (500) buffers. Therefore, even if potentially allowable under a conditional use permit, in reality it would be difficult to locate within that district unless state regulations were loosened or sensitive uses moved location. Also, for the Industrial and Gary Paxton Special District zones, these areas would protect more sensitive uses. In other words, by allowing a conditional use in these areas, it would funnel away the impactful uses from areas that would be more sensitive such as single-family residential zones. In regard to limits on retail sales at GPIP, a code amendment allowing a conditional use for the GP zone, subject to existing municipal regulations found in Chapter 2.38 regulating uses and lease at the Gary Paxton Industrial Park.

PROJECT DESCRIPTION

Request is a zoning text change filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts.

Project Site: varies

Project Design: varies

Traffic: Could have potential impacts that vary greatly from site to site and on a case by case basis, where all variables cannot be adequately addressed at this time. Uses such as cultivation, manufacturing, and testing facilities would be anticipated to have less traffic impacts than retail use.

Parking: Could have potential impacts that vary greatly from site to site and on a case by case basis, where all variables cannot be adequately addressed at this time. Uses such as cultivation, manufacturing, and testing facilities would be anticipated to have less parking demand and thus less impacts than retail use.

Noise: Could have potential impacts that vary greatly from site to site and on a case by case basis, where all variables cannot be adequately addressed at this time. However, noise tends to not be noted in other states and municipalities review. In addition, any conditional use permit review would adequately address these type of concerns.

Public Health or Safety: The potential for impacts to public health, safety, and welfare are possible - some findings from Colorado are alarming. On the other side, some feel that Alaskans and Sitkans have preapproved the opening of all recreational use and commercial activities by the voter initiative. Some others feel differently. Careful consideration of this area should occur. Some research from Colorado is summarized, cited, and attached for further review. Please note: some cited statements from these Colorado studies are opinion or qualitative statements, some statistics are taken out of context, and *some* math is clearly erroneous.

To sum: The Rocky Mountain High Intensity Drug Trafficking Area through data collected from thirty-four agencies stated these following findings, among many other findings, in their September 2015 report, *The Impact of Legalization of Marijuana in Colorado*:¹

¹ Pp. 1-5, 14-15, 35-36, 62-63, 75-77, 89-90, 97, 102-103, 123-124, 134, 137-160

1. Impaired Driving:

- a. When retail marijuana business began operating, there was a **32 percent** increase in marijuana-related traffic deaths in just one year from 2013.
- b. Colorado marijuana-related traffic deaths increased **92 percent** from 2010-2014. During the same time period all traffic deaths only increased **8 percent**.

2. Youth Marijuana Use:

- a. In 2013, 11.16 percent of Colorado youth ages 12 to 17 years old were considered current marijuana users compared to 7.15 percent nationally. Colorado ranked 3rd in the nation and was 56 percent higher than the national average.

3. Adult Marijuana Use:

- a. In 2013, 29 percent of college age students (ages 18 to 25 years old) were considered current marijuana users compared to 18.91 percent nationally. Colorado, ranked 2nd in the nation, was 54 percent higher than the national average.
- b. In 2013, 10.13 percent of adults age 26 years old and over were considered current marijuana users compared to 5.45 percent nationally. Colorado ranked 5th in the nation, was 86 percent higher than the national average.

4. Emergency Room Marijuana and Hospital Marijuana-Related Admissions

- a. In 2014, when retail marijuana business began operating there was 29 percent increase in the number of marijuana related emergency room visits in only one year.
- b. In 2014, when retail marijuana business began operating, there was a 38 percent increase in the number of marijuana-related hospitalizations in only one year.

In addition, to these findings there are findings on treatment, diversion, extraction labs, crime, revenue, environmental impacts, homelessness, suicide, THC potency, marijuana and alcohol consumption correlation, and related material, sources, and additional resources.

Reference Material for Further Review:

Latest Results from Colorado on Youth and Adult Marijuana Use, January 2016:

<http://www.rmhidta.org/html/FINAL%20NSDUH%20Results-%20Jan%202016%20Release.pdf>

The Impact of Legalization of Marijuana in Colorado, Volume 3 September 2015:

<http://www.rmhidta.org/html/FINAL%20NSDUH%20Results-%20Jan%202016%20Release.pdf>

Planning for Marijuana – The Cannabis Conundrum, Winter 2014

https://jeremynemeth.files.wordpress.com/2011/10/japa_nemethross.pdf

Cannabusiness Comes to Town, March 2011

<http://www.procon.org/in-the-news-pdfs/planning-cannabusiness-comes-to-town.pdf>

Evaluating Medical Marijuana Dispensary Policies: Spatial Methods for the Study of Environmental-Based Interventions:

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3683594/pdf/nihms-473371.pdf>

Exploring the Ecological Association between Crime and Medical Marijuana Dispensaries:

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3364319/pdf/jsad523.pdf>

More info can be found at:

<http://www.ncbi.nlm.nih.gov/pubmed/26748438>

State of Alaska Chapter 17.38 - The Regulation of Marijuana (use Legislative tool to find Chapter 17.38):

<http://www.legis.state.ak.us/basis/folio.asp>

Habitat: varies

Property Value or Neighborhood Harmony: Could have impacts upon property values of residential uses. Arguably, a marijuana business could increase commercial value of a property. However, it would impact a residential property. Either way, harmony of uses would be a substantial concern.

Conformity with Comprehensive Plan:

There is a split of support and opposition, arguably, in the Comprehensive Plan. Overall, there are directions to support economic development, resolve conflicts between commercial and residential land uses, promote healthy living, address substance abuse, crime, homelessness, and safety, and promote tourism. This proposal engages a discussion on many items. To name a handful of Comprehensive Plan Goals and Policies that give direction, please refer to section 2.1.1 Economic Growth; 2.2 Economic Goals, 2.4.1, 2.4.4, and 2.4.24 for General Land Use; 2.6.2 Encourage Commercial and Industrial Development; 2.6.5 Promote Commercial Use at Sawmill Industrial Complex; and 2.11 Health Goals. To sum, it is about balancing economic growth with high living standards, harmony of existing use, and community health. A conditional use process and the proposed standard conditions and criteria for review would be tools to mitigate any potential harm or negative impacts, while also providing mechanisms to craft conditions allowing future enforcement should issues arise.

Vesting

If the proposal is approved as presented and impacts that were not adequately addressed in this zoning text change emerged, any business that started a license marijuana activity would arguably vest its right to continue and may lead to the inability to further impose conditions to protect public health, safety, and welfare. However, any vesting issue would be limited by state, local, and other regulations that the licensed activity would have to comply with that would act as limits to the vesting of a specific marijuana

use making it conditioned upon compliance with certain regulations. In effect, even a licensed, permitted use would have conditions with which to comply.

FINDINGS

Staff suggests recommending approval of the proposed zoning text change. Any motions should be accompanied by detailed findings explaining the facts that supported the decision, and this can occur on the record through motion, discussion, and debate.

RECOMMENDATION

Staff recommends careful consideration of the information provided in the staff report, commissioner deliberation, and reflection on public comment. Staff has provided the suggested motion for recommending approval.

Recommended Motions - Two Motions: 1) Findings; and 2) Recommendation

1. Motion for Findings:

For support of the Proposed Amendment (recommend approval): Motion to approve the factual findings that the proposed zoning text change is found to adequately protect the public’s health, safety, and welfare because _____; and that each proposed use is compatible with the potential surrounding land uses; and that the proposal is consistent with the Comprehensive Plan specifically_____.

2. Motion to recommend approval of the zoning text change to the City Assembly to allow all licensed marijuana activities as conditional uses in the Central Business District (CBD), Gary Paxton Special District (GP, aka Gary Paxton Industrial Park), Industrial zoning districts (I), General Commercial (C-1), General Commercial Mobile Home (C-2), Waterfront (WD), Large Island (LI), and General Island (GI) zoning districts.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-12 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/6/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Amending Chapter 3.16 "Procurement Policy" of the Sitka General Code to allow the Municipal Administrator to create detailed purchasing procedures for municipal staff based on and subject to these policies. Further, this revised policy will allow the Municipal Administrator to update municipal procurement procedures on a regular basis

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-12.pdf](#)
[Memo Ord 2016-12.pdf](#)
[Ord 2016-12.pdf](#)

Date	Ver.	Action By	Action	Result
4/12/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-12 on second and final reading.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Assembly Members

From: Mark Gorman, Municipal Administrator

Date: April 1, 2016

Subject: Revised Sitka General Code – 3.16 Procurement Policy

Background

The Procurement Policy of the City and Borough of Sitka requires a significant update. The results of recent audits, turnover of CBS personnel, new and beneficial processes of procurement are driving this requisite. Department head leadership has worked diligently to revise the ordinance. Fundamentally, this revision is structured to separate the Procurement Policy from the more detailed Procurement Procedures. The Administrator will be responsible for the Procedures Manual; the detailed procedures will reflect the Assembly approved Policy, but can be updated, modified and improved as necessary. These procedures include check lists and a greater level of detail which is not required or appropriate for Sitka General Code but which results in more structured, clear, methodical and auditable processes.

Analysis

The revised policy significantly streamlines the procurement processes while at the same time increasing continuity, proficiency, effectiveness and financial controls. This ordinance allows the Administrator to expend Assembly budgeted and appropriated funds, therefore eliminating the need for further Assembly deliberation on procurement detail. This creates efficiencies at the Assembly table as well as CBS purchasing. New appropriations will remain an approval at the Assembly level.

Recommendation

Approve the revision to Sitka General Code Chapter 3.16 Procurement Policy.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-12

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING CHAPTER 3.16 "PROCUREMENT POLICY" OF THE SITKA GENERAL CODE TO ALLOW THE MUNICIPAL ADMINISTRATOR TO CREATE DETAILED PURCHASING PROCEDURES FOR MUNICIPAL STAFF BASED ON AND SUBJECT TO THESE POLICIES. FURTHER, THIS REVISED POLICY WILL ALLOW THE MUNICIPAL ADMINISTRATOR TO UPDATE MUNICIPAL PROCUREMENT PROCEDURES ON A REGULAR BASIS

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 update existing municipal code. These changes will allow the Municipal Administrator to separately create detailed purchasing procedures for municipal staff based on and subject to these policies. Further, this revised policy will allow the Municipal Administrator to update municipal procurement procedures on a regular basis.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 3.16 is amended to read as follows (new language underlined; deleted language stricken):

Chapter 3.16
PROCUREMENT POLICY

Sections:

- 3.16.010 Contract and purchase procedure.
3.16.020 Limitation on administrator's authority.
3.16.025 Purchase Splitting.
3.16.026 Types of Vendor Solicitation.
3.16.027 Alternative Contracting Methods.
3.16.030 Purchases or contracts exceeding fifty thousand dollars. Open market procedures.
3.16.031 Purchases or contracts from twenty-five thousand to fifty thousand dollars.
3.16.032 Purchases or contracts of less than twenty-five thousand dollars.
3.16.040 Advertising for bids and award to lowest bidder.
3.16.050 Processing of bids.
3.16.060 Exceptions to competitive bidding requirements.
3.16.070 Lowest responsive and responsible bidder.
3.16.080 [Reserved.] Procurement monitoring.
3.16.090 [Reserved]
3.16.100 Change orders—Administrator authority.
3.16.110 [Reserved] Competitive sealed proposals—Negotiated procurement.
3.16.120 Procurement policy procedure manual.

50 **3.16.010 Contract and purchase procedure.**

51 The administrator or his or her designee may carry out any of the following:

52 A. Contract for, purchase or issue purchase authorizations for all supplies, materials, equipment, and
53 services for the offices, departments, and agencies of the city and borough; and

54 B. Contract for the construction, repair, or improvements of city and borough facilities.

55 **3.16.020 Limitation on administrator's authority.**

56 A.—The administrator may not make an acquisition or contract authorized by Section 3.16.010 if the
57 value of the property, service or contract exceeds ~~the assembly approved appropriation~~ fifty thousand
58 ~~dollars~~ without first obtaining assembly approval of the increased appropriation. ~~Such approval can~~
59 ~~occur either through the listing of the property, service, or contract in the annual budget as adopted by~~
60 ~~the assembly or by passage of a motion by the assembly.~~

61
62 B.—~~If the value of the property, service or contract exceeds twenty five thousand dollars but does not~~
63 ~~exceed fifty thousand dollars, the administrator may authorize the acquisition or contract with the~~
64 ~~written certification by the finance director that appropriated funds are available, and upon seeking at~~
65 ~~least three competitive bids from a minimum of three vendors. The acquisition or contract will be~~
66 ~~awarded to the lowest responsive and responsible bidder as determined in Section 3.16.070 and~~
67 ~~without observing the procedure prescribed for the award of formal sealed bids.~~

68
69 **3.16.025 Purchase Splitting**

70 A. Purchases for a single project or task shall not be split into smaller transactions with the intent to
71 allow a lower level of review and approval.

72 **3.16.026 Types of Vendor Solicitations**

73 The following three types of bidding arrangements are acceptable forms of solicited procurement.
74 Specific procedures governing the applicability of each will be set forth in the procedures manual:

75
76 A. Requests for Bids: These bids shall be awarded on the basis of the lowest price to a responsive
77 and responsible bidder as determined by the city administrator.

78
79 B. Requests for Proposals: If the administrator determines that use of competitive bidding is not in
80 the best interest of the city and borough, supplies, services, materials, and equipment may be procured
81 by competitive proposals. These proposals shall be awarded based on scoring against the criteria
82 defined in the specification including but not limited to price. Additionally, the administrator is
83 empowered to negotiate terms which are in the best interest of the city and borough of Sitka.

84
85 C. Requests for Qualifications: If the administrator determines that use of competitive bidding or
86 proposals are not in the best interest of the city and borough, supplies, services, materials, and
87 equipment maybe procured by competitive statement of qualifications. Vendor award shall be made on
88 a qualification based criteria as defined in the specifications. Additionally, the administrator is
89 empowered to negotiate terms which are in the best interest of the city and borough of Sitka.

91 **3.16.027 Alternative Contracting Methods**

92 When the Administrator determines it is in the best interest of the city and borough he or she may
93 utilize alternative contracting methods such as: design build, energy services contracts, guaranteed
94 maximum price, and on call contracting. These methods shall be defined within the city and borough
95 purchasing procedures.

96
97 **3.16.030 Purchases or contracts exceeding fifty thousand dollars. Open-market procedures**

98 A. If the value of the goods or service exceeds fifty thousand dollars, the administrator may authorize
99 the acquisition or contract with the written certification by the finance director that appropriated funds
100 are available, and seeking competitive formal sealed bids or as exempted by Section 3.16.060.

101 Purchases or contracts authorized by Section 3.16.010 having an estimated value exceeding fifty
102 thousand dollars must be made in the open market and meet the requirements of Section 3.16.040
103 Purchases or contracts authorized by Section 3.16.010 having an estimated value that does not exceed
104 fifty thousand dollars may be made in the open market without publishing notice in a newspaper.

105 B. Bids or proposals are considered formal bids and must be sealed and delivered to the submission
106 point by the appointed time. Submission may be paper or electronic methods. A purchase or contract
107 authorized by Section 3.16.010 having an estimated value that exceeds twenty-five thousand dollars
108 but does not exceed fifty thousand dollars shall be based on the solicitation of at least three competitive
109 written bids and be awarded to the lowest responsive and responsible bidder as determined in Section
110 3.16.070 and without observing the procedure prescribed for the award of formal sealed bids.

111 C. All purchases less than twenty-five thousand dollars shall be made on the open market with such
112 competition as is reasonable and practical in the circumstances as long as by doing so, does not
113 interfere with the ability of the city and borough of Sitka to receive grants and other funding sources. It
114 is the city and borough of Sitka's intent to promote local purchases whenever the availability, quality,
115 price and delivery is:

116 1. Within a four percent advantage to what is available outside the municipality for purchases under
117 two thousand five hundred dollars; and

118 2. Within a two percent advantage to what is available outside the municipality for purchases two
119 thousand five hundred dollars and above.

120 Prior to making any purchases that fall within this section, the city and borough of Sitka will request
121 bids from local vendors. Bids will be posted and received through an electronic bidding system. The
122 electronic bidding system shall establish a list of registered local vendors and addresses. The registered
123 vendors will be electronically notified and requested to submit their electronic bid as specified.

124 **3.16.031 Purchases or contracts from twenty-five thousand to fifty thousand dollars.**

125 A. If the value of the property, service or contract exceeds twenty-five thousand dollars but does not
126 exceed fifty thousand dollars, the administrator may authorize the acquisition or contract with the
127 written certification by the finance director that appropriated funds are available, and upon seeking at
128 least three competitive quotes from a minimum of three vendors or as exempted by section 3.16.060.

129 Purchases or contracts authorized by Section 3.16.010 having an estimated value that does not exceed
130 fifty thousand dollars may be made in the open market without publishing notice in a newspaper.

131 B. All solicitations shall be awarded on the basis of Section 3.16.026.

132

133 **3.16.032 Purchases or contracts of less than twenty five thousand dollars.**

134 A. If the value of the property, service or contract is below twenty-five thousand dollars, the
135 administrator may authorize the acquisition or contract on the open market with such competition as is
136 reasonable and practical in the circumstances as long as by doing so, does not interfere with the ability
137 of the city and borough of Sitka to receive grants and other funding sources or as exempted by section
138 3.16.060. It is the city and borough of Sitka's intent to promote local purchases whenever the
139 availability, quality, price and delivery is:

140

141 1. Within a four percent advantage to what is available outside the municipality for
142 purchases under two thousand five hundred dollars; and

143

144 2. Within a two percent advantage to what is available outside the municipality for purchases two
145 thousand five hundred dollars and above.

146

147 **~~3.16.040 Advertising for bids and award to lowest bidder.~~**

148 ~~A. Unless other procedures are authorized under this chapter, purchases or contracts authorized by~~
149 ~~Section 3.16.010 having an estimated value of more than fifty thousand dollars may be made only after~~
150 ~~a notice calling for bids is printed in a newspaper of general circulation within the city and borough~~
151 ~~three times during the period of not less than two consecutive weeks prior to the date for the bid award,~~
152 ~~unless another form of media is authorized by the administrator. The notice shall contain a general~~
153 ~~description of the property, work or service; state where the bid forms and/or specifications may be~~
154 ~~obtained; specify the place for submission of bids and the time by which they must be received.~~

155 ~~B. The purchase or contract shall be awarded to the lowest responsive and responsible bidder as~~
156 ~~determined in Section 3.16.070.~~

157 **3.16.050 Processing of bids.**

158 Notwithstanding other provisions of this chapter relating to the award after competitive bid for
159 purchases and contracts, the city and borough may take one or more of the following steps during
160 procurement:

161 A. Reject defective or nonresponsive bids;

162 B. Waive any irregularities in any and all bids;

163 C. Reject all bids;

164 D. Readvertise for bids with or without making changes in the plans, specifications, or scope of
165 work.

166

167 **3.16.060 Exceptions to competitive ~~bidding~~ requirements.**

168 Unless otherwise authorized by law, all procurement actions shall ~~follow a be by~~ competitive process
169 ~~bidding~~. The following is a list of authorized exceptions which can be approved by department heads
170 based on approval authority describing situations in which a competitive process ~~bidding~~ is not
171 required:

172 A. Negotiated procurement following unsuccessful efforts to obtain a qualified bid through
173 competitive bidding.

174 B. Small procurement, below two thousand five hundred fifty dollars.

175 C. Emergency acquisitions approved by the administrator or department head based on authorization
176 limits.

177 D. Procurement of consultant and technical services.

178 E. Procurement of real estate.

179 F. ~~Procurement of architect-engineer~~ [Reserved].

180 G. Interagency agreements.

181 H. Utilization of state or local government contracts.

182 I. Specialized equipment ~~for enterprise funds~~ where standardization is a primary criteria.

183 J. Sole-Source Procurement.

184 1. ~~Procurement resulting from competitive sealed proposals as defined in Section 3.16.110~~
185 [Reserved].

186 2. Placement of insurance coverage as defined in this chapter.

187 3. Contracts for electronic data processing and system control software and hardware systems
188 and other software systems shall be by professional services contract; provided, however:

189 a. To be exempt from competitive bidding the service in question must be truly a
190 “system” which is professionally designed.

191 b. The purchase of hardware which is not an inextricable part of the system and can be
192 bid separately shall be competitively bid.

193 c. Software and systems readily available to the open market (e.g., computer operating
194 systems) are not subject to this exception. Competition will be sought to the maximum
195 extent practicable.

196 4. ~~Sole source justified procurement~~ Best interest of the city and borough.

197 ~~K.— Services of officers and employees of the state of Alaska or the federal government if such~~
198 ~~services are provided pursuant to a written agreement with the employer.~~

199 ~~L.— Services of students and members of faculty of an accredited high school, college, or university if~~
200 ~~such services are provided pursuant to a written agreement with the school.~~

201 ~~M.— Services of members and employees of a nonprofit corporation registered as such with the state of~~
202 ~~Alaska, if:~~

203 1. ~~The services are provided pursuant to a written agreement with the corporation; and~~

204 2. ~~The total amount paid by the municipality divided by the number of hours of service provided by~~
205 ~~the members and employees of the corporation does not exceed double the minimum hourly wage~~
206 ~~established by the Alaska Wage and Hour Act.~~

207 **3.16.070 Lowest responsive and responsible bidder.**

208 The lowest responsive and responsible bidder is deemed to be the lowest qualified bidder under
209 Section 11.14(a) of the Charter. In determining the lowest responsive and responsible bidder for
210 purposes of award, the city and borough shall consider:

211 A. The price;

212 B. The ability, capacity and skill of the bidder to perform the contract within the time and price
213 specified;

214 C. The reputation and experience of the bidder; and

215 D. The bidder performance and payment under previous contract.

216 **3.16.080 [Reserved.] ~~Procurement monitoring.~~**

217 ~~The city and borough of Sitka purchases covered under this chapter will be tracked by Zip Code and a~~
218 ~~local purchase report included in quarterly financial reports to the assembly.~~

219
220 **3.16.090 [Reserved.]**

221
222 **3.16.100 Change orders—Administrator authority.**

223 The administrator is authorized, without assembly approval, to enter into change orders where the
224 amount of additional expenditure occasioned by the change order or orders does not, in the aggregate,

225 exceed any contingency fund previously established with respect to the particular project or materially
226 change the scope of work. Change orders exceeding in the aggregate the foregoing limitation or which
227 change the scope of work beyond the assembly approved project are not binding without prior
228 approval of the assembly.

229

230 **3.16.110 [Reserved.] ~~Competitive sealed proposals—Negotiated procurement.~~**

231 ~~A.—If the administrator determines that use of competitive sealed bidding is not practicable, the city
232 and borough may procure supplies, services, materials, and equipment by competitive sealed proposals
233 under this section.~~

234 ~~B.—The administrator shall solicit competitive sealed proposals by issuing a request for proposals.
235 The request for proposals shall state, or incorporate by reference, all specifications, contractual terms,
236 and conditions to which a proposal must respond, and shall state the factors to be considered in
237 evaluating proposals and the relative important of those factors. Public notice of a request for proposals
238 shall be given in accordance with Sections 3.16.040(A) and (B).~~

239 ~~C.—Sealed proposals shall be designated as such on an outer envelope and shall be submitted by mail
240 or in person at the place no later than the time specified in the request for proposals. Proposals not
241 submitted at the place or within the time so specified may not be opened or considered.~~

242 ~~D.—Proposals shall be received at the time and place designated in the request for proposals, and shall
243 be opened so as to avoid disclosing their contents to competing proponents during the process of
244 negotiation. Proposals, tabulations, and evaluations thereof shall be open to public inspection only after
245 the contract award.~~

246 ~~E.—In the manner provided in the request for proposals, the administrator or his or her designee shall
247 negotiate with those proponents whose proposals are determined to be responsive to the request for
248 proposals. Negotiations shall be used to clarify and assure full understanding of the requirements of the
249 request for proposals after submission and prior to award to obtain best and final offers. Proponents
250 deemed eligible for negotiations shall be treated equally regarding any opportunity to discuss or revise
251 proposals. In conducting negotiations or requesting revisions, no city and borough officer or employee
252 shall disclose any information derived from proposals of competing proponents.~~

253 ~~F.—If fair and reasonable compensation, contract requirements, and contract documents can be agreed
254 upon with the most qualified proponent, the contract shall be awarded to that proponent.~~

255 ~~G.—If fair and reasonable compensation, contract requirements and contract documents cannot be
256 agreed upon with the most qualified proponent, the administrator or his or her designee shall advise the
257 proponent of the termination of negotiations. If the proposals were submitted by one or more other
258 proponents determined to be qualified, negotiations may be conducted with such other proponents in
259 the order of their respective rankings. The contract may be awarded to the proponent then determined
260 to be most qualified and advantageous to the city and borough.~~

261 ~~H. Awards shall be made by written notice to the proponent whose final proposal is determined to be~~
262 ~~most advantageous to the city and borough if satisfactory compensation, contract requirements, and~~
263 ~~contract documents are agreed upon pursuant to subsection G of this section. No criteria other than~~
264 ~~those set forth in the request for proposals may be used in proposal evaluation. If the assembly or the~~
265 ~~administrator (if the contract is within the administrator's authority to award) determine that it is in the~~
266 ~~best interest of the city and borough to do so, the city and borough may reject all proposals.~~

267 **3.16.120 Procurement policy procedure manual.**

268 ~~A. The administrator will create, maintain and update a procurement procedures manual in~~
269 ~~compliance with the Sitka General Code. The manual may be updated by approval of the administrator~~
270 ~~with assembly notification. The procurement procedures may be more restrictive than the Sitka~~
271 ~~General Code where the municipal administrator deems necessary. The assembly herein incorporates~~
272 ~~by reference procurement policies and procedures specified in the city and borough of Sitka~~
273 ~~procurement policy and procedures manual.~~

274
275 ~~B. A copy of the manual shall be available to the public at all times through the municipal clerk at~~
276 ~~the Sitka City Hall. The manual may be revised with assembly approval.~~

277 ~~C. A copy of the manual shall be available to the public at all times through the municipal clerk at~~
278 ~~the Sitka City Hall.~~

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

281
282 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
283 Alaska this 26th day of April, 2016.

284
285
286 _____
Mim McConnell, Mayor

287 ATTEST:

288
289 _____
290 Sara Peterson, CMC
291 Municipal Clerk
292



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-13 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/20/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Adjusting the FY16 Budget
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-13.pdf](#)
[Ord 2016-13.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-13 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-13

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY16 BUDGET

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 FY16 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 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, 2015 and ending June 30, 2016 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u>			
<u>GENERAL FUND</u>			
General Fund – Hospital Support: In its FY2016 Budget, which was approved by the Assembly, the Sitka Community Hospital requested a re-appropriation of \$93,074 which was unspent in FY2015. All appropriations for support of the Sitka Community Hospital are operating appropriations which expire at the end of the fiscal year; hence any desire for “carry over” must be accomplished through a re-appropriation. Sitka Community Hospital has now identified a need for the requested funds and is requesting the re-appropriation.			
<u>SPECIAL REVENUE FUNDS</u>			
Fund 194- Commercial Passenger Vessel Excise Tax Fund: Commercial Passenger Excise Tax (CPET) Funds have been utilized for the past two cruise seasons to transport cruise ship passengers from Old Sitka to downtown. Use of CPET funds for such purposes is appropriate, as the expenditure solely benefits such passengers. Expenditures of CPET funds for this purpose have been discussed by the Assembly in the past. A \$50,000 appropriation of Commercial Passenger Excise Tax (CPET) funds is required to pay for the costs of bus transportation of cruise ship visitors.			

EXPLANATION

Necessary revisions in the FY 2016 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.

40 **Ordinance No. 2016 –13**

41 **Page 2 of 2**

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

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47 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
48 **Alaska this 10th day of May, 2016.**

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52 **ATTEST:**

Mim McConnell, Mayor

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Sara Peterson, CMC

57 **Municipal Clerk**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-14 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/20/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Amending Sitka General Code Title 22.16.015 "Permitted, Conditional and Prohibited Uses" to allow short-term rentals in the public zone as a conditional use

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-14.pdf](#)
[Memo and docs Ord 2016-14.pdf](#)
[Ord 2016-14.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-14 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly
From: Maegan Bosak, Planning and Community Development Director *MB*
Michael Scarcelli, Senior Planner *MS*
Subject: Short-Term Rental Operations in the Public Lands Zone
Date: March 2, 2016

The Planning Commission is recommending approval of a Zoning Text Amendment request, which would allow short-term rental operations as conditional uses in the Public Lands Zoning District for the purpose of renting out boats in Harbors. The request was filed by Tim Fulton. Action on this item was taken at the February 16, 2016 Planning Commission Meeting. The recommendation to approve the request passed unanimously 4-0.

Planning staff and the Harbormaster worked together to address concerns with Port and Harbors commission and the Planning Commission. Ultimately, staff believes this proposal would support community development by providing for a unique business catering to tourism with a memorable experience, which has been noted to increase return tourism. Such a use would increase the opportunity to receive a bed tax for each short-term rental. In addition, it would be a means to alleviate impacts on the existing rental market by offering alternative short-term rentals without affecting more traditional long-term rentals on land. Existing Harbor regulations and conditions of approval would be tools to mitigate any impacts to the public's health, safety, and welfare, while also providing oversight and enforcement power should any issue arise.

MOTION: M/S HUGHEY/POHLMAN moved to approve the staff findings that 1) The proposal does not impact public health, safety, and welfare; 2) The proposal is consistent with the comprehensive plan as discussed in the staff report; and; 3) The proposal would promote tourism, alleviate some burdens on the housing market, promote economic development, and utilize existing resources for the betterment of the public, health, and safety of the community.

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

MOTION: M/S POHLMAN/HUGHEY moved to recommend approval of a zoning text change request filed by Tim Fulton to permit boats as short-term rentals and Bed and Breakfast operations in harbors in the Public Zone as a conditional use.

MOTION: M/S HUGHEY/POHLMAN moved to amend the motion to remove "Bed and Breakfast operations" from the motion.

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

ACTION: Main motion as amended **PASSED 4-0** on a voice vote.

RECOMMENDATION: Approve the request for a zoning text amendment.

Providing for today...preparing for tomorrow

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
February 16, 2016**

Present: Darrell Windsor (Vice-Chair), Debra Pohlman (Member), Randy Hughey (Member), Tamie Parker Song (Member), Maegan Bosak (PCDD), Michael Scarcelli (Senior Planner), Samantha Pierson (Planner I)

Absent: Chris Spivey (Chair) - Excused

Members of the Public: Krystina Scheller, Frances Brann, Erik de Jong, Dana Pitts, Margie Esquiro, Pete Esquiro, Judy Bigsby, Jennifer Alley, Mark White, Tim Fulton, Sharon Romine, David Moore

Vice-Chair Windsor called the meeting to order at 7:01 p.m.

Roll Call:

PRESENT: 4 –Windsor, Pohlman, Hughey, Parker Song

Consideration of the Minutes from the February 2, 2016 meeting:

MOTION: M/S HUGHEY/POHLMAN moved to approve the meeting minutes for February 2, 2016.

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

The evening business:

**COMPREHENSIVE PLAN PRESENTATION – MARKETING PLAN
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT STAFF**

Comprehensive Plan discussion and direction on marketing plan presented by Planning and Community Development Department staff.

Bosak led an interactive visioning exercise, asking commissioners and attendees to brainstorm words to describe Sitka and the Comprehensive Plan process. Bosak stated that the Planning staff would use this brainstorm information to develop logos and other marketing materials, and would bring those to the Commission for approval.

When asked to describe Sitka in one word, participants responded: Home, Community, Tlingit, Beautiful, Close-knit, Unique, Independent, Incredible, Historical, Coastal, Complex, Vibrant.

When asked to describe the Comprehensive Plan in one word, participants responded: Guiding, Vision, Framework, Progressive, Collaboration, Inclusive, Comprehensive, Sustainable.

When asked to describe Sitka in one image, participants responded: Tlingit People, Town Panorama, Mt. Edgecumbe, Islands, Fish, Whales, Children, Boats.

COMMISSIONER DELIBERATION: Parker Song stated concern that the Commission should be making more decisions about Comprehensive Plan details, and would like to be involved with coming up with the options. Bosak stated that the Assembly indicated that the Comprehensive Plan would be staff-facilitated, so staff will gather public input and provide Commissioners with options. Bosak stated that she envisions focusing on one topic per month. The first Planning Commission meeting of the month would include a public workshop, then the staff will present a draft for approval at the second meeting of the month. Hughey stated that he wants to invite public participation, but has concern with spending too much time on a logo. Pohlman reported that she spoke to art teachers from Sitka High and Mt. Edgecumbe, and they were open to involving their students in a time-limited logo contest. Windsor stated that he would prefer to choose among several logo options. Parker Song stated concern for the process by which decisions are made. Pohlman stated that this is a public process, and the Commission needs to move forward with a logo. Commissioners agreed to give an open call for participation to schools and local artists.

ZONING TEXT CHANGE

LICENSED MARIJUANA ACTIVITY AS PERMITTED USE IN I, CBD, & GP ZONES, AND AS A CONDITIONAL USE IN WD, C-1, C-2, GI, & LI ZONES CBS MARIJUANA ADVISORY COMMITTEE

Public hearing and consideration of a zoning text amendment filed by the City and Borough of Sitka Marijuana Advisory Committee. The amendment would allow licensed marijuana activities (retail, cultivation, manufacturing, and testing) as a permitted use in the Industrial District, Central Business District, and Gary Paxton Special Zone, and as a conditional use in the Waterfront District, General Commercial C-1 District, General Commercial Mobile Home District, General Island District, and Large Island District.

STAFF REPORT: Scarcelli explained the proposal. Standardized conditions of approval would be attached by default for approved marijuana conditional use permits. These conditions largely mirror state regulations. Designating some districts as permitted use may help to funnel businesses to those districts. Permitted uses would still go through a lengthy state-level process, including a public comment period. Hughey asked if businesses in permitted zones would be vested in the right to maintain that business, and Scarcelli stated that they would be vested as long as they continued to state and local regulations. Bosak stated that the Assembly approves leases for the Gary Paxton zone. Hughey asked about the status of a request to reduce the buffer to 200 feet. Windsor stated that the Assembly requested that the state reduce the buffer, but the state did not make the change. Scarcelli stated that the proposal is supported and opposed by various sections of the Comprehensive Plan.

COMMISSIONER DELIBERATION: Pohlman expressed concern for enforcement and safety of businesses, and wanted to hear input from the police. Pohlman asked “what kind of response and what kind of good faith evaluations would happen” by the police in the event of break-ins or robberies. Scarcelli stated that the MAC has not heard from local police. Pohlman stated that regulation without enforcement is not helpful. Windsor stated that the Marijuana Advisory Committee initially wanted to recommend permitted across the board, and conditional use permits

were introduced as an enforcement tool. Windsor stated that the state security regulations are extensive. Pohlman stated that in some urban cities, police response is delayed to domestic violence calls in comparison to other emergency calls. Windsor stated that there weren't any special rules and regulations guiding the police response to the recent break-in at Harry Race Pharmacy, so the argument is that marijuana businesses should not need a special set of law enforcement rules and regulations. Pohlman wants to know if there would be the same response for a break-in at a marijuana business. Pohlman stated that neighbors get uneasy when nearby houses are experience break-ins. Bosak recommended that Pohlman's question is a conversation that should occur between the MAC and police. Hughey asked what harm would be done to new business owners if they had a conditional use permit versus a permit. Scarcelli stated that the extra conditional use permit fee is minimal compared to state fees. Hughey stated that across-the-board conditional use permits would allow the community to assess as businesses. Scarcelli shared some statistics from the staff report. Pohlman urged caution in using statistics, explaining that "marijuana-related" was not defined in the cited reports.

PUBLIC COMMENT: Margie Esquiro stated preference for the conditional use permit process. Dana Pitts stated that she didn't want marijuana businesses to be located downtown and visible to tourists. Krystina Scheller asked if the expectation is that the bulk of marijuana income will come from locals or tourists. Bosak stated that the expectation is that income will come from both groups. Pete Esquiro stated preference for the conditional use permit, and warned against moving too fast. Pete Esquiro stated that he wouldn't mind if Gary Paxton Industrial Park is a permitted use. Judy Bigsby stated concern for recovery groups that meet downtown, and stated that marijuana smoke and visibility could trigger individuals recovering from addiction.

MOTION: M/S HUGHEY/POHLMAN moved to refer this item back to the City and Borough of Sitka Marijuana Advisory Committee for further discussion concerning law enforcement, and to recommend that all licensed marijuana activities be conditional uses in all zones.

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

8:13-8:20 – Break

VARIANCE REQUEST

**LOTS 2 AND 3, BLOCK 2, US SURVEY 2542 A & B, SITKA INDIAN VILLAGE; LOT 56, BLOCK 2, AS SHOWN ON THE SUPPLEMENTAL PLAT OF SITKA INDIAN VILLAGE
JENNIFER ALLEY**

Public hearing and consideration of a variance request filed by Jennifer Alley for 208 Kogwanton Street. The variance is for the reduction of the westerly side setback of Lot 2 from 5 feet to 0 feet, the reduction of the easterly side setback of Lot 3 from 5 feet to 0 feet, the reduction in the rear setback of Lot 3 from 10 feet to 0 feet, and the reduction of the southwesterly and southeasterly side setbacks of lot 56 from 5 feet to 0 feet for the construction of a new house. The new house will cross internal lot lines of Lots 2, 3, and 56. The variance is also for a reduction in the westerly external side setback of Lot 3 from 5 feet to 2 feet for the construction of a covered stairway. The property is also known as Lots 2 and 3, Block 2, U.S. Survey 2542 A

& B, Sitka Indian Village, and Lot 56, Block 2, as shown on the supplemental plat of Sitka Indian Village. The request is filed by Jennifer Alley. The owner of record is Jennifer Alley.

STAFF REPORT: Scarcelli described the property and the request. The three legal lots have historically been held in common ownership. A recently demolished house crossed the adjoining lot lines of Lots 2 and 3. The proposed house would cross the adjoining lot lines of Lots 2, 3, and 56. Scarcelli stated that a replat would be the appropriate process. Scarcelli stated that approval is based on plans submitted, and cited neighbor concerns with building orientation. The prior owner of the property granted an easement to CBS, which resulted in street improvements. Concerns were raised at the February 2nd meeting that property markers may have been removed or covered by the city during construction, but there is no way to know that these markers were in place prior to road construction. Scarcelli stated that the "lot merger" described in Title 22 is a misnomer, and is not a legal lot merger process. State law states that variances cannot be granted solely for pecuniary or convenience reasons.

APPLICANT: Jennifer Alley shared pictures of the lot and proposed house. Hughey asked how much the survey would cost. Alley stated that a survey would be \$2000-3000. Alley stated that without a variance she might build a smaller house on one of the lots. Alley stated that she may move the house back further on the lot, which would give more space between the neighboring house.

PUBLIC COMMENT: Neighbor Mark White stated that he is satisfied with the site plan.

COMMISSIONER DELIBERATION: Pohlman stated that the plat process provides clarity, and a variance would be inconsistent. Bosak stated that staff are supportive of the construction of a new home; however, fairness requires adherence to the Municipal Code. Hughey stated a preference for a replat. Windsor stated a preference for a replat. Scarcelli recommended that if the commission is leaning toward denial, a postponement to allow for amendment could expedite the process and save the applicant money. The amendment would change the application to a variance from development standards.

MOTION: M/S POHLMAN/HUGHEY moved to postpone this item to allow for amendments to the application.

ACTION: Motion **PASSED unanimously 3-0** on a voice vote.

**ZONING TEXT CHANGE
SHORT TERM RENTALS AND BED AND BREAKFAST OPERATIONS IN PUBLIC ZONE
TIM FULTON**

Public hearing and consideration of a zoning text change request filed by Tim Fulton. The proposed zoning text change would permit Bed and Breakfast operations and Short-Term Rentals in the Public Zone. The request is filed by Tim Fulton.

STAFF REPORT: Scarcelli reviewed the request. Administration requested that this proposal be considered again by the Planning Commission. The applicant would like to see short-term rentals

allowed on boats in municipal harbors. This proposal could result in unique experiences for tourists. Planning and Harbors staff believe that previous concerns can be mitigated by harbor regulations and the conditional use process. Hughey asked about the Harbormaster's previously stated concerns. Bosak replied that the Harbormaster is supportive if approvals state that a proposed boat short-term rental is in conformance with Title 13, which addresses sewage. Bosak stated that prospective applications would go before Ports and Harbors Commission before coming to the Planning Commission. Windsor asked which other areas in town are zoned Public, which would also be impacted by the change. Scarcelli stated that staff could include language which specifies that Public zone short-term rentals are limited to boats in harbors.

APPLICANT: Fulton stated that this proposal is a good opportunity for the community. Fulton stated that he has used AirBnB across the world, and it has granted him the opportunity to experience the community more fully. Pohlman asked about sewage processing. Bosak stated that harbor regulations require that boats have a sewage containment system aboard, or that boat owners pay to have sewage pumped out. Pohlman clarified that any boat that did not conformed would not be approved for a permit, and Bosak confirmed this statement.

PUBLIC COMMENT: None.

COMMISSIONER DELIBERATION: Pohlman stated support for the amendment if the approval clearly indicates that the conditional use is for boats in harbors.

MOTION: M/S HUGHEY/POHLMAN moved to approve the staff findings that 1) The proposal does not impact public health, safety, and welfare; 2) The proposal is consistent with the comprehensive plan as discussed in the staff report; and; 3) The proposal would promote tourism, alleviate some burdens on the housing market, promote economic development, and utilize existing resources for the betterment of the public, health, and safety of the community.

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

MOTION: M/S POHLMAN/HUGHEY moved to recommend approval of a zoning text change request filed by Tim Fulton to permit boats as short-term rentals and Bed and Breakfast operations in harbors in the Public Zone as a conditional use.

MOTION: M/S HUGHEY/POHLMAN moved to amend the motion to remove "Bed and Breakfast operations" from the motion.

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

ACTION: Main motion as amended **PASSED 4-0** on a voice vote.

**CONDITIONAL USE PERMIT REQUEST
LOT 27 OF US SURVEY 3302
FRANCES ANNE BUDYNGE AND KRISTINA ANN SCHELLER**

Public hearing and consideration of a conditional use permit request filed by Frances Brann and Krystina Scheller for a short-term rental at 2116 Sawmill Creek Road. The property is also known as Lot 27 of US Survey 3302. The request is filed by Frances Brann and Krystina Scheller. The owners of record are Frances Anne Budyng and Krystina Ann Scheller.

STAFF REPORT: Scarcelli described the property and the conditional use permit request. The lot is greater than four acres with ample space for parking and foliage for privacy. The owners will rent the unit when they are out of town. Neighbor David Moore has expressed concerns for access. Scarcelli stated that access concerns could be mitigated with directional signs and clear directions. Neighbors Steve and Cathy Shaffer and Barth Hamberg have stated support in writing.

APPLICANT: Krystina Scheller stated that the property is their home most of the year, and they want to earn rental income while they are out of town. Scheller stated that she has spoken to several neighbors who are in support. Scheller stated that Clyde Shaffer has organized for the neighbors to update the access and utilities. Scheller stated that concerns have been raised about trash, and the property manager has a strict trash management policy. Scheller stated that she will be talking with the neighbors to negotiate locations for signage. Sharon Romine of Welcome Home Vacations stated that she will be managing this rental. Romine stated that for properties that are hard to find, her company meets renters at the airport to guide them to the property. Romine stated that she posts trash management guidelines in all of her rentals, stating that no food is to be put in the trash. Romine stated that her company calls Stragier to pick up trash if it piles up before the designated trash day.

PUBLIC COMMENT: David Moore stated that access easements are to be limited to 4 residences, but this neighborhood has 6 residences. Moore stated that people get lost and end up at his house. Moore stated that the road is only wide enough for one car in some places. Moore stated that trash has attracted bears. Moore stated that he is opposed to having a short-term rental in the subdivision. Parker Song clarified that traffic issues are not only related to an existing rental in the vicinity, and Moore replied that 90 percent is related to the existing rental. Romine suggested erecting a "Private Drive" sign. Scheller stated that their signs would primarily need to be placed on the Reifenstuhl property. Windsor asked which seasons the rental would be active, and Scheller replied that it would mainly function in the summer. Pohlman asked if the bear problem has increased during the last two years, and stated that it only takes one person to start a bear problem. Moore stated that he believes the bear situation has worsened. Parker Song asked if Moore knew that the renters were the ones putting the trash in the cans early, and stated that we shouldn't base a decision on conjecture. Frances Brann stated that long-term renters are also in the neighborhood.

COMMISSIONER DELIBERATION: Parker Song stated that she didn't see any reasons to deny the permit, and that Moore's concern is primarily with a different property. Windsor stated that Romine has a great track record of managing properties. Hughey stated that Moore's concerns do not rise to the level to deny the permit. Windsor asked about the 6-lot subdivision sharing an access easement. Bosak stated that this is a great example of the need to follow code. Bosak stated that the subdivision should not have been approved.

MOTION: M/S POHLMAN/HUGHEY moved to approve the required findings for conditional use permits:

C. Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that 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.
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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes,

off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

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

MOTION: M/S POHLMAN/HUGHEY moved to approve the conditional use permit request filed by Frances Brann and Krystina Scheller for a short-term rental at 2116 Sawmill Creek Road, subject to nine conditions of approval. The property is also known as Lot 27 of US Survey 3302. The request is filed by Frances Brann and Krystina Scheller. The owners of record are Frances Anne Budyng and Krystina Ann Scheller.

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 following the first nine months of operations 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. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.
9. An approved access plan that details efforts to mitigate disturbance to adjacent and surrounding land uses shall be submitted to and approved by the Planning and Community Development Department.

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

DIRECTORS REPORT: Bosak reminded commissioners to submit their financial disclosure forms to the Municipal Clerk, and stated that the landslide report is available on the city's website. Pierson reminded commissioners that beginning in March, the first meeting of the month will be dedicated to the comprehensive plan, while the second meeting of the month will be available for other planning actions.

MOTION: M/S HUGHEY/POHLMAN moved to adjourn at 9:33 p.m.

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

Darrell Windsor, Vice-Chair

Samantha Pierson, Secretary

**CITY AND BOROUGH OF SITKA
Planning Commission
Minutes of Meeting
December 1, 2015**

Present: Chris Spivey (Chair), Darrell Windsor (Vice-Chair), Tamie Parker Song—via phone (Member), Debra Pohlman (Member), Randy Hughey (Member), Maegan Bosak (PCDD), Michael Scarcelli (Senior Planner), Samantha Pierson (Planner I)

Absent: None

Members of the Public: Kevin Knox, Stan Eliason (Harbormaster), Forrest Dodson (via phone), Mary Holzman (via phone), Michael Tisher, Kelly Pellett, Cliff Richter, Jay Stelzenmeller

Chair Spivey called the meeting to order at 7:01 p.m.

Roll Call:

PRESENT: 5 – Spivey, Windsor, Parker Song (via phone), Pohlman, Hughey

Consideration of the Minutes from the November 3, 2015 meeting:

MOTION: M/S POHLMAN/WINDSOR moved to approve the meeting minutes for November 3, 2015.

ACTION: Motion **PASSED** unanimously 5-0 on a voice vote.

The evening business:

**ZONING TEXT CHANGE
SHORT TERM RENTALS AND BED AND BREAKFAST OPERATIONS IN PUBLIC ZONE
TIM FULTON**

Public hearing and consideration of a zoning text change request filed by Tim Fulton. The proposed zoning text change would permit B&B's and Short-Term Rentals on boats in municipal harbors, in the Public Zone. The request is filed by Tim Fulton.

STAFF REPORT: Scarcelli reviewed the request, which would permit B&B's and short-term rentals in all properties zoned Public Lands District. Scarcelli stated that the Port and Harbors Commission had some positive and some negative thoughts about the request. Scarcelli stated concerns for sewage dumping and safety. Scarcelli noted that the applicant was currently at another board where he serves as chair, but can answer questions via phone if commissioners wished. Scarcelli read a letter submitted by the applicant.

COMMISSIONER DELIBERATION: Commissioners did not have questions for the applicant. Windsor asked for clarification on Public zoning. Scarcelli clarified that if the zoning text change was enacted, bed and breakfast operations and short-term rentals would be permitted or

conditional in all lands zoned Public Lands, beyond the harbors. Hughey asked about infrastructure and sewage concerns.

PUBLIC COMMENT: Port and Harbors Commission Chair Kevin Knox and Harbormaster Stan Eliason expressed concerns for sanitation, safety, traffic, and increased workload of harbor staff. Knox acknowledged that the request is interesting, and short-term rentals are permitted in harbors in other states. Eliason stated that boats must currently be taken to a dump station, since sewage pipes are not run to all boats.

MOTION: M/S HUGHEY/WINDSOR moved to approve the staff findings that 1) the proposal negatively impacts the public's health, safety, and welfare due to the anticipated impact to public infrastructure, the impacts resulting from sewage, the anticipated cost of enforcement and oversight; 2) is inconsistent with the comprehensive plan as discussed in the staff report; and 3) involves the broad impacts that a zoning text change would have on lands zoned Public.

ACTION: Motion **PASSED 5-0** on a voice vote.

MOTION: M/S HUGHEY/WINDSOR moved to recommend denial of a zoning text change request filed by Tim Fulton for a zoning text change to permit short-term rentals and Bed and Breakfast operations in the Public Zone as a permitted or conditional use.

ACTION: Motion **PASSED 5-0** on a voice vote.

7:25—Parker Song stated that she was having a hard time hearing discussion via phone. Commissioners agreed that since a quorum could be met without her, Parker Song could leave the meeting.

VARIANCE REQUEST

**263 KATLIAN AVENUE, LOT 14, BLOCK 5, SITKA INDIAN VILLAGE, U.S. SURVEY 2542
FORREST DODSON AND MARY HOLZMAN**

Public hearing and consideration of a variance request filed by Forrest Dodson and Mary Holzman for 263 Katlian Avenue and the adjacent tidelands. The variance request is for a reduction in lot size from 6,000 square feet to 4,428 square feet. The property is also known as Lot 14, Block 5, Sitka Indian Village, U.S. Survey 2542. The request is filed by Forrest Dodson and Mary Holzman. The owners of record are Forrest Dodson and Mary Holzman.

STAFF REPORT: Scarcelli reviewed the request. The variance would permit the creation of an undersized lot. The current lot is undersized, and the proposal would approximately double the lot size. This proposal would move the lot toward compliance. Scarcelli stated that the Historic Preservation reviewed the project and made a motion to approve, which failed.

APPLICANT: Forrest Dodson and Mary Holzman joined via phone, and stated that there was no new information.

COMMISSIONER DELIBERATION: Hughey asked staff why the Historic Preservation Commission denied approval for the project. Scarcelli stated that the HPC wanted to seek input from the Tribe and was concerned that moving the structure would make it ineligible for historic status. Bosak reminded the Commissioners that the HPC is a recommendation board, and the HPC's recommendations cannot prevent a project.

PUBLIC COMMENT: No public comment.

MOTION: M/S POHLMAN/HUGHEY moved to approve the required findings for variances involving major structures or expansions:

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, *specifically the small lot size*;
- 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;
- 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;
- d) That the granting of such a variance will not adversely affect the Comprehensive Plan, *specifically, it is in line with Comprehensive Plan 2.4.1, which states, "To guide the orderly and efficient use of private and public land in a manner that maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations without infringing on the rights of private landowners," and conditions of approval mitigate any harm and the proposal enhances the quality of access for current and future homeowners.*

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

MOTION: M/S POHLMAN/HUGHEY moved to approve the variance request filed by Forrest Dodson and Mary Holzman for 263 Katlian Avenue and the adjacent tidelands. The variance request is for a reduction in lot size from 6,000 square feet to 4,428 square feet. The property is also known as Lot 14, Block 5, Sitka Indian Village, U.S. Survey 2542. The request is filed by Forrest Dodson and Mary Holzman. The owners of record are Forrest Dodson and Mary Holzman.

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

**MINOR SUBDIVISION
263 KATLIAN AVENUE, LOT 14, BLOCK 5, SITKA INDIAN VILLAGE, U.S. SURVEY 2542
FORREST DODSON AND MARY HOLZMAN**

Public hearing and consideration of a minor subdivision request filed by Forrest Dodson and Mary Holzman for 263 Katlian Avenue and the adjacent tidelands. The property is also known as Lot 14, Block 5, Sitka Indian Village, U.S. Survey 2542. The request is filed by Forrest Dodson and Mary Holzman. The owners of record are Forrest Dodson and Mary Holzman.

STAFF REPORT: Scarcelli reviewed the request. While the proposal would create an undersized lot, the proposal would move the lot toward code compliance. The proposal would mitigate traffic and parking concerns. Scarcelli proposed standards conditions that followed current code.

APPLICANT: Forrest Dodson and Mary Holzman joined via phone, and stated that there was no new information.

COMMISSIONER DELIBERATION: Hughey asked staff why the Historic Preservation Commission denied approval for the project. Scarcelli stated that the HPC wanted to seek input from the Tribe and was concerned that moving the structure would make it ineligible for historic status. Bosak reminded the Commissioners that the HPC is a recommendation board, and the HPC's recommendations cannot prevent a project.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/HUGHEY moved to approve the staff findings that 1) the proposal positively impacts the public's health, safety, and welfare due to the anticipated impact to the proposed increase of space between the house and the front property line, newly created parking, and preservation of a historic structure; and 2) is consistent with the comprehensive plan as discussed in the staff report.

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

MOTION: M/S WINDSOR/HUGHEY moved to approve with staff's four conditions the final plat for a minor subdivision filed by Forrest Dodson and Mary Holzman for 263 Katlian Avenue and the adjacent tidelands. The property is also known as Lot 14, Block 5, Sitka Indian Village, U.S. Survey 2542. The request is filed by Forrest Dodson and Mary Holzman. The owners of record are Forrest Dodson and Mary Holzman.

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

**MINOR SUBDIVISION
213 PRICE STREET, LOT 1 OF MICK'S SUBDIVISION, U.S. SURVEY 3695
MICHAEL TISHER**

Public hearing and consideration of a final plat for a minor subdivision at 213 Price Street. The subdivision would create two lots. The property is also known as Lot 1 of Mick's Subdivision, U.S. Survey 3695. The request is filed by Michael Tisher. The owner of record is Michael Tisher.

Chair Spivey stated that he has a professional relationship with the applicant, with no financial gain from this proposal. Commissioners allowed him to continue participating in the proceedings.

STAFF REPORT: Scarcelli reviewed the request and the property's history. The minor subdivision would create two lots, both zoned Industrial. Both proposed lots will be in excess of minimum dimension requirements. Bosak stated that Industrial property is in high demand in Sitka.

APPLICANT: Michael Tisher stated that he had no additional information to share.

COMMISSIONER DELIBERATION: Hughey stated that the request was very straightforward.

PUBLIC COMMENT: No public comment.

MOTION: M/S HUGHEY/WINDSOR moved approve the staff findings that 1) the proposal positively impacts the public's health, safety, and welfare by providing space in the Industrial Zone; and 2) is consistent with the comprehensive plan as discussed in the staff report.

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

MOTION: M/S HUGHEY/WINDSOR moved to approve the final plat for a minor subdivision at 213 Price Street. The subdivision would create two lots. The property is also known as Lot 1 of Mick's Subdivision, U.S. Survey 3695. The request is filed by Michael Tisher. The owner of record is Michael Tisher.

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

**VARIANCE REQUEST
121 MOLLY LANE, LOT 6 OF MOUNTAINVIEW PHASE II SUBDIVISION
PELLETT ENTERPRISES**

Public hearing and consideration of a variance request filed by Pellett Enterprises for 121 Molly Lane. The variance request is for a reduction in the front setback from 20 to 10 feet for the construction of a home. The property is also known as Lot 6 of Mountainview Phase II Subdivision. The request is filed by Pellett Enterprises. The owner of record is Mountain View Estates, LLC.

Chair Spivey stated that he had professional relationships with the applicant and the property owner. Hughey stated that he had a professional relationship with the applicant. Commissioners agreed to allow full participation by Spivey and Hughey.

STAFF REPORT: Scarcelli reviewed the request, highlighting the steep topography. Scarcelli stated that a 10 foot front setback was granted for the property directly across the cul-de-sac. Scarcelli stated that the Fire Department did not have concerns for the undersized cul-de-sac. Scarcelli stated that without a variance, additional excavation would be required to create an

acceptable building site. Scarcelli recommended a condition that the variance be measured as 10 feet from the property line to the drip line of eaves and no further.

APPLICANT: Kelly Pellett stated that the rear of the property has large rocks. The proposal would result in an elevation change of 12 feet from cul-de-sac to the lot level. Pellett stated that he also planned a rock wall to strengthen the lot.

COMMISSIONER DELIBERATION: No deliberation.

PUBLIC COMMENT: No public comment.

MOTION: M/S POHLMAN/HUGHEY moved to approve the required findings for variances involving major structures or expansions:

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

- e) That there are special circumstances to the intended use that do not apply generally to the other properties, *specifically, the steep lot topography;*
- f) The variance is necessary for the preservation and enjoyment of a substantial property right of use possessed by other properties but are denied to this parcel, *specifically, the ability to develop the property without extensive excavation;*
- g) 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 emergency vehicles will be able to properly access the cul-de-sac and that the front setback will not impact any adjacent property owners;*
- h) That the granting of such a variance will not adversely affect the Comprehensive Plan, *specifically, it is in line with Comprehensive Plan 2.4.1, which states, "To guide the orderly and efficient use of private and public land in a manner that maintains a small-town atmosphere, encourages a rural lifestyle, recognizes the natural environment, and enhances the quality of life for present and future generations without infringing on the rights of private landowners," and conditions of approval mitigate any harm and the proposal enhances the quality of access for current and future homeowners.*

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

MOTION: M/S POHLMAN/HUGHEY moved to approve the variance request filed by Pellett Enterprises for 121 Molly Lane, subject to the condition that the variance only be 10 feet as measured from property to drip-line of eaves and no further. The variance request is for a reduction in the front setback from 20 to 10 feet for the construction of a home. The property is also known as Lot 6 of Mountainview Phase II Subdivision. The

request is filed by Pellett Enterprises. The owner of record is Mountain View Estates, LLC.

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

Chair Spivey stated that he had a business relationship with the applicant. Commissioners agreed to allow him to continue full participation.

**MAJOR AMENDMENT TO PLANNED UNIT DEVELOPMENT
100 INDIAN RIVER ROAD, LOT 3AA, INDIAN RIVER SUBDIVISION NO. 2
BARANOF ISLAND HOUSING AUTHORITY**

Public hearing and consideration of a major amendment to a planned unit development subdivision permit requested by the Baranof Island Housing Authority (BIHA) at 100 Indian River Road. The property is also known as Lot 3AA, Indian River Subdivision No. 2. The owner of record is the Baranof Island Housing Authority.

STAFF REPORT: Scarcelli reviewed the request and the previously approved Planned Unit Development. This major amendment would change the proposed location and orientation of the buildings, and join them by a fire wall across a property lot line. Parking requirements remain the same. The proposed amendment will result in the same number of dwelling units as the original plan, but a reduced number of bedrooms.

APPLICANT: Cliff Richter explained that a professional estimate showed that the project was a million dollars over budget. This proposed amendment is one piece of BIHA cutting back the project expenditures. Richter stated that BIHA has a waiting list for one-bedroom apartments, and this property will help alleviate the demand. Richter stated that the Section 184 loan requires no more than 4 units per lot, which makes the two-lot design necessary. Richter thanked the planning staff for being helpful throughout the process.

COMMISSIONER DELIBERATION: Pohlman stated that the proposal was straightforward.

PUBLIC COMMENT: No public comment.

MOTION: M/S WINDSOR/POHLMAN moved to approve the staff findings that 1) the proposed amendment complies with the comprehensive plan by providing for the enhancement of the quality of life in Sitka through the development of affordable housing options; 2) the major amendment, though creative and unique, is in line with the prior approved Planned Unit Development Subdivision; and 3) the major amendment would not be injurious to the public's health, safety, and welfare.

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

MOTION: M/S WINDSOR/POHLMAN moved to approve the plat for a major amendment to a planned unit development subdivision permit requested by the Baranof Island Housing Authority (BIHA) at 100 Indian River Road. This approval is subject to the access and utility easements being slightly modified to incorporate the parking and utilities that cross

lots 3AA-1 into lots 3AA-2 and 3AA-3; and a binding plat note stating no lot may be sold independently of the other lots. The property is also known as Lot 3AA, Indian River Subdivision No. 2. The request is to allow a multiplex residential structure across lot lines. The owner of record is the Baranof Island Housing Authority.

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

8:15—Commissioners took a 5 minute break.

**ZONING TEXT CHANGE
LICENSED MARIJUANA ACTIVITY AS PERMITTED USE IN CBD, WD, I, C-1, C-2, GP ZONES
CBS MARIJUANA ADVISORY COMMITTEE**

Public hearing and consideration of a zoning text change request filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow licensed marijuana activity as a permitted use in the Central Business District, Waterfront District, Industrial Zone, Commercial C-1 and C-2 zones, and the Gary Paxton Special Zone.

STAFF REPORT: Scarcelli reviewed the request and summarized marijuana regulation in Alaska. Scarcelli stated that state regulations are still evolving, and the state now allows cafes for consumption. Scarcelli stated that the application is broad, but state regulation addresses several specific categories of legal activity. Scarcelli cautioned the commissioners from moving too quickly, and encouraged the crafting of careful and thoughtful legislation. Bosak recommended that commissioners just start the discussion at this point.

COMMISSIONER DELIBERATION: Hughey asked if locations for marijuana would be more restrictive than alcohol. Bosak stated that marijuana would be more restrictive than alcohol, and referred to Drug Safe Schools. Bosak encouraged a joint meeting between the Planning Commission and Marijuana Advisory Committee. Bosak stated her preference for deliberating on the location of each category of marijuana use. Hughey stated that commissioners should be clear on the different legal activity categories before making an educated decision. Windsor stated that extensive public notice is required before opening a facility. Spivey stated that marijuana businesses cannot have business bank accounts since marijuana is federally illegal. Scarcelli stated that he has spoken to professionals from other localities who wish they would have rolled out local legislation more carefully. Windsor stated that the state will begin issuing licenses in May. Hughey expressed concern that if fees are too expensive, some individuals will still find illegal marijuana trade to be more profitable.

PUBLIC COMMENT: Jay Stelzenmeller, a member of the Marijuana Advisory Committee, stated that he primarily came to the meeting to hear the thoughts of Planning Commissioners. Stelzenmeller stated that he seeks to see marijuana move from the illegal realm to the legal realm. Stelzenmeller stated that marijuana businesses are not eligible for business tax benefits.

MOTION: M/S WINDSOR/POHLMAN moved to continue public hearing and discussion at the next scheduled Planning Commission meeting to allow for further study of negative impacts and the development of a zoning text change that would comply with newly

modified state regulations. The zoning text change request is filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow licensed marijuana activities as a permitted use in the Central Business District, Waterfront District, Industrial Zone, Commercial C-1 and C-2 zones, and the Gary Paxton Special Zone.

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

**ZONING TEXT CHANGE
LICENSED MARIJUANA ACTIVITY AS CONDITIONAL USE IN LI AND GI ZONES
CBS MARIJUANA ADVISORY COMMITTEE**

Public hearing and consideration of a zoning text change request filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow licensed marijuana activity as a conditional use in the Large Island and General Island zones.

STAFF REPORT: Scarcelli reviewed the request and summarized marijuana regulation in Alaska. Scarcelli stated that state regulations are still evolving, and the state now allows cafes for consumption. Scarcelli stated that the application is broad, but state regulation addresses several specific categories of legal activity. Scarcelli cautioned the commissioners from moving too quickly, and encouraged the crafting of careful and thoughtful legislation. Bosak recommended that commissioners just start the discussion at this point.

COMMISSIONER DELIBERATION: Hughey asked if locations for marijuana would be more restrictive than alcohol. Bosak stated that marijuana would be more restrictive than alcohol, and referred to Drug Safe Schools. Bosak encouraged a joint meeting between the Planning Commission and Marijuana Advisory Committee. Bosak stated her preference for deliberating on the location of each category of marijuana use. Hughey stated that commissioners should be clear on the different legal activity categories before making an educated decision. Windsor stated that extensive public notice is required before opening a facility. Spivey stated that marijuana businesses cannot have business bank accounts since marijuana is federally illegal. Scarcelli stated that he has spoken to professionals from other localities who wish they would have rolled out local legislation more carefully. Windsor stated that the state will begin issuing licenses in May. Hughey expressed concern that if fees are too expensive, some individuals will still find illegal marijuana trade to be more profitable.

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MOTION: M/S POHLMAN/HUGHEY moved to continue public hearing and discussion at the next scheduled Planning Commission meeting to allow for further study of negative impacts and the development of a zoning text change that would comply with newly modified state regulations. The zoning text change request is filed by the City and Borough of Sitka Marijuana Advisory Committee. The request would allow licensed marijuana activities as a conditional use in the Large Island and General Island zones.

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

DIRECTORS REPORT: Scarcelli reported that he and Bosak had attended the Alaska Planning Association meeting. Scarcelli noted that the next Commission agenda would include marijuana discussion, a Comprehensive Plan presentation by staff, and two variances.

COMMISSIONER DISCUSSION: Spivey asked about public attendance at Marijuana Advisory Committee meetings. Windsor stated that the Committee has not had much public attendance, and is considering holding a Town Hall meeting. Pohlman stated that there are potential benefits to legal marijuana activity that are not being discussed, such as marijuana cultivators using leftover planting pots that would otherwise be sent to the landfill.

MOTION: M/S WINDSOR/POHLMAN moved to adjourn at 8:53 pm.

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

Chris Spivey, Chair

Samantha Pierson, Secretary



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: 2/11/2016

From: Michael Scarcelli, Senior Planner, and Samantha Pierson, Planner I

To: Planning Commission

Re: ZTC 15-10 To Allow Short-term Rentals and Bed and Breakfasts in the Public Lands Zone

GENERAL INFORMATION

Applicant: Tim Fulton
Property Owner: City and Borough of Sitka
Property Address: N/A
Legal Description: N/A
Parcel ID Number: N/A
Size of Existing Lot: N/A
Zoning: Public
Existing Land Use: Public
Utilities: N/A
Access: Varies
Surrounding Land Use: Varies

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Previous Staff Report
Attachment B: Application
Attachment C: Multiple Code Pages
Attachment D: Harbormaster Memorandum
Attachment E: Payment

Providing for today...preparing for tomorrow

PROJECT DESCRIPTION

The request is for a zoning text change to allow as conditional uses for short-term rentals and Bed and Breakfast operations in the Public Zone for the purpose of renting out boats for short-term and vacation accommodations. The applicant is specifically seeking the ability to have short-term rentals and bed and breakfasts on boats in municipal harbors.

BACKGROUND AND ANALYSIS

One code section would need to be amended for this application. Table 22.16.015-1 would need “C” added to the Bed and Breakfast and Short-Term Rental portions of the Residential Land Use section. Port and Harbors code may need to be amended as well.

Senior Planner, Michael Scarcelli, presented this proposal to the Port and Harbors Commission on November 18, 2015. There was mixed discussion in support and also some concerns against. At that time, Harbormaster, Stan Eliason was in support of this creative idea. And overall, it appeared that all staff would recommend at limited conditional use of the proposal. After further study, however, both the Harbormaster and Planning and Community Development Department were unanimously against this proposal.

After further direction and reflection, staff is requesting to revisit this proposal under a new light that addresses past concerns with solutions that mitigate those concerns. If necessary, existing harbor regulations and enforcement would address any impacts to the harbor system. At the Planning Commission level, conditions of approval could address compliance with such regulations, impose conditions on water safety pursuant to Coast Guard programs and regulations, impose life and safety conditions similar to other STR permits, and address any other impacts that came up in review.

Ultimately, in these economic times, any business can be good business. It is our Department’s opinion to recommend projects that provide economic development while ensuring the Community’s best interest. Right now, economic development trickles in to many different avenues of the community’s best interests.

Project Site: varies

Project Design: varies

Traffic: varies

Parking: varies

Noise: While not always the case, tourists can be jovial and celebratory, which can result in increased noise from voices and music.

Public Health or Safety: After discussion with staff, concerns regarding safety, sanitation, and harmony of harbor system can be adequately addressed through conditions of approval and existing harbor regulations.

Habitat: After discussion with staff, concerns regarding environment, sanitation, and harmony of harbor system can be adequately addressed through conditions of approval and existing harbor regulations.

Property Value or Neighborhood Harmony: varies

Conformity with Comprehensive Plan: The proposed ZTC would be consistent with the Comprehensive Plan section 2.6.2.K., which states “Encourage the development of facilities to accommodate visitors, such as bed and breakfasts, hotels, restaurants, and recreation areas, however, short term rentals and bed and breakfasts proposed to be located in residential areas should be designed and developed such that noise, traffic, lighting, and visual impacts from the facilities are no more significant than impacts from ordinary residential uses in neighborhoods where they will be located.” Here, conditions of approval and existing regulations would mitigate any impacts.

In addition, the proposal is consistent with 2.3.12 that states, “To plan for and maintain quality harbor facilities and services that will enhance marine commerce and accommodate the needs of residents, transient boats, the charter fleet, and cruise ship tenders, and to carry out the following policy and objective: A. Harbor facilities shall be maintained and supported, in so far as possible, by the revenues generated by harbor operations. While reasonable moorage is a goal; more of the load may need to be taken in fees. B. A long-range plan and financial strategy should be developed to address the future need to replace harbors. C. Develop sewage waste disposal system or policy for harbor facilities.” This is due to the impact upon the harbor environment and the cost of enforcement in relation to projected income.

Conditions to address any potential impacts is further supported by section 2.2.4 that states to minimize impacts on diversity and integrity of the ecosystem; and that support protection of public infrastructure, proper sewage disposal, and protection of publics’ health, safety, and welfare.

FINDINGS

Staff suggests the following findings:

- 1) That the proposal does not impact public health, safety, and welfare;
- 2) That the proposal is consistent with the comprehensive plan as discussed in the staff report; and
- 3) That the proposal would promote tourism, alleviate some burdens on the housing market, promote economic development, and utilize existing resources for the betterment of the public, health, and safety of the community.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Senior Planner’s analysis and recommend approval of the requested zoning text change.

RECOMMENDED MOTIONS (two motions)

Move to adopt the findings as stated in discussion and staff report;

Move to recommend approval of the zoning text change.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: 11/16/15

From: Michael Scarcelli, Senior Planner, and Samantha Pierson, Planner I

To: Planning Commission

Re: ZTC 15-10 To Allow Short-term Vacation Rentals and Bed and Breakfasts in the Public Zone

GENERAL INFORMATION

Applicant: Tim Fulton
Property Owner: City and Borough of Sitka
Property Address: N/A
Legal Description: N/A
Parcel ID Number: N/A
Size of Existing Lot: N/A
Zoning: Public
Existing Land Use: Public
Utilities: N/A
Access: Varies
Surrounding Land Use: Varies

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Application
Attachment B: Multiple Code Pages
Attachment C: Harbormaster Memorandum
Attachment D: Payment

PROJECT DESCRIPTION

The request is for a zoning text change to short-term rentals and Bed and Breakfast operations in the Public Zone. The applicant is specifically seeking the ability to have short-term rentals and bed and breakfasts on boats in municipal harbors.

BACKGROUND AND ANALYSIS

One code section would need to be amended for this application. Table 22.16.015-1 would need “P” or “C” added to the Bed and Breakfast and Short-Term Rental portions of the Residential Land Use section. Port and Harbors code may need to be amended as well.

Senior Planner, Michael Scarcelli, presented this proposal to the Port and Harbors Commission on November 18, 2015. There was mixed discussion in support and also some concerns against. At that time, Harbormaster, Stan Eliason was in support of this creative idea. And overall, it appeared that all staff would recommend at limited conditional use of the proposal. However, after further study both the Harbormaster and Planning and Community Development Department are unanimously against this proposal.

Project Site: varies

Project Design: varies

Traffic: varies

Parking: varies

Noise: While not always the case, tourists can be jovial and celebratory, which can result in increased noise from voices and music.

Public Health or Safety: Tourists who are unfamiliar with boating safety could harm themselves and others with unsupervised access to boats. In addition, sewage disposal, use of existing restroom infrastructure, and impact to all of the land areas also zoned Public Facilities could be negatively impacted.

Habitat: Increased concerns for sewage dumping by tourists, potentially impacting aquatic ecosystems.

Property Value or Neighborhood Harmony: varies

Conformity with Comprehensive Plan: The proposed ZTC would be inconsistent with the Comprehensive Plan section 2.6.2.K., which states “Encourage the development of facilities to accommodate visitors, such as bed and breakfasts, hotels, restaurants, and recreation areas, however, short term rentals and bed and breakfasts proposed to be located in residential areas should be designed and developed such that noise, traffic, lighting, and visual impacts from the facilities are no

more significant than impacts from ordinary residential uses in neighborhoods where they will be located.”

In addition, the proposal is inconsistent with 2.3.12 that states, “To plan for and maintain quality harbor facilities and services that will enhance marine commerce and accommodate the needs of residents, transient boats, the charter fleet, and cruise ship tenders, and to carry out the following policy and objective: A. Harbor facilities shall be maintained and supported, in so far as possible, by the revenues generated by harbor operations. While reasonable moorage is a goal; more of the load may need to be taken in fees. B. A long-range plan and financial strategy should be developed to address the future need to replace harbors. C. Develop sewage waste disposal system or policy for harbor facilities.” This is due to the impact upon the harbor environment, the cost of enforcement in relation to projected income. This is further supported by section 2.2.4. Minimize impacts on diversity and integrity of the ecosystem; and is further inconsistent with general Comprehensive Provisions that support protection of public infrastructure, proper sewage disposal, and protection of publics’ health, safety, and welfare.

FINDINGS

Staff suggests the following findings:

- 1) That the proposal negatively impacts the publics’ health, safety, and welfare due to the anticipated impact to public infrastructure, the impacts resulting from sewage, the anticipated cost of enforcement and oversight;
- 2) Inconsistency with the comprehensive plan as discussed in the staff report; and
- 3) The broad impacts that zoning text change would have to land areas zoned Public Facilities.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Senior Planner’s analysis and deny the requested zoning text change.

RECOMMENDED MOTION

Move to deny the request filed by Tim Fulton for a zoning text change to permit short-term rentals and Bed and Breakfast operations in the Public Zone as a permitted or conditional use.

MEMORANDUM

To: Michael Scarcelli, Senior Planner

Cc; Planning Commission

Kevin Knox, Harbor Commission Chairman

From: Stan Eliason, Harbormaster

Date: November 19, 2015

Subject: Short term rental/Airbnb

The Port and Harbor Commission met on November 12th. Tim Fulton presented his idea of an Airbnb to be allowed on his future boat. The Commission was favorable with his idea, but determined further discussion with the Planning Commission was needed to address insurance and sewage regulations.

I was also favorable to his presentation. However, at this point in time, I'm against this proposal. If we were to allow Airbnb's with *strict regulation's* pertaining to sewage. This very well could lead to regulating all users of our harbor system, including visiting vessels. I do not have the manpower to accomplish this.

Samantha Pierson

From: Michael Scarcelli
Sent: Thursday, November 19, 2015 10:54 AM
To: Stan Eliason; Dan Tadic
Cc: Samantha Pierson
Subject: RE: P&Z In Your Neighborhood...Planning Commission Agenda December 1st

I go back and forth too on this one. I am down the middle. But I agree that sewage is going to be the main negative impact, and will only be addressed with increased enforcement, which would become burdensome, especially if it goes to limited rentals: the return on investment would be negative. I was originally very much against it, then sorta for it, sorta against it. But now, with more detail presented from Stan, I am against it.

A formal staff report or memo would be helpful from PW and Port and Harbors to present the different Department concerns to the Planning Commission and potentially the City Assembly. If I received one, I would cite it in my own staff report and attach it to the packets.

Thank you,

Mike

From: Stan Eliason
Sent: Thursday, November 19, 2015 10:29 AM
To: Dan Tadic <dan.tadic@cityofsitka.org>; Michael Scarcelli <michael.scarcelli@cityofsitka.org>
Cc: Samantha Pierson <samantha.pierson@cityofsitka.org>
Subject: RE: P&Z In Your Neighborhood...Planning Commission Agenda December 1st

My fear is this sewage regulation towards STR/BB could include other users, through the public process. All's it will take is someone saying "if they have to abide by this regulation, so should live a boards" then the can of worms is opened to regulate everyone. If this were to occur, see the following.

- 1) We'd have to put dye tabs in holding tanks. If one were to dump illegally, the waters around the boat would turn to a florescent color.
- 2) Seal the "Y" valve. We'd have to seal the valve, so only waste could go into the holding tank and not overboard.

This would be a management nightmare. I'd have to form an environmental department within the harbor department.....that won't happen.

I certainly want the waters of our harbors to be safe and clean. However, at this point in time, I'm leaning towards not allowing this. Convince me otherwise, I might bite.

This topic needs more discussion.

*Stan Eliason, Harbormaster
City and Borough of Sitka
Coast Guard City, USA*

New email: stan.eliason@cityofsitka.org

<http://www.cityofsitka.com/government/departments/harbor/index.html>

From: Dan Tadic
Sent: Thursday, November 19, 2015 8:33 AM
To: Michael Scarcelli
Cc: Stan Eliason; Samantha Pierson
Subject: RE: P&Z In Your Neighborhood...Planning Commission Agenda December 1st

Glad to hear that the discussions have already started. I think the sewage issue is a big one that we could get in trouble for if ADEC were to discover somehow that we did nothing to stop raw sewage from being dumped into the ocean. I think getting the applicants for a STR/BB to sign off that they will not do this or allow this to occur would at least be one step we have taken to discourage this illegal activity from occurring in our harbors.

From: Michael Scarcelli
Sent: Thursday, November 19, 2015 8:20 AM
To: Dan Tadic <dan.tadic@cityofsitka.org>
Cc: Stan Eliason <stan.eliason@cityofsitka.org>; Samantha Pierson <samantha.pierson@cityofsitka.org>
Subject: RE: P&Z In Your Neighborhood...Planning Commission Agenda December 1st

Already did that.

Port and Harbors were very supportive. They had concerns, similar to those I presented upon (safety, restrooms, sewage, liability, harmony of life, enforcement, etc)- . Overall though, they supported recommending limited STR/BB in a harbor - with further study and collaboration between Departments.

STR/BB are not currently permitted by code, but are prohibited uses – from a strict interpretation. However, I am certain they exist. Because I looked at several when I arrived in Sitka as living options. There are float homes, but they expressly do not allow STR.

From: Dan Tadic
Sent: Wednesday, November 18, 2015 5:27 PM
To: Stan Eliason <stan.eliason@cityofsitka.org>
Cc: Michael Scarcelli <michael.scarcelli@cityofsitka.org>; Samantha Pierson <samantha.pierson@cityofsitka.org>
Subject: FW: P&Z In Your Neighborhood...Planning Commission Agenda December 1st

Seeing Planning Commission agenda item #1 for a zoning text change to allow B&Bs and short term rentals in the harbor system got me wondering if this should be presented to the P&H Commission before going to Planning. I think they will want to weigh in on this topic.

Stan - How is sewage handled for live-aboards in our harbors now??? As I understand it, there is nobody who pumps holding tanks locally. I'd imagine some live-aboards just use the harbor restrooms and not onboard toilets. How many use the pumpouts regularly? There are pump outs at Eliason, Thomsen and Crescent, right? The reason I ask is, I suspect some unscrupulous owners may allow the sewage to dump into the ocean. Part of the process for approving a particular B&B or short term rental in a harbor, should be asking whether it has an onboard restroom or not and if it does require them to use the pumpout as a condition of the permit.

Also, aren't live-aboards only permitted in certain harbors? It seems if a harbor does not permit live-aboards it should not permit B&Bs or short term rentals.

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
ZONE CHANGE APPLICATION

ZONE MAP AMENDMENT FEE	\$100.00
ZONE TEXT AMENDMENT FEE	\$100.00
<i>Plus current city sales tax</i>	

Applicant's Name: TIM FULTON
Phone Number: 738-0740
Mailing Address: 225 Lakeview Drive Sitka AK 99835
Applicant's Signature: _____ Date Submitted _____

Provide information or data, as necessary, to fully outline the reasons and justifications for the request. Attach additional sheets as necessary.

For official map amendments, the application shall contain:

1. A legal description of *each* subject property along with the owner's name, address, and contact person for *each* subject property;
2. An analysis showing the public benefit of the proposed amendment;
3. An analysis showing the proposal's consistency with the Comprehensive Plan;
4. A map of the area to be rezoned.

LIST SPECIFIC REQUEST: I am requesting a variance to allow a boat that is moored in one of Sitka's harbors to be used as a short-term vacation rental or B&B.

EXPLANATION OF REQUEST: Having a boat as a short-term rental is not currently done in Sitka. However, utilizing boats as short-term vacation rentals is done successfully in other places & is a growing niche in the travel & vacation market. With Sitka's new branding emphasizing the uniqueness of our town & location, a boat as vacation rental can meet two needs. First, according to the Sitka Convention & Visitors Bureau, often there is not enough bed space in Sitka to accommodate traveler demand. Second, a boat vacation rental can successfully fill a void for those vacationers looking for a unique travel experience. Television shows such as "Deadliest Catch" fuels the world's fascination with Alaska in general & Alaska fishing in particular. Staying overnight on a boat in a working harbor in Alaska's most beautiful city can be a dream come true for world travelers. This vacation rental opportunity can contribute significantly to Sitka's economy both through taxes & spending revenue. It is an opportunity for Sitka to say "yes" to a unique avenue of economic growth in a controlled manner.

After the application and supporting materials has been determined to be complete by the Planning Office, the request will be placed on the next available Planning Commission agenda.

Members of the Sitka Planning Commission and Supporting Staff,

My name is Tim Fulton.

Thank you for considering my request for a zoning text change. I regret not being able to attend in person. I do have a prior commitment that I cannot change. My hope is that this letter can help answer some questions. I set it up with Michael Scarcelli to call if I can answer any further questions.

My wife and I have been using the new concept of Airbnb for the last couple of years. We are pleasantly surprised as to how it welcomes you into what ever experience we choose.

The concept of Airbnb is a natural fit for Sitka. It would be an easy sell for those who are looking for a little uniqueness to add to their Alaska experience. I want to be clear that at this point we are still working with just an idea. It seems prudent to first work with the City of Sitka and get all the necessary permissions before proceeding with the actual business plan. However, in my preliminary number crunching it is a viable business model.

I know you have many things to consider before you make your decision. I would like to address a few that I see;

1. Regarding the economic benefit to Sitka, the direct taxes from this venture would not be enormous. However, a significant benefit would be in the new money it can bring into Sitka via the support given to our other small businesses. I have investors who are interested in part for the contribution it can make to the local economy.
2. I believe that this idea is forthcoming, and right now you have an opportunity to address it in a positive way that will help control the development of this business idea. As a city, we have been successfully using lands based zoning laws to address usage for years.
3. Supporting the language change should help keep short term rentals in our Harbors above ground and working with our Harbor department to address safety concerns and other issues.
4. If this zoning text change is moved forward it allows us an opportunity to work together and address everyone's concerns, allowing for good policy construction that will benefit Sitka.
5. Airbnb is working on boats in other port cities in the United States and around the world. It can work here.

Thank you for your time,
Tim J Fulton

City and Borough of Sitka, AK
100 Lincoln St
Sitka, AK 99835

11/04/2015
2016-00024073
Front Counter
TIM FULTON

Date:
Receipt:
Cashier:
Received From:

PLAN - Planning Permits/Zo	100.00
ning	5.00
STI - Sales Tax 4th quarte	-----
r CY	105.00
Receipt Total	-----
Total Other	105.00
Total Remitted	-----
Total Received	105.00

\$ 105.00

Customer Copy

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-14

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE TITLE 22.16.015 "PERMITTED, CONDITIONAL AND PROHIBITED USES" TO ALLOW SHORT-TERM RENTALS IN THE PUBLIC ZONE AS A CONDITIONAL USE

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 1) allow short term rentals in the public zone as a conditional use.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 22.16.015 is amended to read as follows (new language underlined; deleted language stricken):

**Chapter 22.16
DISTRICT REGULATIONS**

22.16.015 Permitted, conditional and prohibited uses.

**Table 22.16.015-1
Residential Land Uses**

Zones	P(1)	S F	SF LD	R-1	R-1 MH	R-1 LD MH	R-2	R-2 MHP	CBD (11, 12)	C-1 (11)	C-2 (11)	WD (2, 11)	I	GI (3, 10)	LI(3)	R	O S	GP (13)
RESIDENTIAL																		
• Single-family detached		P	P	P(4)	P(4)	P(4)	P(4)	P(4)		P	P	P		P	P	P	P	
• Townhouse				C(5)	C(5)	C(5)	C(5)	C(5)	C	P	P	P		C	C			
• Duplex				P	P		P	P		P	P	P		P	P			

Zones	P(1)	S F	SF LD	R-1	R-1 MH	R-1 LD MH	R-2	R-2 MHP	CBD (11, 12)	C-1 (11)	C-2 (11)	WD (2, 11)	I	GI (3, 10)	LI(3)	R	O S	GP (13)
• Residential zero lot line				P	P	P	P	P		P	P	P						
• Multiple-family				C(5)	C(5)	C(5)	P(5)	P(5)	P(5,8)	P(5)	P(5)	P(5)		C	C			
• Single manufactured home on an individual lot					P	P		P			P			C	C			
• Mobile home park								P			P	P						
• Accessory dwelling unit				P(14) C	C	C	P(14) C	C										
GROUP RESIDENCES														C	C			
• Assisted living	C						C	C						C	C			
• Bunkhouse for transient workers							C	C				C		C				
• Dormitory	C(4)						C	C										
• Quasi-institutional	C			C	C	C	C	C						C	C			
TEMPORARY LODGING																		
• Hostel							C	C		P	P	P						
• Hotel/motel									P	P	P	P		PU/ CS	C	C		
• Bed and				C(7)	C(7)	C(7)	C(8)	C(8)	P	P	P	P		P	C			

Zones	P(1)	S F	SF LD	R-1	R-1 MH	R-1 LD MH	R-2	R-2 MHP	CBD (11, 12)	C-1 (11)	C-2 (11)	WD (2, 11)	I	GI (3, 10)	LI(3)	R	O S	GP (13)
breakfast																		
• Short-term rental	C(15)			C	C	C	C	C	P	P(9)	P(9)	P(9)		P	C	P(9)		
• Rooming house							C	C	C	P	P	P		C	C			
• Lodge										P	P	P		PU/ CS	C			
• Limited storage				C(6)	C(6)	C(6)	C(6)	C(6)						P	C			

34

35

36

C. Residential Uses Table 22.16.015-1 Footnotes.

37

38

15. Conditional Use limited to allow boats to be used as short-term rentals in Harbors and slips within the Public Lands zoning district.

39

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

42

43

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th day of May, 2016.

44

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46

Mim McConnell, Mayor

47

ATTEST:

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49

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Sara Peterson, CMC
Municipal Clerk

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52

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54



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-15 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/20/2016 In control: City and Borough Assembly

On agenda: 4/26/2016 Final action:

Title: Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 entitled "Municipal Subsidization of Low Income Household Utility Costs" PULLED

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-15.pdf](#)
[Ord 2016-15.pdf](#)
[Community Options for Utility Assistance.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-15 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-15

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE BY ADDING A NEW CHAPTER 15.15 ENTITLED "MUNICIPAL SUBSIDIZATION OF LOW INCOME HOUSEHOLD UTILITY COSTS"

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 add a new chapter to Title 15 of the Sitka General Code providing a regulatory framework for the subsidization of utility costs for low income households. This ordinance shall set forth how and when utility costs subsidizations shall be authorized, implemented; how long such subsidizations shall continue for; when such subsidizations shall be terminated; and, penalties for obtaining subsidies under false pretenses.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 is amended by adding a new section 15.15 entitled, "Municipal Subsidization of Low Income Household Utility Costs" to read as follows (new language underlined; deleted language stricken):

Title 15
Public Utilities

- 15.01 Electric Utility Policies
15.02 Watershed Control Program
15.04 Sewer System
15.05 Water System
15.06 Solid Waste Treatment and Refuse Collection
15.07 Storm Drainage
15.08 Utility Poles
15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities
15.15 Municipal Subsidization of Low Income Household Utility Costs

Chapter 15.15
Municipal Subsidization of Low Income Household Utility Costs

47 Sections:

48 15.15.010 Definitions

49 15.15.020 Municipal Utility Cost Subsidization Policy

50 15.15.030 Eligibility Criteria

51 15.15.040 Determining Eligibility

52 15.15.050 Program Administration

53 15.15.060 Responsibilities Incumbent Upon Subsidized Households

54 15.15.070 Penalties For Obtaining Subsidization Under False Pretenses

55

56 **15.15.010 Definitions.**

57 A. "Uncollectable Accounts" refers to any account or debt owed the Municipality which has
58 become overdue by more than one hundred twenty days.

59 B. "Collection" means any action taken by the Municipality to attempt to collect a debt or
60 account which is overdue.

61 C. "Credit" means the extension of any services by the Municipality to any person or entity for
62 which a charge or fee is levied, and, for which the charge or service is provided in advance of
63 payment.

64 D. "Debt" means any sum of money which a citizen of the city and borough, or customer of the
65 Municipality in some capacity, is legally obligated to pay to the city and borough for any
66 purpose.

67 E. "Good Standing" shall mean that any citizen, business, or other entity doing business with the
68 City and Borough does not have an account which is overdue.

69 F. "Overdue" refers to any debt owed to the city and borough of Sitka which has not been paid
70 within thirty days of the date the payment was due. As an exception, debts owed for utility
71 services consumed are considered overdue fifteen days after the date the payment was due.

72 G. "Write Off" refers to any debt for which collection action is no longer pursued.

73 **15.15.020 Municipal Utility Cost Subsidization Policy**

74 A. It shall be the policy of the City and Borough of Sitka that households meeting certain
75 criteria shall be eligible for subsidization of their municipal utility costs from general
76 governmental sources.

77 B. Subsidization shall be in the form of general governmental subsidy payments to municipal
78 utilities on behalf of eligible households. Under no circumstances shall subsidization be in the
79 form of reduced utility rates or the provision of free utility services.

80 C. The amount of annual subsidization by the Municipality shall be in the Administrator's
81 annual Consolidated Operating Budget. The annual subsidization shall be further pro-rated
82 across the months of the fiscal year based on the historic amount of revenue for the month
83 divided by annual revenue. Applications for subsidization shall be processed on a first-come,

84 first-served basis for each month; once the monthly subsidization has been dispensed. No
85 additional subsidizations can be dispensed until the start of the next month.

86 D. Subsidization of utility costs, once extended by the Municipality, shall not be a permanent
87 entitlement of receiving households. Subsidization for individual households may be revoked at
88 any time by the Assembly for any reason. Furthermore, failure of receiving households to
89 adhere to programs requirements may be grounds for termination of subsidies.

90
91 E. Monies used for utility subsidization shall be accounted for in a separate fund and shall be
92 used for no other purpose than utility subsidization. The separate fund to be established shall be
93 funded at inception by a special appropriation from the Assembly.

94

95 **15.15.030 Eligibility Criteria**

96 A. Any household receiving, or having a pending application for assistance from the State of
97 Alaska under the Food Stamp Program administered by the Division of Public Assistance,
98 Alaska Department of Health and Social Services, the General Assistance Program administered
99 by Sitka Tribe of Alaska, and/or the Temporary Assistance to Needy Families Program
100 administered by Central Council Tlingit and Haida Indian Tribes of Alaska, and the Women
101 Infant and Children (WIC) Program administered by Southeast Alaska Regional Health
102 Consortium, shall be tentatively eligible for some form of subsidization of Municipal utility
103 costs.

104 B. Termination of assistance from the State of Alaska under the Food Stamp Program
105 administered by the Division of Public Assistance, Alaska Department of Health and Social
106 Services, the General Assistance Program administered by Sitka Tribe of Alaska, and/or the
107 Temporary Assistance to Needy Families Program administered by Central Council Tlingit and
108 Haida Indian Tribes of Alaska, and the Women Infant and Children (WIC) Program administered
109 by Southeast Alaska Regional Health Consortium, shall terminate continued eligibility for
110 subsidization of Municipal Utility Costs.

111 C. An applying household will be deemed ineligible for assistance if it, or its constituents, have
112 any past due obligation owed to the Municipality other than utility-related obligations. These
113 other obligations shall include all unpaid citations and billings for protective custody costs. On a
114 case-by-case basis, the Administrator may write off past due obligations in order for an applying
115 household to be eligible for assistance.

116

117 **15.15.040 Determining Eligibility**

118 A. The Municipality shall annually contract with an external entity or organization to administer
119 the utility cost subsidization program. The scope of the contract with the entity or organization
120 will specify how the program is to be administered and the compensation the contractor is to
121 receive for its services.

122 B. Any household meeting tentative eligibility criteria and desiring utility cost subsidization
123 must complete and submit an application, along with required documentation, to the entity or

124 organization engaged under contract by the Municipality to manage the utility cost subsidization
125 program.

126 C. The contracting entity administering the utility cost subsidization program shall examine all
127 submitted applications, determine the eligibility of households requesting subsidization, and,
128 provide a recommendation to the Municipality on all completed applications submitted to it
129 under the program.

130

131 **15.15.050 Program Administration**

132 A. Upon determination of eligibility for an applying household, the contract entity administering
133 the utility cost subsidization program shall submit a recommendation to the Municipality. The
134 recommendation shall contain the following elements:

135

136 (1) Determination of eligibility or ineligibility

137

138 (2) Length of subsidization

139 B. Upon receipt of a subsidization recommendation, the Municipality shall credit an amount to
140 the applying household's account equal to 30% of the household's current monthly utility
141 charges, not including sales tax.

142 C. The Municipal Administrator shall have the authority to reject or modify any
143 recommendations submitted by the administering entity to the Municipality.

144

145 **15.15.060 Responsibilities Incumbent On Households Receiving Utility Subsidization**

146 A. To remain eligible for continued subsidization, a household must meet all other financial
147 obligations to the Municipality in a timely basis. Having any obligation owed to the
148 Municipality become past due while receiving subsidization shall be cause for termination of
149 subsidization.

150 B. Households receiving subsidization which undergo changes in financial status causing them
151 to no longer be eligible for subsidization, such as no longer receiving Food Stamp, General
152 Assistance or Temporary Assistance to Needy Families or Women Infant and Children (WIC)
153 Program assistance, shall immediately notify the administering entity.

154

155 **15.15.070 Penalties For Obtaining Subsidization Under False Pretenses**

156 A. It will be unlawful for any citizen, or household, to obtain utility cost subsidization from the
157 Municipality under false pretenses. It will also be unlawful for any citizen, or household, to
158 continue to accept subsidization from the Municipality after experiencing a change in financial
159 status which would end eligibility.

160 B. Upon the determination that an unlawful act may have occurred in which utility cost
161 subsidization was obtained under false pretenses, the Municipality will immediately notify the
162 appropriate law enforcement agency so that a criminal investigation can be initiated.

163

164
165 **5. EFFECTIVE DATE.** This ordinance shall become effective 60 days after the
166 date of its passage.

167
168 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
169 Sitka, Alaska this 10th day of May, 2016.

170
171

Mim McConnell, Mayor

172
173 ATTEST:

174
175
176
177 _____
178 Sara Peterson, CMC
Municipal Clerk

Community Options for Utility Assistance

What	How Much	How Often	Who	Notes
Salvation Army	Might pay for the past month, applicant is responsible for the next month. Salvation Army inquires at to the reason the applicant cannot pay.	Up to three times a year, housing only once a year.	Money comes from the State. Ocasionally FEMA will contribute, in which case the money is earmarked for a specific demographic, such as people left without shelter.	
SOA General Assistance	Income based, emergent need only, if eligible for temporary cash assistance, would deny general relief. \$120 per person,	Can apply monthly, but that will eventually lead to being denied. Monthly is discouraged. Only toward current bill, not past due bills.	Emergent need, limited, are they eligible for other programs? If so, may be denied. Have they received funds from other programs, is so, may be denied. Must have less than \$500 in the bank and less than \$300 of income per month.	If they see that the \$120 isn't going to cover the past due amount, they will be denied. Based on income during the month of application. State funded.
Moose Lodge	Depends on situation, often around \$250	Once a year.	Anyone who can demonstrate need.	Simply a form that needs to be filled out.
Elks Lodge	Depends on how much Lodge has in their fund. Cut check to City directly for the minimum amount they can pay to keep the lights on. Each situation is different.	One time only. Never again.	Anyone who can demonstrate need.	Application. Social and Community Welfare Fund, contributions from members. For electricity, they will verify need with the City.
SOA Heating Assistance Program	Cost of heating home must exceed housing subsidy by over \$200.	Once a year.	Seniors have priority, followed by those with demonstrated need.	Based on income in month prior to application. If heating is provided in rent (in subsidized housing) they are denied.

What	How Much	How Often	Who	Notes
Tlingit and Haida	Based on gross income and "points" based on "as needed" points (must have minimum of 2 "as needed" points). Number of points determines how much you can receive, \$175 per point. Food stamps = automatic qualifier, elderly and disabled = automatic qualifier, children <5 years of age, number of people in household all add points.	Once per grant year, can reapply subsequent year.	Native American and Alaska Native, Elderly are prioritized.	Energy Assistance Program, State Grants, (likely facing some cuts), Federal Grants.
Catholic Church	see notes	see notes	per Salvation Army guidelines	The Catholic Church acts as an assisting revenue source for the Salvation Army if and when they are needed.
SEARHC	Don't receive money, receive food tailored to the needs of the client. Vouchers are given, for certain foods and farmers markets, then store brings back to get reimbursed. Strictly food stuffs.	Based on income, on Denali kid care, or food stamps automatically qualify. There are income caps, above which the applicant is precluded.	Anyone who can meet income guidelines and are pregnant, post partum, breast feeding or with a child <5 years of age.	WIC ultimately funded by USDA through the SOA
Sitka Tribe of Alaska	\$250, depending on household	Once a month	Tribal members who are enrolled in Sitka and have been enrolled for a minimum of six months.	General or emergency assistance. Can be used for any utility or groceries.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-070 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/20/2016 In control: City and Borough Assembly
On agenda: 4/26/2016 Final action:
Title: Discussion/Direction/Decision on the recruitment for a Municipal Attorney
Sponsors:
Indexes:
Code sections:
Attachments: [Recruitment schedule Municipal Attorney.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion/Direction/Decision
on the recruitment for a Municipal Attorney



Memo

City & Borough of Sitka - Human Resources

Date: Wednesday, April 20, 2016

To: Mark Gorman, Municipal Administrator, Robin Schmid, Municipal Attorney, Madame Mayor and Assembly of the City and Borough of Sitka

From: Mark Danielson, Human Resources Director

RE: Attorney hire process and schedule

Ms. Schmid termination effective 06/01/2013; contract for legal services during transition? – Assembly/Administrator/Attorney/Clerk

1. Advertise - All ads placed by 04/29/16 through 05/27/2016(? TBD) - Advertisement states that the Assembly will review applications to select interview candidates after TBD. – HR.
2. Receive Applications – HR
 - a. Letters to applicants acknowledging receipt of resume and a thank you for interest in our fair city. - HR
3. Review Applications – Make a short list of applicants **Date (Meeting)?**
 - a. Process for candidate review (Full Assembly or Committee?)
 - b. Request writing samples from finalists. – HR
 - c. Interview Questions – Samples to Assembly from HR
 - d. Target date for completion of questions and start of interviews
 - e. Process of selecting questions and general interview process to be determined. (Brief Work Session?)
 - f. Skype interviews? **Date (Meeting)?**
 - g. Schedule candidates for Final interviews – HR
 - h. Reference checks – report on reference checks. Notify applicants not selected for interviews. - HR
4. Final Interviews - Interview visits by candidates to Sitka. **Date (Meeting)?**
5. Finalize arrangements/Make offer (Wage, Vacation, Insurance, Moving Expenses/Severance)/Negotiate compensation/Transition plan - Starting Date – Offer can be made same night as interviews.