



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final

### City Assembly

**Mayor Cheryl Westover**  
**Deputy Mayor Larry Crews**  
**Vice Deputy Mayor Mim McConnell**  
**Assembly Member Phyllis Hackett**  
**Assembly Member Terry Blake**  
**Assembly Member Thor Christianson**  
**Assembly Member Pete Esquiro**

**Municipal Administrator: Jim Dinley**  
**Municipal Attorney: Theresa Hillhouse**  
**Municipal Clerk: Colleen Ingman, MMC**

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Tuesday, August 23, 2011

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

##### **I. CALL TO ORDER**

**Present:** 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

##### **II. FLAG SALUTE**

##### **III. ROLL CALL**

##### **IV. CORRESPONDENCE/AGENDA CHANGES**

##### **V. CEREMONIAL - Western States Information Network 2010 Alaska Agency of the Year Chief Sheldon Schmitt/South East Alaska Cities Against Drugs**

*Skip Coile, representing US Department of Justice Western States Information Network presented Chief Sheldon Schmitt with a plaque for the 2010 Alaska Agency of the Year.*

##### **Sitka High School Update - Principal PJ Fordslack**

*SHS Principal PJ Fordslack announced that SHS will hold three Challenge Days, September 13, 14 and 15 and is encouraging participation. Challenge Days help to assure students leave SHS socially and academically prepared. It will take volunteers - the program needs 25 adult volunteers a day between the hours of 8:00 AM – 3:45 PM. She encouraged parents to volunteer as well. Challenge Day participation is an optional program. Interested people should contact: Janeyoungberg@gci.net*

##### **VI. PERSONS TO BE HEARD**

*Thad Poulson, Sitka resident of 42 years spoke to the parcel of land that Sheldon Jackson College has for sale. "It is important that this property remain a part of*

*Crescent Park, whether under public or private ownership." The purchase option is transferable to the city if the city will pay Sheldon Jackson College the assessed value of \$24,400 for the property and agree to keep it in its historic use as a park.*

## VII. REPORTS

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

*Mayor - Informed that the MV Fairweather has an oil leak and the State hopes to have it resuming its routes the first week of September. She extended condolences to the Samuelson family. On 9/27 Sealaska is coming to our Assembly meeting and she intends to keep the agenda as light possible. Mayor thanked Allen Marine, AML and staff for their contributions to a successful AML Summer Conference. Met with other invited guests with the under secretary of Agriculture. Welcomed Dr. Deborah Pullman into town; she will be starting at Sitka Community Hospital soon.*

*Administrator – He discussed partnerships and relationships with the undersecretary. Brewton met with them the following day on energy. They did recognize the need at Blue Lake. The meeting was taped. Airport Masterplan and the UV update on filtration options will be September 13. He will be traveling to Girdwood for the National Hydro Association presentation.*

*Clerk – Special meeting next Tuesday, August 30 to decide on non-profit grant awards. Also September 10 will be the first USCG City Celebration at Kimsham/Krueger Fields beginning at 11AM.*

*Other – McConnell shared that the Easter Group will co-sponsor Project Homeless Connect Event. During the event you provide resources for those that are homeless or at risk at becoming homeless. Information is provided to HUD where they decide how much money comes back to the community for these needs. Every community does a homeless count in January.*

*Blake spoke to an error in a quotation that appeared in the newspaper that he personally received a lot of repercussions about. The correction was made the following day and he would have liked to see a better disclosure. He hoped this didn't happen again. It may have been an honest mistake but it was difficult for him to defend to patients and staff. He will always make himself available to any of the media in the future.*

## VIII. CONSENT AGENDA

- A     [11-173](#)     Approve the minutes of the August 9, 2011 Assembly meeting.
- This item was APPROVED ON THE CONSENT AGENDA.**
- B     [11-175](#)     Re-appoint Mary Ann J. Hall to a term on the Local Emergency Planning Committee.
- This item was APPROVED ON THE CONSENT AGENDA.**
- C     [11-169](#)     Approve liquor license location transfer for Baranof Island Brewing Company 215 Smith Street, Unit A & B.
- This item was APPROVED ON THE CONSENT AGENDA.**

- D      [11-176](#)      Authorize staff to prepare a Request for Proposal for a design-build contract for the Turnaround Skatepark Cover Project.

**This item was APPROVED ON THE CONSENT AGENDA.**

**IX.      UNFINISHED BUSINESS:**

- E      [ORD 11-34](#)      Amending Sitka General Code Title 22 Zoning to 1) add the use "Support Facility" to the list of conditional uses in the R-2 and R-2MHP zones in SGC Table 22.16.015 and 2) add a regulatory footnote describing the use in the Table.

*Mayor read the title.*

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

**Yes:**    7 -    Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

**X.      NEW BUSINESS:**

**Additional New Business Items**

- F      [11-172](#)      BOA: Approve a conditional use permit for Baranof Island Housing Authority for support facility in an R-2 MHP Zone with conditions recommended by the Planning Commission.

**A motion was made by McConnell to convene as the Board of Adjustment. The motion PASSED by a unanimous vote.**

*Williams explained that the first 8 contingencies are standard. The others are specific to protect the adjacent properties. The application has had a thorough review and is clean in his opinion. Hackett and Mayor appreciated having all the information provided.*

**A motion was made by McConnell to approve a Conditional Use Permit for a support facility at 491 Indian River Road submitted by Baranof Island Housing Authority subject to the following conditions recommended by the Planning Commission:**

1. The project shall be completed in general conformance with the plans submitted in the conditional use permit to the Planning Commission.
  - a. The Planning Commission recognizes that the exact location of the building may shift after the wetlands determination has been completed and may shift in conformance with the directions of the Corps of Engineers;
2. Prior to the activation of the conditional use permit, the operator shall certify to the municipality, in writing, that all necessary permits have been received;
3. The applicant recognizes that the permit must be activated within two years of any Assembly approval, or the permit becomes void;
4. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;
5. The applicant recognizes that other permits, not specifically mentioned by the municipality may be required;
6. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;

7. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the Commission considers it to be necessary;
8. The Assembly, at its discretion, may complete an annual review if any issues are not resolved at the Planning Commission level;
9. The structure be located at least 30 feet from any residential structure on Andrew Hope Street;
10. The hours of standard operations be between 6am and 10pm Monday through Saturday with limited hours of operations outside of this timeframe and limited hours of operations on Sundays. Exceptional workload hours may be extended with prior notice to the City;
11. Manufacturing and/or processing is prohibited within the structure;
12. The applicant maintains to the fullest extent possible a natural vegetative buffer adjacent Andrew Hope Street homes;
13. This conditional use permit is for the construction of one 5,000 square foot building as proposed.
14. Contingent and in accordance with the passage of Ordinance 2011-34, effective August 24.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to adopt the identical findings approved by the Planning Commission at their July 19, 2011 meeting found on pages 3 and 4 of their official meeting minutes.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to reconvene as the Assembly in regular session. The motion PASSED by a unanimous vote.

**G**      [11-170](#)

Authorize the preparation of a proposed Amendment #4 to Dr. Hunt's lease.

*McConnell brought up that the \$800 is within the range given to the Administrator to negotiate. Hackett was in favor of doing some compensation for Dr. Hunt in exchange but to just flat out reduce the rent without any service in return is a difficult precedent to set. Blake asked Dr. Hunt to come up and explain if there were any services provided. Dr. Hunt advised that he would still do reception duties, but he will not be doing any spay or neutering. Crews supports the lease rate for the size and location. Esquiro believes it is reasonable. Hackett would like to see the reception duties referenced. Hillhouse said if approved tonight it will come back.*

A motion was made by Christianson to authorize the preparation of Amendment 4 to the lease between the CBS and Dr. Hunt with a monthly rate of \$800, for a period of five years beginning in March of 2012 when the existing lease expires. The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

**H**      [11-171](#)

Discussion/Direction/Decision regarding CBS paying 2010 property tax bills for Hames Center/Sheldon Jackson Campus on behalf of Alaska Arts Southeast Inc.

*Karen Grussendorf, president of Alaska Arts Southeast relayed that a total of 475 volunteers have contributed over 15,000 hours, and 87 businesses have either donated services or financial support. Sitka's have donated over \$200,000 and those funds went into maintenance and repairs of the facilities. We are here tonight because of a confusing tax law, and because of a technicality that we owned the campus on January 1. The property contains roads, lawns etc. that are heavily used by the public. We have brought a significant economic return to the city. We have added four full-time and six half-time employees. To date we have provided up to \$10,000 in sales tax revenues. We are asking the city to recognize these community contributions and support motion 3.*

*Robert Thom believes the role of government is to do no harm and spoke in support of the motion.*

*Bill Paden mentioned a conversation he'd had where he learned the city excuses more taxes than it collects. He supports the organization but wants the Assembly to really think it through.*

*Crews hoped each motion would get discussed. Christianson pointed out that if we are hardnosed the end result could be the City of Sitka owns the property and then it will cost the city hundreds of thousands of dollars. For McConnell it is an ethical issue. They are obviously an educational institution and she thinks we need to honor that. Hackett believes it is a technicality and we are in an era the only way folks can be successful is to work collaboratively. The timing is unfortunate, but really has little bearing on the proposition going before the citizens. They will be going for their educational exemption next year. Crews brought up that prior to Alaska Arts Southeast the core campus was tax exempt and it only became taxable when it came up for sale. He doesn't believe that the property should have ever been taxable.*

*Westover contends they did know of the property tax bill. They acquired a \$10 million asset. This is bad timing when we are asking the citizens of Sitka to raise the property tax a half mill at our next election. What are the people going to think? "I think we are walking a real fine line in what we do." I do appreciate what everybody is doing. Esquiro agreed with much of what the Mayor said. He also applauds all the volunteers that put in the sweat equity.*

*Blake wondered how the Assembly could legally help. Tax Assessor Randy Hughes stated that the only legal way to pay these taxes is for the Assembly to make a motion to pay them. They cannot be waived. Roger Schmidt stated they felt confident the property tax would not be an issue and even had an attorney. The tragic thing for our organization we could have owned the property in December, it is no one's fault and no one was trying to hide anything. Hackett thinks the campus will reap benefits that have not yet been realized.*

*Bill Paden appreciates the thought process and believes the Assembly came up with an alternative that will work. Mayor can support she thinks it's a compromise. Hillhouse recommends placing findings on the record to clarify why the Assembly made the decision to help distinguish from other cases, it wouldn't prevent others but would give us basis.*

**Initially Christianson and McConnell made a motion to pay the property tax bill from the general fund. However, after a lengthy discussion that motion was removed by the makers and the following alternative motion was made: Christianson moved to allocate from non-profit grant amounts equal to \$28,457 derived from a \$10,000 grant under Cultural and Educational Services and \$18,457 under Community Development and further allocate an additional**

**\$32,629 from reserves. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Christianson

**No:** 1 - Esquiro

I        11-177

Discussion/Direction on establishing a Roads Commission.

*Dinley asked this be deferred until late October. The board would recommend funding and projects. Hackett said this community likes to have a say on what goes on and she thinks an advisory committee for roads might be a good idea. It would take a lot of convincing for Christianson. Mayor doesn't favor it, she wants the experts in Public Works to determine the city's needs.*

**A motion was made by Christianson that this item be POSTPONED until the second meeting in October. The motion PASSED by the following vote.**

**Yes:** 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

**XI. PERSONS TO BE HEARD:**

*None.*

**XII. ADJOURNMENT**

**A motion was made by McConnell that the meeting be ADJOURNED. The meeting adjourned at 8:45 PM. The motion PASSED by a unanimous vote.**

**ATTEST**

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**Colleen Ingman, MMC  
Municipal Clerk**