



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

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

Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, October 10, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-173](#) Reminders, Calendars and General Correspondence

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

V. CEREMONIAL MATTERS

None anticipated.

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

VII. PERSONS TO BE HEARD

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

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**IX. CONSENT AGENDA**

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [17-166](#) Approve the minutes of the September 26 Assembly meeting

Attachments: [Consent and Minutes.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- B** [17-167](#) Approve the Municipal Clerk's Certification of Election

Attachments: [certificate of election.pdf](#)

- C** [17-168](#) Recognize outgoing Assembly members - followed by a short recess

Attachments: [Outgoing Assembly Members.pdf](#)

XII. NEW BUSINESS:

- D** [17-169](#) Swearing in of the newly elected officials

Attachments: [Oath of Office.pdf](#)

- E** [17-172](#) Approve an agreement for payment of remediation costs between the City and Borough of Sitka and the Sitka Community Land Trust for 1306 Halibut Point Road (possible executive session)

Attachments: [Motion and SCLT Agreement.pdf](#)

[September 2017 SCLT letter and email request.pdf](#)

[Informational Ord 2015-56 and Minutes.pdf](#)

[Informational Ord 2006-32, minutes and election results.pdf](#)

- F** [ORD 17-34](#) Adjusting the FY18 Budget (Donations-Operations: Sitka Community Land Trust) first reading

Attachments: [Motion and Ord 2017-34.pdf](#)

- G** [17-170](#) Assignments: Deputy Mayor, Vice-Deputy Mayor and Assembly Liaisons

Attachments: [Deputy, Vice-Deputy and Liaisons.pdf](#)

H [17-171](#) Scheduling: Assembly Visioning Session (December 2 or 9)

Attachments: [Assembly Visioning Session.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

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

*Sara Peterson, CMC, Municipal Clerk
Publish: October 6*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-173 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 10/5/2017 **In control:** City and Borough Assembly

On agenda: 10/10/2017 **Final action:**

Title: Reminders, Calendars and General Correspondence

Sponsors:

Indexes:

Code sections:

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

Date	Ver.	Action By	Action	Result
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REMINDERS

DATE

EVENT

TIME

Tuesday, October 10

Regular Meeting

6:00 PM

Tuesday, October 24

Regular Meeting

6:00 PM



Assembly Calendar

2016 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018

October 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Oct	2	3	4	5	6	7
Knox	Knox	Knox MUNICIPAL ELECTION 7:00pm Planning	Knox 6:30pm Library Commission	Knox 12:00pm SEDA Board Meeting		
8	9	10	11	12	13	14
		Guevin - telephonic 12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski 6:00pm Historic Preservation	Potrzuski 12:00pm LEPC	Potrzuski	Potrzuski
15	16	17	18	19	20	21
Potrzuski		12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	HOLIDAY		Potrzuski	Potrzuski
22	23	24	25	26	27	28
Potrzuski	Potrzuski 12:00pm Health Needs & Human Services Commission	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting 6:00pm <u>Worksession: Historic Preservation Plan</u>		
29	30	31	1 Nov	2	3	4
			6:30pm Library Commission	12:00pm SEDA Board Meeting		

Assembly Calendar

2016 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018

November 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 Oct	30	31	1 Nov	2	3	4
			6:30pm Library Commission	12:00pm SEDA Board Meeting		
5	6	7	8	9	10	11
		6:00pm <u>Regular Assembly Mtg</u> 7:00pm Planning	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	12:00pm LEPC	HOLIDAY	
12	13	14	15	16	17	18
		12:00pm Parks & Rec		Potrzuski	Potrzuski	Potrzuski
19	20	21	22	23	24	25
Potrzuski	Potrzuski	Potrzuski 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	Potrzuski 6:00pm Police and Fire Commission	Potrzuski 6:00pm Hospital Board Meeting HOLIDAY	Potrzuski	Potrzuski
26	27	28	29	30	1 Dec	2
Potrzuski	Potrzuski	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>				

Service Award

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

Jane Eidler

*this expression of grateful acknowledgment for your 11 years of
valued service rendered in the public interest while serving on the
Library Commission. Thank you!*

Signed and sealed this 10th day of October, 2017



Mayor, Matthew Hunter



ATTEST: Municipal Clerk, Sara Peterson





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-166 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Approve the minutes of the September 26 Assembly meeting

Sponsors:

Indexes:

Code sections:

Attachments: [Consent 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 ITEM A**

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
September 26 Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Not Viewable by the Public

City and Borough Assembly

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

Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, September 26, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Telephonic: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter announced item E was pulled from the agenda. Knox, one of the sponsors, indicated there were additional issues that needed to be addressed. He spoke to the complexity of the tax code and posed the idea of forming a commission to review the tax code to better develop an equitable platform for citizenry and businesses.

17-165

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

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

None.

VII. PERSONS TO BE HEARD

Fred Fayette, a liveaboard, thanked the Harbor Department for their quick response to his sinking vessel.

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

Mayor - Hunter welcomed attendees of the 2017 Alaska Fire Conference.

Administrator - Brady commended the Police Department for their work in recent arrests involving controlled substances and thanked staff of the Public Works Department for long hours spent repairing water line breaks.

Attorney - Hanson announced Legal Assistant Coral Crenna started Monday.

Liaison Representatives - Potrzuski relayed information from the recent Local Emergency Planning Committee meeting while Hunter reported on the Port and Harbors Commission meeting.

Clerk - Peterson reviewed the details of the upcoming Municipal Election.

IX. CONSENT AGENDA

- A 17-160** Approve the minutes of the September 12 and 14 Assembly meetings

A motion was made by Knox that the Consent Agenda consisting of Item A be APPROVED. The motion PASSED by a unanimous voice vote.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 17-162** Appoint 1) Max Rule to a three-year term on the Investment Committee in the category of alternate, and, 2) Michael Sanders to a three-year term on the Local Emergency Planning Committee in category 2

Guevin expressed appreciation to Rule for applying. Guevin encouraged the Assembly to consider expanding the Committee membership.

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

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

XI. UNFINISHED BUSINESS:

- C ORD 17-32** Adjusting the FY18 Budget (*Solid Waste Fund - Operations*)

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

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

XII. NEW BUSINESS:

- D RES 17-20** Supporting adoption of the second Monday in October as Indigenous Peoples' Day *(1st and final reading)*

Potrzuski, Knox, and Guevin spoke to the importance of the Resolution.

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

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

- E ORD 17-33** ~~Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.27 "Excise Tax on Marijuana and Marijuana Products" (1st reading)~~ **PULLED**

This item was PULLED from the agenda. No action was taken.

- F 17-161** Discussion/Direction of the Sitka Community Land Trust's request of \$62,000 for contaminated soil remediation costs at 1306 Halibut Point Road *(possible executive session)*

Mayor Hunter summarized the issue. He stated the Sitka Community Land Trust (SCLT) had purchased the "Old City Shops" property on Halibut Point Road for \$1 to develop affordable housing. During site prep, contaminated soil was uncovered. Hunter clarified the revised request amount was \$47,267.

Municipal Attorney, Brian Hanson, noted if the Assembly wished to be informed of legal ramifications, an executive session was warranted.

A motion was made by Bean to go into Executive Session, pursuant to Sitka General Code 2.04.020.D.4, to communicate with the Municipal Attorney concerning a legal matter affecting the Municipality with respect to the land conveyed by the Municipality to the Sitka Community Land Trust. The motion PASSED by the following vote.

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

The Assembly was in Executive Session from 6:30p.m. to 7:10p.m.

A motion was made by Bean to Reconvene as the Assembly in Regular Session. The motion PASSED by a unanimous voice vote.

Assembly members expressed disappointment hearing of the soil contamination, voiced concern over future construction and wondered if there would be future requests from the SCLT. Knox commented that while taxpayers were being asked to cover the bill, taxpayers created the contamination.

Mim McConnell, SCLT Executive Director, and Randy Hughey, President of the SCLT spoke. McConnell thanked the Assembly for considering the request. She offered that

through Rasmuson grants, \$250,000 had been invested into preparing the land for the halibut point cottages. McConnell added that the income received from a portion of the land to Pet's Choice Veterinary Clinic would also be put towards remediation costs, yet the overall remediation costs were still beyond their means. Hughey shared that if the requested \$47,000 was spread out among the cottage units, the price of the homes would increase roughly \$7,000 each. In answer to a question of future contamination, Hughey indicated on the site (1306 Halibut Point Road), the front three lots were where four to five feet of petroleum was found. On those three lots helical pilings had been suggested. Moving towards the back of the property, less contaminant had been discovered. Hughey explained trenching was necessary to install water, sewer, and electrical to the seven sites and would be done above the contaminants. He said the SCLT had consulted the Public Works Department for alternative development methods. Hughey added approximately 120 yards of the soil (\$50,000 of the bill) was material not tested in the Carson Dorn report of 2006-2007. It was material not a part of DEC required profile of contaminants. The two indicated the project would not stop if the City chose to deny the request, however, it would make it difficult for the SCLT to help the target population they're aiming for. Hughey mentioned funding assistance was not available from DEC and another grant they had received could only be used for operations.

Hunter spoke to the need for affordable housing in Sitka and reminded of the efforts the City had made to help - e.g. transfer of land on Lillian Drive and the Old City Shops property. Hunter further reminded that an agreement had been entered into and that the City had received multiple assurances from the SCLT that they were prepared to deal with contaminants. While uncomfortable moving forward with other phases of the project, Hunter wondered of the possibility for the SCLT to complete phase one with no further digging and consultation from the Public Works Department. McConnell and Hughey noted their focus was to complete the seven homes for occupancy. If that was all the SCLT was able to complete, they would consider that a success. Bean thanked the group for their work, and while Sitka was an expensive place to live, did not feel affordable housing was the government's role. If taxpayers started funding affordable housing, the market wouldn't play out. Swanson agreed stating the City did not belong in real estate. Eisenbeisz noted when the advisory vote passed in 2006 to use the Old City Shops for affordable housing, he didn't believe the intent was for the City to fund it. He wished to see the costs passed along to the future buyers.

A motion was made by Potrzuski to direct staff to draft an agreement with the Sitka Community Land Trust to use up to \$47,267 on remediation efforts. The motion PASSED by the following vote.

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

No: 3 - Swanson, Eisenbeisz, and Bean

Chief Finance and Administrative Officer, Jay Sweeney, offered in addition to the agreement, a budget adjustment was required. It was clarified the Assembly wished to have the agreement and budget adjustment (for a grant) come forward at a future meeting.

Doug Osborne, member of the SCLT Board, spoke in support of the project and funding request and reminded we had all inherited the situation. He preferred not to pass it on to new families and instead make the cottages as affordable as possible.

Knox reminded of the long standing need for affordable housing and stated it was about doing not only what was fair but what was just. Potrzuski stated the issue needed to

be resolved, and while he wouldn't vote for a funding request again in the future, affordable housing was a critical problem facing Sitka. Guevin thanked the SCLT for their hard work and efforts. He believed it was the government's responsibility to provide housing, transportation, and health and human services for its citizens. Guevin stated it would be a success to get seven affordable homes on the market. Hunter commented that if the City was the source of the pollution, then it should clean the site. He also restated that the City had given away land for a \$1 that was worth a few hundred thousand. Like Potrzuski, this was where he was drawing the line on City contributions for the SCLT.

G 17-163

Discussion/Direction/Decision of the Administrator's annual recommended transfer to the Public Infrastructure Sinking Fund

Hunter reminded that per Sitka General Code, every year the Administrator was required to prepare an analysis of the General Fund and recommend a potential transfer amount to the Public Infrastructure Sinking Fund (PISF). He summarized the options. The Assembly could take no action, transfer the \$1.1 million to the PISF, or divide it among funds.

Hunter noted the City's deferred maintenance and infrastructure needs, reminded of the budget deficit and the possibility of using the surplus for that need. He also recognized the surplus could be used to help out needy funds such as the Harbor Fund. Knox, Eisenbeisz, and Potrzuski spoke in support of moving the transfer amount to the PISF. Guevin agreed. Assembly members complimented staff for their work.

A motion was made by Eisenbeisz to transfer \$1,100,000 to the Public Infrastructure Sinking Fund. The motion PASSED by the following vote.

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

H 17-164

Adopt the Chief Finance and Administrative Officer's interpretation of the term "sales unit" as set forth in Sitka General Code 4.09.100 (N), and, further clarify the term "sale unit" as it pertains to the provision of services and bundled invoices

Chief Finance and Administrative Officer, Jay Sweeney, explained with the increase of the taxable sales transaction limit to \$12,000 (October 1), the Finance Department had received several inquiries as to what comprised a separate sales unit. Currently, "sales unit" was defined by the vendor. Sweeney referenced his memo to the Assembly in which he provided his personal interpretation and examples. When asked about enforcement, Sweeney added that the sales tax code was managed by voluntary compliance. Knox noted the complexity of the tax code and commented that voluntary compliance put the liability back on businesses if they didn't have the same interpretation as the City. While some members expressed hesitancy, others offered that if additional clarification was needed in the future, the Assembly could revisit the issue.

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

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

No: 2 - Knox, and Bean

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting
ADJOURNED at 8:52pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-167 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Approve the Municipal Clerk's Certification of Election

Sponsors:

Indexes:

Code sections:

Attachments: [certificate of election.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE to formally accept the Certification of Election for the October 3, 2017 Regular Municipal Election according to the results set forth in the attached election certification prepared by the Municipal Clerk and request that the official tally be included in the minutes as part of the permanent record.

Note: The certification will be emailed to you and uploaded on Monday. This will allow for the canvass board/election officials to complete the advanced/absentee/question ballot counting on October 6th.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-168 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Recognize outgoing Assembly members - followed by a short recess

Sponsors:

Indexes:

Code sections:

Attachments: [Outgoing Assembly Members.pdf](#)

Date	Ver.	Action By	Action	Result
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**Recognize Outgoing Assembly Members –
followed by a short recess**

*Thank
You*

Service Award

is hereby awarded to

Tristan Guevin

*On behalf of the citizens of Sitka we hereby express our sincere appreciation to
Tristan Guevin for his diligence, dedication and community service during his
tenure as an Assembly Member serving the City and Borough of Sitka from
2014 to 2017.*





Mayor Matthew Hunter

10 October 2017
Date

Service Award

is hereby awarded to

Aaron Swanson

On behalf of the citizens of Sitka we hereby express our sincere appreciation to Aaron Swanson for his diligence, dedication and community service during his tenure as an Assembly Member serving the City and Borough of Sitka from 2013 to 2017.





Mayor Matthew Hunter

10 October 2017
Date



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-169 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Swearing in of the newly elected officials

Sponsors:

Indexes:

Code sections:

Attachments: [Oath of Office.pdf](#)

Date	Ver.	Action By	Action	Result
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OATH OF OFFICE

I, _____, do solemnly affirm that I will support and defend the Constitution of the United States of America, the Constitution of the State of Alaska, and the Laws and Ordinances of the City and Borough of Sitka, and that I will faithfully discharge my duties as Assembly Member for the City and Borough of Sitka, Alaska, to the best of my ability.

Name

Subscribed and sworn to before me this 10th day of October, 2017.

*Sara Peterson, CMC, Municipal Clerk
City and Borough of Sitka*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-172 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Approve an agreement for payment of remediation costs between the City and Borough of Sitka and the Sitka Community Land Trust for 1306 Halibut Point Road (possible executive session)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and SCLT Agreement.pdf](#)
[September 2017 SCLT letter and email request.pdf](#)
[Informational Ord 2015-56 and Minutes.pdf](#)
[Informational Ord 2006-32, minutes and election results.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve an agreement for payment of remediation costs between the City and Borough of Sitka and the Sitka Community Land Trust for 1306 Halibut Point Road and authorize the Municipal Administrator to execute these documents.

If the Assembly desires to go into executive session, the following steps are suggested:

Step 1

EXECUTIVE SESSION

I MOVE to go into Executive Session, pursuant to Sitka General Code 2.04.020.D.4, to communicate with the Municipal Attorney concerning a legal matter affecting the Municipality with respect to the land conveyed by the Municipality to the Sitka Community Land Trust.

Step 2

I MOVE to reconvene as the Assembly in regular session.

Step 3

Take action on original main motion above.

AGREEMENT FOR PAYMENT OF REMEDIATION COSTS

THIS AGREEMENT is entered into by and between the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality (the "CBS"), of 100 Lincoln Street, Sitka Alaska, 99835, and SITKA COMMUNITY LAND TRUST, an Alaska non-profit corporation ("SCLT"), of PO Box 6461, 329 Harbor Drive, Suite 212, Sitka Alaska, 99835.

WHEREAS, on October 3, 2006, a majority of the qualified voters of the municipality authorized the disposal of the "Old City Shops", located at 1306, 1410 and 1414 Halibut Point Road, for the purposes of an affordable housing project; and,

WHEREAS, on November 24, 2015, by Ordinance No. 2015-56, the Assembly authorized the transfer/sale of 1306 Halibut Point Road to the Sitka Community Development Corporation ("SCDC") (now known as the SCLT) and said ordinance recited that: "SCDC acknowledges that prior use of this parcel resulted in chemical contamination of the soil, and a 2008 study, adopted by the State of Alaska, Division of Spill Prevention and Response Contaminated Sites Program found, absent any newly discovered evidence in the future, the property was cleared for redevelopment. SCDC is fully informed of this report and assumes the cost of any further testing, if necessary, assumes all risk associated with said contamination history of this parcel."; and,

WHEREAS, on March 23, 2016, the CBS conveyed 1306 Halibut Point Road to SCDC by quitclaim deed; and,

WHEREAS, in 2017 the SCLT, began the affordable housing project, authorized by referendum and ordinance, at 1306 Halibut Point Road and in June 2017 its contractor, while digging trenches for water and sewer lines, uncovered contaminated soil which required remediation for which costs have amounted to or exceeded \$103,000; and,

WHEREAS, the SCLT has requested financial assistance from the CBS for a portion of its costs incurred in remediating the contaminated soil uncovered on 1306 Halibut Point Road; and,

WHEREAS, on September 26, 2017, by Item No.17 -161, the Assembly directed the Municipal Administrator, through the Municipal Attorney, to prepare an agreement, for consideration by the Assembly at its next regular meeting, for a grant of money in the amount of up to \$47,267 to SCLT for costs associated with remediation of 1306 Halibut Point Road;

NOW, THEREFORE, IN CONSIDERATION of the above premises and the mutual promises contained herein, the parties hereby agree as follows:

1. The CBS shall pay the SCLT up to \$47,267 for costs associated with remediation of 1306 Halibut Point Road.
2. The SCLT shall make written application for payment under this agreement to the Finance Director of the CBS. Prior to any payment under this agreement, the SCLT shall

provide the CBS, through its Finance Director, with receipts, or other documentary evidence, for the costs associated with remediation of 1306 Halibut Point Road. The Finance Director, in his sole discretion, shall determine whether there is satisfactory evidence to support payment under this agreement.

3. Any monies made available to the SCLT under this agreement, which are not applied for and supported by satisfactory documentary evidence within ninety (90) days from the date of this agreement, shall be forfeited to the CBS.

4. It is understood and agreed by both parties that by entering into this agreement neither party admits to liability for remediating the contaminated soil on 1306 Halibut Point Road.

5. It is further understood and agreed by both parties that this agreement in no way further obligates the CBS to pay to the SCLT any additional monies for remediation costs beyond the upper amount provided for in this agreement.

6. The SCLT acknowledge that it has obtained or has had an opportunity to obtain independent legal advice in connection with this agreement and acknowledge that it understands and agrees to be bound by all the terms and conditions contained herein.

7. This agreement cannot be amended or modified except by agreement in writing executed by both parties.

8. This agreement constitutes the entire agreement between the parties with respect to the subject matter of this agreement and supersedes all previous negotiations, communications and other agreements relating to it, unless specifically incorporated by reference herein. There are no representations, warranties, conditions, undertakings or other agreements, expressed or implied or statutory, between the parties other than as expressly set forth in this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the date(s) shown below, and by their signatures, confirm they are authorized to sign this agreement.

CITY & BOROUGH OF SITKA, ALASKA

Date

By: _____
Keith Brady
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by Keith Brady, the Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, on its behalf.

Notary Public in and for the State of Alaska
My commission expires:_____

SITKA COMMUNITY LAND TRUST

By: _____
Mim McConnell
Its: Executive Director

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by Mim McConnell, the Executive Director of the Sitka Community Land Trust, on its behalf.

Notary Public in and for the State of Alaska
My commission expires:_____



PO Box 6461
329 Harbor Drive, Suite 212
Sitka, AK 99835
EIN: 35-229210

P/F: 907-747-2860
C: 907-738-2888
www.sitkacolt.org
sitkacolt@gmail.com

SITKA COMMUNITY LAND TRUST | COMMUNITY-SUPPORTED, SUSTAINABLE, AFFORDABLE HOME OWNERSHIP

TO: Mayor Matthew Hunter and the CBS Assembly

FROM: Sitka Community Land Trust

DATE: September 9, 2017

RE: Funding Support for Contaminated Soil Remediation at 1306 Halibut Point Road

The Sitka Community Land Trust (SCLT) requests funding support of **\$62,000** toward the cost of contaminated soil remediation at 1306 Halibut Point Road, known commonly as the Old City Shops.

Contaminated Soil Costs

Current extra contractor work	\$9,000
Future extra contractor work	\$7,000
12" clean fill over site	\$15,000
Nortech environmental engineering	\$36,100
DEC costs assigned us	\$250
120 cu yds soil disposal	\$36,000
	<hr/>
	\$103,350

SCLT has arranged for the sale of a parcel of land to the Pet's Choice Clinic for a parking lot on the East end of 1306 HPR. This would generate \$41,000. We are asking the Assembly to grant us the remaining \$62,000.

Background

The Old City Shops property was contaminated by a variety of industrial uses by the City and other government entities over many decades. The public devoted the site to affordable housing by referendum in 2006. In December of 2006 and in April of 2007 the City undertook cleanup work to prepare the site for affordable housing development. A report by Carson Dorn describes this cleanup and in its conclusion states:

"The cleanup work conducted at the former municipal shops area is adequate to protect public health and environment. Therefore, no further environmental cleanup is proposed."

The Alaska Department of Environmental Conservation, in January of 2008, reviewed the site and the Carson Dorn report and wrote this determination:

"The investigation and cleanup of the Former Municipal Shops Property has met the substantive requirements specified in 18 Alaska Administrative Code (AAC) 75, Article 3 No further remedial action is required and the property is cleared for redevelopment" (p.6)

City staff reported that the test wells left for a few years after the cleanup did not show oil sheen. Other City staff, involved in the actual material removal and cleanup, said the site was clean and that drainage was a bigger issue than contaminated soil. Still other staff noted that, in doing utility work through the Mill Street easement, modest amounts of contaminants were exhumed.

In order to receive 1306 HPR, the SCLT was required to sign a clause assuming responsibility for "all risk" for any further contaminants discovered. In good faith that the site was remediated per the DEC findings in 2008, the SCLT proceeded with accepting the donation and the associated risk. However, the ADEC does not recognize such waivers of environmental responsibility.

In digging trenches for the water and sewer lines in June of 2017 we uncovered contaminated soil. We notified the City and the ADEC. We hired an environmental engineering firm, Nortech, to help us through the environmental and regulatory issues. The material dug up has been declared safe to go back in the ground around the sewer lines and new, clean fill around the water lines. There is approximately 120 yards of material which must be shipped off-site for treatment.

The four environmental engineers involved – two with the ADEC and two from Nortech – all agree that the site is an appropriate site for housing and does not represent a human health hazard. There will remain some petroleum materials on this site buried four to six feet below the surface.

Conclusion

The Sitka Community Land Trust needs the help of the City to provide affordable housing on this site. Thank you for your careful consideration of our request.

Sara Peterson

From: Randy Hughey
Sent: Monday, September 25, 2017 4:29 PM
To: Assembly
Cc:

Subject: updated and reduced request

Item F

Hello Assembly members,

Through the good help and advice of Dan Tadic, City Engineer, we have been able reduce the amount that we are requesting. Please see the budget below.

Contamination Costs Detailed

		Revised
Current extra Chris Balovich Construction (CBC)work	CBC costs June/July/August with contaminate work beyond contract	\$9,000.00
Future CBC extra work	CBC quote of \$2,200 for moving 120 cu yds to the barge plus I estimated \$5,000 more for handling material on site beyond the contract.	\$7,000.00
Additional costs to avoid further digging along HPR	helical pilings rather than concrete foundations on front 3 lots, \$2,000 per house	\$6,000.00
Nortech enviro engineering	Negotiated lower price	\$30,221.00
DEC costs assigned us	ADEC bills for their time.	\$250.00
120 cu yds soil disposal	Bicknell Services quote	\$36,000.00
		<hr/> \$88,471.00
Income to the SCLT from parking lot sale		\$41,204.00
		<hr/>
Request for support:		<hr/> \$47,267.00 <hr/>

Informational: Ordinance 2015-56 and meeting minutes

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-56

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE TRANSFER/SALE OF A PORTION OF CITY AND BOROUGH OF SITKA'S "OLD CITY SHOPS" PROPERTY LOCATED AT 1306 HALIBUT POINT ROAD FOR AN AFFORDABLE HOUSING PROJECT THAT IS NOT SUBJECT TO COMPETITIVE BID AND IS AVAILABLE TO ALL REGARDLESS OF ETHNICITY TO THE SITKA COMMUNITY DEVELOPMENT CORPORATION (SCDC)

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

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

3. **PURPOSE.** On October 3, 2006 a majority of qualified voters of the municipality authorized the disposal of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point Road for an affordable housing project without being subject to competitive bid, as previously required by Ordinance 2000-1584, and that will be available to all regardless of ethnicity. Sitka Community Development Corporation will gain ownership of Parcel 1306, along with durable affordability controls over the resale of any home built on that land, ensuring that the subsidized homes remain affordable for generations to come. Sitka has made both a social priority of promoting affordable home ownership and a fiscal priority of protecting the public's investment in affordable housing.

This ordinance authorizes and specifies the terms of the land transfer/sale; and 1) makes this parcel of CBS land available for an affordable home project; and, 2) ensures this parcel remains available for affordable housing in the future. The Municipality and the Sitka Community Development Corporation are cooperating in this pilot project. Parcels 1410 and 1414 will be transferred/sold by similar ordinance to SCDC at a future date, pending clear demonstration by SCDC that they are able to use such parcels consistent with the October 3, 2006 vote.

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

- A. The transfer/sale of the "Old City Shops" property located at 1306, Halibut Point Road to SCDC is hereby authorized.
- B. This transfer/sale will allow for a cooperative project that results in promoting permanently affordable home ownership by placing affordable homes on the market as proposed by the grantee Sitka Community Development Corporation. Therefore sale by noncompetitive bid is found to be appropriate, as was authorized by vote of the citizens in 2006.
- C. The sale price is \$1.00 for Parcel 1306. This price reflects that the Municipality significantly benefits through other means in this transaction.


- D. SCDC acknowledges that prior use of this parcel resulted in chemical contamination of the soil, and a 2008 study, adopted by the State of Alaska, Division of Spill Prevention and Response Contaminated Sites Program found, absent any newly discovered evidence in the future, the property was cleared for redevelopment. SCDC is fully informed of this report and assumes the cost of any further testing, if necessary, and assumes all risk associated with said contamination history of this parcel.
- E. Upon payment of purchase price the administrator is authorized to execute documents necessary to convey Parcel 1306 subject to final platting of the lot to ensure no encroachment on city assets or existing utility easements.
- F. The Buyer is responsible for all recording fees and costs.
- G. It is the intent of both parties that Parcels 1410 and 1414 will be similarly sold/transferred at a future date, pending clear demonstration by SCDC that they will be able to use Parcels 1410 and 1414 in a way consistent with the October 3, 2006 vote.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of November, 2015.



Matthew Hunter, Deputy Mayor

ATTEST: 

Sara Peterson, CMC
Municipal Clerk

1st reading 11/10/15

2nd reading 11/24/15

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

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

No: 1 - Guevin

L ORD 15-55

Repealing Sitka General Code at Chapter 2.32 entitled "Strategic Planning Commission"

Guevin stated he was excited to see what ideas the Planning and Community Development Department had for the Comprehensive Plan Update.

A motion was made by Swanson 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:

M ORD 15-56

Authorizing the transfer/sale of a portion of City and Borough of Sitka's "Old City Shops" property located at 1306 Halibut Point Road for an affordable housing project that is not subject to competitive bid and is available to all regardless of ethnicity to the Sitka Community Development Corporation (SCDC)

Mayor McConnell recused herself stating she was the Executive Director of the Sitka Community Development Corporation (SCDC).

Randy Hughey, President of SCDC, thanked the Assembly for their support and stressed the positive impact a community land trust would have on affordable housing in Sitka.

A motion was made by Swanson to AMEND line 62 to insert the following language after Parcel 1306: subject to final platting of the lot to ensure no encroachment on city assets or existing utility easements. Section E would therefore read, "Upon payment of purchase price the administrator is authorized to execute documents necessary to convey Parcel 1306 subject to final platting of the lot to ensure no encroachment on city assets or existing utility easements." The motion to AMEND PASSED by the following vote.

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

Recused: 1 - McConnell

Senior Planner, Michael Scarcelli, explained if the ordinance was approved, the sale would occur first followed by a multi-step platting process for Parcel 1306.

The Assembly discussed whether or not the amendment was a material change.

A vote was taken to determine if the Assembly felt the amendment resulted in a material change. A majority of the Assembly determined the amendment was not a material change.

No: Swanson, Miyasato, Potrzuski, Guevin, Hunter

Yes: Eisenbeisz

Recused: McConnell

Miyasato and Potrzuski thanked the SCDC for bringing this project forward and expressed the need for affordable housing.

Eisenbeisz spoke in support of the project, however, wondered what protections there were if the land was not used for the purposes indicated. Municipal Attorney Robin Koutchak noted the protection was within the SCDC bylaws. Municipal Administrator, Mark Gorman, added that once the land was transferred to SCDC and if for some reason SCDC were to find a mechanism to put the land on the market to the highest bidder, the City would not have the ability to stop that. He reiterated, the protection against that happening resided in the SCDC bylaws.

Hunter stated in past worksessions with the community land trust consultant it was noted there would be a 99 year covenant on the property preventing anyone from selling for 99 years. The property would remain a part of the community land trust. When people sold their homes, the title to the land would remain in the trust enabling them to leverage their 25% gain in equity. The balance would go to the trust to ensure long-term affordability. Hunter spoke in favor of the progression of sales, felt it was a balanced risk and good partnership.

Koutchak added that the risk to the City was also minimized by selling only one parcel at a time, not all three.

Guevin viewed the project as a partnership between the City and SCDC and commented it was a mechanism by which Sitka might be able to create more affordable housing, including rentals.

Hughey noted SCDC was reliant on the financial support of the Rasmuson Foundation. He added the Foundation had offered to assist with completion of a grant application for the underground work associated with the project and felt there was continued support throughout the state for the success of a community land trust.

Hunter stated an email had been received from the veterinary clinic adjacent to the subject property offering their support for the project. He noted upland property owners had expressed concerns about hillside stabilization. Hunter spoke to past assurances that indicated any future plans would have engineered retaining walls to protect the hillside.

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

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

Recused: 1 - McConnell

N ORD 15-57

Amending Title 7 of the Sitka General Code by creating a new chapter 7.20, entitled "Marijuana Advisory Committee" that would establish the Marijuana Advisory Committee to serve as a Local Regulatory Authority with staff support from the Office of Planning and Community Development starting immediately and ending February 24, 2016 or until a permanent body is designated

Levi Albertson urged the Assembly to support the ordinance and offered it was in the best interest of the municipality to designate the Marijuana Advisory Committee as the Local Regulatory Authority for the interim.

Suzan Hess encouraged the Assembly to carefully consider those individuals who served on the Committee and recommended choosing individuals who had an

XI. UNFINISHED BUSINESS:**C ORD 15-56**

Authorizing the transfer/sale of a portion of City and Borough of Sitka's "Old City Shops" property located at 1306 Halibut Point Road for an affordable housing project that is not subject to competitive bid and is available to all regardless of ethnicity to the Sitka Community Development Corporation (SCDC)

Mayor McConnell recused herself stating she was the Executive Director of the Sitka Community Development Corporation (SCDC).

Speaking as Executive Director of SCDC, McConnell offered to answer any questions the Assembly might have.

Michelle Putz spoke in support of the ordinance. Joe D'Arienzo suggested the City and Borough of Sitka (CBS) have first right of refusal.

McConnell clarified that SCDC would go through a subdivision process and each home would be on its own lot.

A motion was made by Eisenbeisz to POSTPONE this Item until December 8 in order to conduct research on ways to protect public lands. The motion FAILED by the following vote.

Yes: 1 - Eisenbeisz

No: 4 - Hunter, Swanson, Miyasato, and Guevin

Absent: 1 - Potrzuski

Recused: 1 - McConnell

McConnell spoke against postponing second reading of the Ordinance. She stated there were sections of the ground lease and articles of incorporation that addressed what would happen to the land if SCDC were to cease to exist. She added the ground lease was used nationwide, a recommended document used in community land trusts (CLT) around the country and customized to meet the needs of each community. McConnell felt confident these documents protected the buyer, seller, bank, CLT, and CBS.

Michelle Putz spoke in opposition to postponement and felt there were safeguards in place.

Eisenbeisz stated this was a worthy project, however, the CBS was disposing of public land and he wanted to make sure there were safeguards in place. In particular, what if SCDC were unable to come through with funding and nothing was built.

Guevin, while in support of the project, agreed there needed to be additional safeguards in regards to 1) SCDC's ability to complete the project, and, 2) if for some unforeseen reason the Corporation dissolved what would happen to the land. Guevin wished to see the City have the right of first refusal. He stated the Assembly needed to do their due diligence to ensure the land was permanently set aside for affordable housing.

Attorney Robin Koutchak stated reversionary clauses were frowned upon because

they acted as a cloud on the title. Koutchak mentioned another alternative was right of first refusal, however, because of the way SCDC's articles of incorporation were written, the home owner would have right of first refusal. Koutchak added another option would be to add plat notes during the subdivision process.

Miyasato spoke against postponing the Ordinance. While he appreciated the issues raised, he stated there was an opportunity to do something with the property and generate revenue.

Randy Hughey, President of SCDC, stated SCDC was applying for a tier 2 Rasmuson grant. The deadline was the end of February. If they missed the February deadline, their next opportunity to apply for the grant would be November 2016. He urged the Assembly to move forward. In response to a question by Guevin, Hughey noted it was unlikely the SCDC would ever transfer the land to a private entity.

Mark Gorman, Municipal Administrator, stated staff had confidence in the Ordinance and SCDC. Koutchak agreed.

Hunter noted there was risk, however, he had faith in those leading the organization and their dedication to the community.

Eisenbeisz shared his concern of SCDC not having funding for the project, concern over the shared public space, and potential sale for profit. He wished SCDC well and hoped their project would be a model used by other communities.

Miyasato thanked SCDC for their work and noted this was a worthy project.

Guevin wished SCDC success and believed they were committed to maintaining the property for affordable housing and in the public domain.

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

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

Recused: 1 - McConnell

D ORD 15-57

Amending Title 7 of the Sitka General Code by creating a new chapter 7.20, entitled "Marijuana Advisory Committee" that would establish the Marijuana Advisory Committee to serve as a Local Regulatory Authority with staff support from the Office of Planning and Community Development starting immediately and ending February 24, 2016 or until a permanent body is designated

Levi Albertson, Chair of the Marijuana Advisory Committee, provided an update to the Assembly and spoke in support of the Ordinance.

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

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

Absent: 1 - Potrzuski

XII. NEW BUSINESS:

Informational: Ordinance 2006-32, meeting minutes,
and election results from October 3, 2006.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2006-32

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING THE DISPOSAL OF THE "OLD CITY SHOPS" PROPERTY LOCATED AT 1306, 1410 AND 1414 HALIBUT POINT ROAD FOR AN AFFORDABLE HOUSING PROJECT THAT IS NOT SUBJECT TO COMPETITIVE BID TO THE VOTERS AT THE REGULAR ELECTION ON OCTOBER 3, 2006

1. **CLASSIFICATION.** Portions of this ordinance are of a permanent nature depending upon the approval by the voters of the ballot question in Section 5 at the regular election on October 3, 2006. Though no part of this ordinance is intended to become 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.** On October 3, 2000 a majority of qualified voters of the municipality authorized the sale of the "Old City Shops" property by competitive bid. Since 2000 the need for affordable housing in Sitka has grown. Acquiring affordable property appears to be the main deterrent for obtaining affordable housing in Sitka. The City and Borough has no longer a need for the "Old City Shops" property as the facilities have been relocated. The City and Borough of Sitka identified affordable housing as its number one priority in Sitka. It would be in the interest of the citizens of Sitka to authorize the disposal of this property for an affordable housing project to facilitate that priority.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that affordable housing is a number one priority in Sitka and that disposing of the "Old City Shops" property for that need is in the best interest of the municipality. The disposal of the property for such purposes by competitive bidding is inappropriate. The City and Borough is authorized to dispose of the "Old City Shops" property, without being subject to competitive bidding, for the purpose of developing an affordable housing project that is available to all, regardless of ethnicity. The terms of such disposal are subject to approval by a subsequent ordinance of the Assembly.

5. **BALLOT QUESTION.** The following question shall be placed before the voters at the general election to be held on October 3, 2006:

Shall the City and Borough of Sitka dispose of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point Road for an affordable housing project without being subject to competitive bid, as previously required by Ordinance 2000-1584, and that will be available to all regardless of ethnicity?

YES () NO ()

Informational: A yes vote on this ordinance would mean you intend to rescind the requirement under Ordinance 2000-1584 that the property must be sold by competitive bid, passed by the voters in 2000, and that you want the property used for an affordable housing project that is available to all ethnic groups.


6. **EFFECTIVE DATE.** Section 4 of this ordinance shall become effective upon ratification of the election results if the voters approve the question at the regular election held on October 3, 2006.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 27th day of July, 2006.



Marko Dapceovich, Mayor

ATTEST:



Colleen Pellett, MMC
Municipal Clerk

Mayor read the Title and Purpose sections.

Holst and Sherrod expressed concerns with an auto adjournment.

MOTION by Stelzenmuller to amend Line 33 to read: "Meetings may only be extended beyond 11 PM by unanimous vote of those present."

The motion to amend PASSED on a 5-1 roll call vote with Dapceovich voting against.

The main motion as amended FAILED on a 3-3 roll call vote with Dapceovich, Bailey and Sherrod voting against.

Item I
ORD. 2006-31

Amending SGC Section 4.04.010 Funds, Divisions and Departments by amending funds and divisions to reflect changes.

MOTION, by Sherrod to approve Ordinance 2006-31 on second and final reading.

Mayor read the title and outlined and defined some of the funds.

Motion PASSED on a 5-1 roll call vote with Skannes opposed.

Recess

A recess was taken between 8:45 pm 8:53 p.m.

X. NEW BUSINESS:

The following item was taken up out of order as ordered under Changes to the Agenda.

Item P
RES. 2006-22

Authorizing the Municipal Administrator to submit an application to Alaska Housing Finance Corporation for a Home Opportunity Program Grant.

MOTION, by Skannes to adopt Resolution 2006-22 on first and final reading.

Mayor read the resolution in full.

Felix explained that it can reduce the price of a home by \$30,000 bridging the gap. If no one else applies we could get up to \$200,000 in grant funds and that amount would go up over the next two years.

Reber Stein and Jim Steffen hope the assembly supports this.

Motion PASSED on a unanimous voice vote.

Item J
ORD. 2006-32

Authorizing the sale of the "Old City Shops" property located at 1306, 1410 and 1414 HPR for an affordable housing project that is not subject to competitive bid to go before the voters at the regular election on October 3, 2006.

MOTION, by Sherrod to approve Ordinance 2006-32 on first reading.

Mayor read the ordinance Title and Purpose sections.

Bailey declared that she lived in close proximity and the chair ruled she should not participate; therefore she stepped down.

Affordable Housing Program Manager Felix AuYeung felt that retaining competitive bid language in the ballot question may not be necessary.

Mayor argued that we should tell the voters if we plan to sell it for a \$1, or give it away. Skannes would like clarification on restrictions on that property. Sherrod feels it has to go back to the voters.

MOTION, by Sherrod to retain Lines 41-43 as written and add an informational component that would read: A Yes vote on this ordinance would rescind Ordinance 2000-1584 passed by the voters, which required that the property be sold by competitive bid.

Motion on the amendment PASSED on a 5-0 roll call vote.

Jim Steffen informed that Long Range Planning held a housing summit recently and the consensus was that one of the best things that Sitka could do would be to convert old city properties for affordable housing. He would like to see requests for proposals for affordable housing developed.

Reber Stein agreed with Steffen; he too would like to see the property turned into land for affordable housing.

Gus Adams feared that private enterprise cannot meet this need without some participation from the city.

Kelli Cropper thinks it's an issue of criteria not that of a bid.

Felix AuYeung said there has not been a multi-family development here for 15 years. The rental income that comes in is not enough to pay off the construction costs. He said tax credits and low interest loans are needed. He recommended nullifying the former ordinance and not having the competitive bid language included in the ballot question.

Motion PASSED on a 3-2 roll call vote with Dapceovich and Skannes against. On first reading an ordinance takes four votes to dispose of it.

Bailey returned to the table.

Item K
Benchlands Property

MOTION, by Sherrod to authorize the Municipal Administrator to begin negotiations for possible acquisition of the "Benchlands" property.

Motion PASSED on a unanimous voice vote.

Item L
Professional Design/Build

MOTION, by Bailey to award a design/build contract to McGraw Custom Construction of the lump sum of \$399,999 for the professional design and construction of Baranof Elementary School new Covered Physical Education Structure, subject to Alaska Department of Education & Early Development (ADEED) approval of award.

Project Manager Kelli Cropper explained the project. It will have a roof, one covered wall and a concrete slab about 4000 SF and will be constructed adjacent to the old maintenance building. It is a good responsive bid. This is at a cost of \$100 SF.

that the commission is in favor of getting it on the city's radar screen as a long-term issue.

Motion PASSED on unanimous consent.

Item N
ORD. 2006-32

Authorizing the disposal of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point road for an affordable housing project that is not subject to competitive bid to the voters at the regular election on October 3, 2006

Bailey recused herself as she owns a home in close proximity to this property.

MOTION, by Sherrod to approve Ordinance 2006-32 on second and final reading.

Mayor read the Title and Enactment Sections.

Clyde Bright believes this is subsidizing housing. He thinks the property should be sold competitively.

Jim Steffen spoke to the letter that was in the packet and disagrees with the free market concept. There are municipalities all over the coast that are subsidizing housing.

Bart Meyer on behalf of himself, although he is employed by Baranof Island Housing Authority, is in favor of the motion.

Felix AuYeung, housing manager, pointed out that the attorney kept the language as flexible as possible, and that they have not ruled out any possibility. He reported that rental costs for 2006 for a 2 bedroom are running \$1038/month and a 3 bedroom is \$1300/month. He hopes to provide the services that will help people to transition from one income to another. Another plus for homeowners is that they have a mortgage write off on their taxes that renters don't.

Motion PASSED on a 4-1 roll call vote with Dapcevich voting against.

Recess

A recess was taken from 9:58 p.m. 10:04 p.m.

Bailey returned to the table.

XI. NEW BUSINESS:

Item O
Cove Marina Inc.

MOTION, by Bailey to grant preliminary approval for Cove Marina Inc., tidelands lease, consisting of 8,832 SF on the town side.

Motion PASSED on a 6-0 roll call vote.

Item P
NWCA Match

MOTION, by Sherrod to authorize the administrator to negotiate and sign a grant agreement with the NorthWest Cruise Ship Association (NWCA) for Centennial Hall parking lot, curb, gutter, paving replacement and sidewalk options; 2) Approving a total match grant amount of \$161,000 with NWCA; and 3) Appropriating \$80,500 from FY 07 General Fund for the first installment.

**October 3, 2006
Regular Election**

Votes cast: 3059

Candidates:

1. Mayor Gary Paxton
- 2. Mayor Marko Dapceovich**
- 3. Assembly Member, Cheryl Westover**
- 4. Assembly Member, Nancy Cavanaugh**
5. Assembly Member, Jack Ozment
6. Assembly Member, Mary Magnuson
7. Assembly Member, Joseph Reeves
- 8. School Board Member, Tom Conley**
- 9. School Board Member, Cass (Karras) Pook**

Votes received:

1347	
1561	Elected
1350	Elected
1623	Elected
1112	
942	
505	
2277	Elected
2123	Elected

Proposition No. 1:

School Bonds for Capital Projects

Results:

PASSED

Yes

2206

No

761

Proposition No. 2:

Make available "Old City Shops" property
for Affordable Housing Project

Results:

PASSED

Yes

1624

No

1380

Proposition No. 3:

Increase salaries for Assembly members

Results:

FAILED

Yes

1380

No

1634

Proposition No. 4:

\$10 Fish Box Tax

Results:

PASSED

Yes

2011

No

1000

Proposition No. 5:

Repealing SGC 18.12.014 Land Disposal
Related to a dock, vessel transfer facility or
cruise ships

Results:

PASSED

Yes

1912

No

1057

MUNICIPAL REGULAR ELECTION - OFFICIAL RESULTS OCTOBER 3, 2006

CANDIDATES	PRECINCT	PRECINCT	PRECINCT	PRECINCT	Absentee		
	Harrigan Centennial Hall SITKA No. 1 (210)	United Methodist Church SITKA No. 2 (220)	Grace Harbor HPR (230)	PRECINCT Public Safety Academy Sawmill Crk. (240)	and Question counted on 10- 9-06	TOTALS	%
MAYOR (ONE)							
GARY PAXTON	322	368	190	233	234	1347	45%
MARKO DAPCEVICH	416	373	265	277	230	1561	52%
Write-in	21	31	9	12	10	83	3%
ASSEMBLY (TWO)							
CHERYL WESTOVER	308	361	228	224	229	1350	45%
NANCY A. CAVANAUGH	411	421	237	289	265	1623	54%
JACK OZMENT	292	306	155	211	148	1112	36%
MARY MAGNUSON	248	255	150	159	130	942	30%
JOSEPH REEVES	140	124	98	92	51	505	16%
Write-in	6	8	8	6	6	34	1%
Write-in						0	
SCHOOL BOARD (TWO)							
TOM CONLEY	595	611	351	398	322	2277	51%
CASS (KARRAS) POOK	550	563	321	377	312	2123	48%
Write-in	15	14	15	17	7	68	2%
Write-in						0	0%
PROPOSITION NO. 1 ONDS School Capital Projects							
YES	566	592	317	389	342	2206	74%
NO	185	185	148	127	116	761	26%
PROPOSITION NO. 2 IOPS - for Affordable Housing Project							
YES	466	394	242	299	223	1624	54%
NO	295	394	221	225	245	1380	46%
PROPOSITION NO. 3 ARIES for Assemblymembers							
YES	342	352	217	234	235	1380	46%
NO	424	435	249	289	237	1634	54%
PROPOSITION NO. 4 \$10 FISH BOX TAX							
YES	511	538	304	339	319	2011	67%
NO	252	249	162	183	154	1000	33%
PROPOSITION NO. 5 Repealing SGC 18.12.014 land disposal related to a dock, vessel transfer facility or large cruise ships							
YES	508	483	291	347	283	1912	64%
NO	247	288	169	171	182	1057	36%

SAMPLE BALLOT FRONT

INSTRUCTIONS TO VOTER: To vote for the issue/candidate of your choice, fill in the oval next to the issue/candidate you want to vote for. Place your ballot inside the secrecy sleeve and then take your ballot to the ballot box.

If you make a mistake while voting, return the ballot to the election official for a new one.
A vote which has been erased or changed will not be counted.

OFFICIAL BALLOT
City & Borough of Sitka
REGULAR ELECTION
October 3, 2006

INSTRUCTIONS

To vote for a candidate, fill in the oval to the right of the candidate's name as shown.

TO VOTE FOR A WRITE-IN CANDIDATE, write the candidate's name on one of the blank lines provided in each race, AND fill in the oval to the right of the candidate's name.

To vote in favor of a BALLOT PROPOSITION, fill in the oval to the right of the word "YES"; to vote against a ballot proposition, fill in the oval to the right of the word "NO."

FOR MAYOR
ONE to be elected
Vote for no more than 1

GARY PAXTON ☐
MARKO DAPCEVICH ☐
Write-in ☐

FOR SCHOOL BOARD
TWO to be elected
Vote for no more than 2

TOM CONLEY ☐
CASS (KARRAS) POOK ☐
Write-in ☐
Write-in ☐

FOR ASSEMBLY
TWO to be elected
Vote for no more than 2

CHERYL WESTOVER ☐
NANCY A. CAVANAUGH ☐
JACK OZMENT ☐
MARY MAGNUSON ☐
JOSEPH REEVES ☐
Write-in ☐
Write-in ☐

BALLOT PROPOSITIONS

PROPOSITION NO. 1
\$7,160,000 GENERAL OBLIGATION BONDS
SCHOOL CAPITAL IMPROVEMENTS

Shall the City and Borough of Sitka incur debt and issue general obligation bonds in the principal amount not to exceed \$7,160,000 maturing within 20 years, to finance capital improvements at Blatchley Middle School and Keet Gooshi Heen Elementary School, and shall Ordinance No. 2006-34 of the City and Borough of Sitka authorizing the issuance of the bonds for such plan of capital improvements be approved?

BONDS YES ☐ BONDS NO ☐

Informational: The bonds will be issued only to the extent that the capital improvements authorized by Ordinance No. 2006-34 are approved by the State of Alaska Department of Education and Early Development for reimbursement of 70% of debt service on the bonds. Reimbursement payments by the State are subject to annual appropriation by the legislature, and the full faith and credit of the City and Borough will be pledged for 100% of debt service on the bonds if necessary.

TURN BALLOT OVER TO CONTINUE VOTING

SAMPLE BALLOT BACK

INSTRUCTIONS TO VOTER: To vote for the issue/candidate of your choice, **fill in the oval next to the issue/candidate you want to vote for.** Place your ballot inside the secrecy sleeve and then take your ballot to the ballot box.

If you make a mistake while voting, return the ballot to the election official for a new one.
A vote which has been erased or changed will not be counted.

BALLOT PROPOSITIONS CONTINUED

PROPOSITION NO. 2 (Ordinance 2006-32)

Shall the City and Borough of Sitka dispose of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point Road for an affordable housing project without being subject to competitive bid, as previously required by Ordinance 2000-1584, and that will be available to all regardless of ethnicity?

YES ☐ NO ☐

Informational: A yes vote on this ordinance would mean you intend to rescind the requirement under Ordinance 2000-1584 that the property must be sold by competitive bid, passed by the voters in 2000, and that you want the property used for an affordable housing project that is available to all ethnic groups.

PROPOSITION NO. 3 (Ordinance 2006-33)

Shall the salary of assembly members be increased from \$300 to \$500 per month and the salary of mayor be increased from \$500 to \$800 per month?

YES ☐ NO ☐

PROPOSITION NO. 4 (By Initiative Petition Ordinance 2006-38)

Shall the City and Borough of Sitka amend its sales tax code provisions to tax fish charter customers at a flat rate of \$10 per fish box for packaged fish and/or seafood obtained as part of the charter, effective January 1, 2007, and the collected sales tax deposited in the following funds and in the following ratios?

- a. 20% Harbor Fund
- b. 30% Sitka Permanent Fund
- c. 20% Fisheries Enhancement Fund - available to be used for any fisheries enhancement proposal upon approval of the proposal by the assembly; and
- d. 30% General Fund

YES ☐ NO ☐

PROPOSITION NO. 5 (By Initiative Petition Ordinance 2006-39)

Shall Sitka General Code Section 18.12.014 be repealed and reenacted?

To read as follows:

18.12.014 Requirement for a Public Vote and Disclosure of Information for Land Disposals Related to a Dock or Vessel Transfer Facility that could be used by Large Cruise Ships.

A. Notwithstanding Sections 2.38.080 A.7 and 2.38.090 or any other provision of law, any ordinance authorizing the sale, lease or disposal of any real property of the City and Borough for a dock or vessel transfer facility that could be used by cruise ships exceeding three hundred feet in length shall be effective only after an affirmative vote of the electorate. Not less than thirty days prior to the election, the City and Borough shall make available to the electorate the terms of the proposed sale, lease or disposal of real property and a summary of the direct anticipated costs to the City and Borough.

B. This section applies to tidelands and other real property owned by the City and Borough, including any real property in Sawmill Cove.

YES ☐ NO ☐

TURN BALLOT OVER TO CONTINUE VOTING



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-34 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 10/4/2017 In control: City and Borough Assembly
On agenda: 10/10/2017 Final action:
Title: Adjusting the FY18 Budget (Donations-Operations: Sitka Community Land Trust) first reading
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Ord 2017-34.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-34 on
first reading.

CITY AND BOROUGH OF SITKA

**ORDINANCE NO. 2017-34
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 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 FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 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, 2017 and ending June 30, 2018 is hereby adjusted as follows:

<u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u>
GENERAL FUND
Donations – Operations: The Administrator has requested to transfer from the Southeast Alaska Economic Development Fund to the General Fund the amount of \$47,267. This will be a Grant given to the Sitka Community Land Trust for the cost of the contaminated soil remediation efforts at the address of 1306 Halibut Point Road.

EXPLANATION

Necessary revisions in the FY 2018 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 24th Day of October, 2017.

ATTEST:

Matthew Hunter, Mayor

**Sara Peterson, CMC
Municipal Clerk**

**1st reading 10/10/17
2nd reading 10/24/17**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-170 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Assignments: Deputy Mayor, Vice-Deputy Mayor and Assembly Liaisons

Sponsors:

Indexes:

Code sections:

Attachments: [Deputy, Vice-Deputy and Liaisons.pdf](#)

Date	Ver.	Action By	Action	Result
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Appoint Deputy and Vice-Deputy Mayor

I nominate _____, _____, _____ for Deputy Mayor

DEPUTY				
EISENBEISZ				
HUNTER				
POTRZUSKI				
KNOX				
BEAN				
NEW MEMBER				
WEIN				

I nominate _____, _____, _____ for Vice-Deputy Mayor

VICE DEPUTY				
POTRZUSKI				
WEIN				
EISENBEISZ				
BEAN				
HUNTER				
KNOX				
NEW MEMBER				

Municipal Boards/Commissions/Committees Monthly Meeting Schedule 2016-2017

ENTITY	CHAIR	Day of Month	Time	Location	Liaisons
Animal Hearing	Susan Royce	Meets as needed			*NA
Building Department Appeals	Gary Smith	Meets as needed			*NA
Employment Relations Board	Leigh Kainulainen	Meets as needed	Varies	Harrigan Centennial Hall	*NA
Gary Paxton Industrial Park Board	Scott Wagner	Varies	3:00 PM	Sawmill Cove or SEDA	Potrzuski
Health Needs/Community Services	Doug Osborne	2nd Wednesday	Noon	Harrigan Centennial Hall	Guevin
Historic Preservation	Anne Pollnow	2nd Wednesday	6:00 PM	Harrigan Centennial Hall	Swanson
Sitka Community Hospital Board	Bryan Bertacchi	4th Thursday	6:00 PM	Hospital Classroom	Eisenbeisz/Knox
Investment Committee	Mike Reif	Meets as needed	Varies	City Hall Conference Room	Guevin/Hunter
Library	Joshua Thomas	First Wednesday	6:30 PM	Library Meeting Room	Hunter
Local Emergency Planning	Dave Miller	2nd Thursday	Noon	Fire Hall	Potrzuski
Parks & Recreation	Allison Massey	2nd Tuesday	Noon	Harrigan Centennial Hall	Knox
Planning & Zoning	Chris Spivey	1st & 3rd Tuesday	7:00 PM	Harrigan Centennial Hall	Knox/Bean
Police & Fire	Loyd Platson	4th Wednesday	6:00 PM	Harrigan Centennial Hall	Swanson
Port & Harbors (<i>no summer meetings</i>)	Michael Nurco	2nd Wednesday	6:00 PM	Harrigan Centennial Hall	Hunter/Potrzuski
Tree & Landscape	Joe D'Arienzo	3rd Tuesday	Noon	Harrigan Centennial Hall	Potrzuski
Informational					
<i>SEDA</i>	<i>Trevor Harang</i>	<i>1st Thursday</i>	<i>Noon</i>	<i>329 Harbor Drive</i>	Bean
<i>Sitka Tribe of Alaska (STA)</i>	<i>Kathy Hope-Erickson</i>	<i>3rd Wednesday</i>	<i>6:30 PM</i>	<i>Community House</i>	Bean/Potrzuski
<i>School Board</i>	<i>Cass Pook</i>	<i>1st Tuesday</i>	<i>6:00 PM</i>	<i>SHS Library</i>	Potrzuski
		<i>3rd Tuesday - worksession</i>	<i>6:00 PM</i>	<i>District Office Board Room</i>	
Bolded Boards/Commissions/Committees Liaison Required by Ordinance.					
*Don't meet often enough to need a liaison					Revised: October 4, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-171 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 10/4/2017 In control: City and Borough Assembly

On agenda: 10/10/2017 Final action:

Title: Scheduling: Assembly Visioning Session (December 2 or 9)

Sponsors:

Indexes:

Code sections:

Attachments: [Assembly Visioning Session.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion

Schedule an Assembly Visioning Session for
December 2 or December 9