

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2023-04

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING A PROPERTY
TAX EXEMPTION FOR THE SITKA HISTORICAL SOCIETY, INC. IN THE LEASED
PREMISES AT HARRIGAN CENTENNIAL HALL

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

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

3. **PURPOSE.** The purpose of this ordinance is to extend the exemption from property tax for the leasehold interest of the Sitka Historical Society, Inc., in the leased premises at Harrigan Centennial Hall, as realized from the Lease Agreement between the City and Borough of Sitka, Alaska ("CBS"), and Sitka Historical Society, Inc. ("SHS"), which was approved at the regular Assembly meeting on July 24, 2018 and signed on September 14, 2018, (the "Lease"). The exemption originally granted was from the Lease commencement date of May 1, 2018, until December 31, 2020, with the option to extend the exemption by ordinance as provided in Section 2.1 of the Lease, which is the purpose of this ordinance. The exemption, known as the "community purpose optional property tax exemption," is authorized under Sitka General Code, subsection 4.12.025.E, which adopts and incorporates Alaska Statute 29.45.050(b)(1)(A), which, in order to receive the exemption, requires SHS to be "an organization not organized for business or profit-making purposes and [the property] used exclusively for community purposes." The code and statute also requires, to be exempted, that the "income derived from rental of that property does not exceed the actual cost to [CBS] of the use by [SHS]." In all respects, the conditions are met for the exemption. The exemption term proposed is from January 1, 2021, until April 30, 2048, unless sooner terminated or extended.

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

- (1) SHS was and is at all relevant times hereto an organization not organized for business or profit-making purposes; and,
- (2) the leasehold premises at Harrigan Centennial Hall was and is at all relevant times hereto used exclusively for community purposes; and,
- (3) income derived by CBS from the lease of the leasehold premises at Harrigan Centennial Hall to SHS (which is zero) did not and does not exceed the actual cost to CBS of the use by SHS;

thereby, SGC 4.12.025.E is satisfied and SHS is exempt from property tax from January 1, 2021, until April 30, 2048. The Assembly may extend this exemption by ordinance.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka,
Alaska this 11th day of April, 2023.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading: 3/28/2023
2nd and final reading: 4/11/2023
Sponsor: Administrator