

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 Dapcevich 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 Dapceovich 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:	Votes received:	
1. Mayor Gary Paxton	1347	
2. Mayor Marko Dapceovich	1561	Elected
3. Assembly Member, Cheryl Westover	1350	Elected
4. Assembly Member, Nancy Cavanaugh	1623	Elected
5. Assembly Member, Jack Ozment	1112	
6. Assembly Member, Mary Magnuson	942	
7. Assembly Member, Joseph Reeves	505	
8. School Board Member, Tom Conley	2277	Elected
9. School Board Member, Cass (Karras) Pook	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