



City & Borough of Wrangell

Borough Manager's Report

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Economic Development & Strategic Initiatives

Wrangell Shipyard

Salute to the U.S. Coast Guard

In August, I had the opportunity to attend the 236th Salute to the U.S. Coast Guard as a guest of our partners at JAG Marine Group. The event provided an excellent opportunity to continue building awareness and support for the Wrangell Shipyard among key state, federal, maritime, and financial partners.

During the event, I met with Congressman Nick Begich, U.S. Coast Guard leadership, representatives from the Alaska Industrial Development and Export Authority (AIDEA), members of the newly formed JAG Marine Group Board of Directors, JAG leadership, and other project partners. These conversations focused on Wrangell's opportunity to develop a major shipbuilding, repair, and maintenance facility capable of supporting the Coast Guard and other government and commercial vessel operators in Alaska and the broader Pacific and Arctic regions.

Just as importantly, the visit allowed the Borough and JAG to continue conversations regarding the financial strategy necessary to move the project from preliminary design into full design, permitting, site development, and ultimately construction. Building awareness among potential funding and financing partners remains an important component of the Borough's strategy as the project advances.

Progress to Date

The Wrangell Shipyard has progressed considerably from an initial economic-development concept into a defined public-private development initiative. Major milestones achieved to date include:

- Execution of the Memorandum of Understanding with JAG Marine Group.
- Submission of a federal Congressionally Directed Spending request in support of the project.
- Execution of the professional services agreement with The Pearlson Group to advance shipyard planning and engineering.
- Submission of the Borough's Economic Development Administration grant application.
- Advancement of the shipyard to approximately 15% design milestone.
- Execution of the long-term site lease with JAG, establishing the project's primary private-sector operator and providing critical site control.



- Completion and public release of the Wrangell Shipyard animation and supporting promotional materials. A broader promotional and advocacy effort is now underway to increase awareness of the project among maritime operators, government agencies, policymakers, funding partners, and prospective investors.

These milestones have substantially reduced the early-stage uncertainty surrounding the project and provide a foundation for advancing into full engineering, permitting, financing, and construction readiness.

Next Steps

The immediate objective is to move the Wrangell Shipyard from preliminary design into full design and permitting while assembling the public and private financing necessary for eventual construction.

The Borough is awaiting decisions on its EDA funding application and Congressionally Directed Spending request through Senator Murkowski. In parallel, Administration and project partners are preparing to present the project to the AIDEA Board and request support for full design and permitting, as well as potential matching resources that could leverage federal EDA and CDS funding.

If successful, the next phase would commission full design, engineering, geotechnical work, and permitting necessary to bring the shipyard to true construction-ready status. Administration will concurrently work through the remaining site-control matters and final environmental work associated with the Deepwater Port property.

Wrangell's designation as an Opportunity Zone provides another important tool as the project moves toward financing. Administration will work with JAG and other partners to incorporate the designation into the project's investment strategy and use the associated federal tax incentives to facilitate engagement with private investors and potential sources of long-term project capital.

The strategy remains straightforward: complete the design and permitting, secure construction-ready status, assemble a viable capital stack, and position Wrangell and JAG to move into construction as quickly as funding allows.

Structure Systems

Structure Systems continues moving forward with establishing its new Wrangell operation in the former Ottesen's warehouse. The company is preparing the facility to support the assembly, programming, testing, and development of industrial



automation and control systems serving municipal utilities, industrial facilities, and other customers throughout Alaska.

Structure will host a community open house at its new Wrangell facility at 6:30 p.m. The event will include food, drinks, music, demonstrations of the technology that will be assembled and developed locally, and an opportunity for residents to meet the Structure team and project developers.

The company's expansion into Wrangell represents an exciting diversification of the local economy. Structure and its affiliated operations specialize in the programmable controls, electrical panels, software, and automation systems used to operate critical infrastructure such as water, wastewater, power, and industrial facilities. Wrangell is therefore gaining more than a new tenant in an existing commercial building—it is gaining a technology and manufacturing operation with the potential to create skilled employment and serve customers throughout Southeast Alaska and the state.

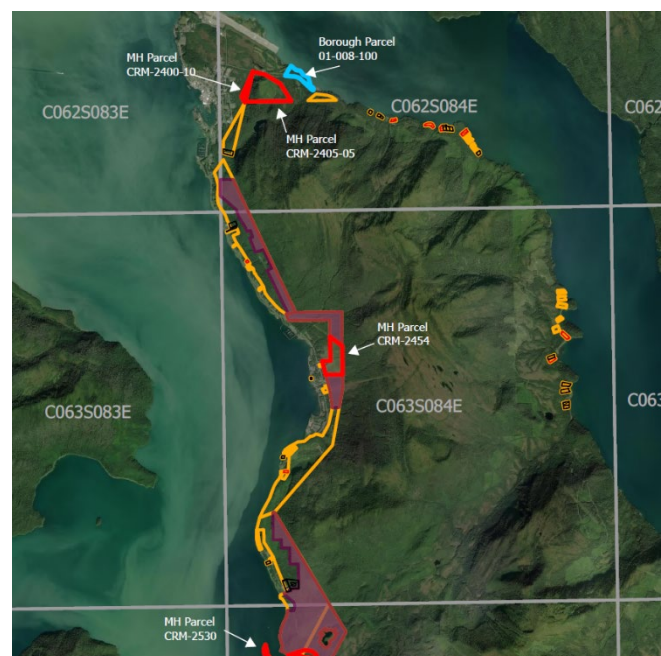
The Borough has worked closely with Structure as the company evaluated Wrangell and established its local operation. The upcoming open house will give the community its first opportunity to see firsthand what the company does, meet the people behind the investment, and better understand the type of technology-driven economic development taking place in Wrangell.

I encourage the community to attend, welcome the Structure team, and learn more about this new Wrangell business.

Trust Land Office

While in Anchorage, I met with Jeff Green, Deputy Director of the Alaska Mental Health Trust Land Office (TLO), to discuss several ongoing partnership opportunities in Wrangell. TLO indicated that a surveyor from Fixed Height is expected in Wrangell within the next three to four months to survey the Sportsman Subdivision, the approximately 27-acre parcel the Trust received through the recent land exchange in which the Borough acquired approximately 266 acres.

We also discussed the Earl West timber sale, tourism opportunities, the Transmission Line Trail, and potential TLO participation in the Wrangell SeaTrails initiative. The Trust continues to be a valuable economic-



development partner, and Administration will continue looking for opportunities where our interests align.

Old Wrangell Medical Center

The Borough has begun discussions with Tlingit & Haida regarding potential acquisition and reuse of the former Wrangell Medical Center. Tlingit & Haida has expressed interest in evaluating the property for redevelopment as an early learning center and office space, which could provide a productive long-term reuse of the facility while bringing additional services and investment to the community.



Staff has provided available building plans, assessments, property information, and other due-diligence materials. The next step will be to coordinate a site walkthrough with Tlingit & Haida representatives and continue discussions regarding the feasibility of the proposed reuse and potential acquisition.

Economic Development Revolving Loan Fund

Administration is investigating the creation of a Borough Economic Development Revolving Loan Fund as a tool to support local business growth and help the community scale as Wrangell's population and economy expand. Haines provides a useful regional example through its long-standing revolving loan fund administered by the Juneau Economic Development Council, which is designed to fill financing gaps for viable businesses that cannot obtain conventional financing on workable terms.

A preliminary Wrangell model could begin with approximately \$500,000 in seed funding and focus on businesses or expansions that address identified community needs. Applicants would generally need to demonstrate that conventional commercial financing is unavailable. The Borough could contract with an experienced third party to conduct underwriting, financial due diligence, and loan servicing, with interest rates and collateral requirements established according to the risk of each loan. As loans are repaid, principal and interest would return to the fund for future lending. The Economic Development Board could also be refocused around oversight and strategic direction of the program, with Administration returning to the Assembly with a more detailed structure for consideration.

State, Federal & Regional Partnerships

State and Federal Funding

Congressionally Directed Spending

The Borough submitted three Congressionally Directed Spending / Community Project Funding requests this year totaling approximately \$18 million. The requests include \$4.33 million for U.S.

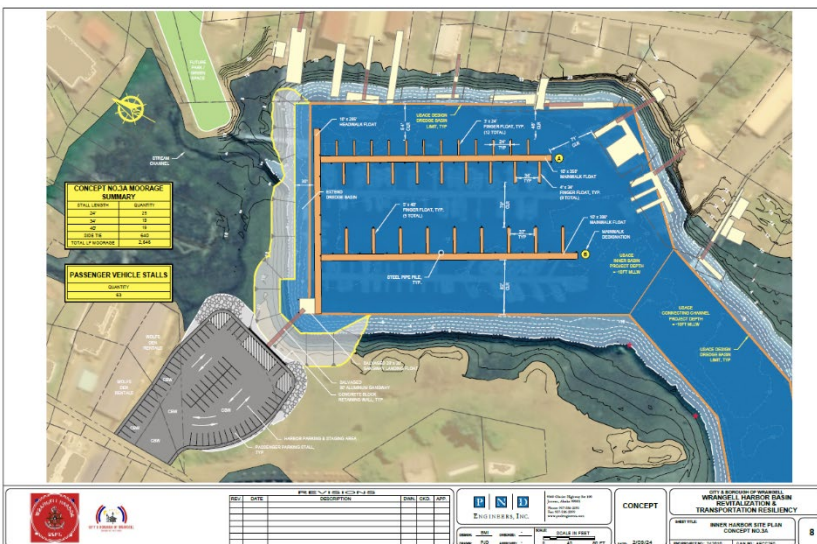


Army Corps of Engineers dredging of the Inner Harbor, which would restore and maintain navigable depths and support the Borough's broader harbor replacement program; \$12.5 million for the Deepwater Port, which would advance site infrastructure needed to support the proposed Wrangell Shipyard, freight and logistics activity, and other future marine industrial development; and \$1.136 million for replacement of the Diesel Power Plant roof, protecting critical backup generation infrastructure and extending the useful life and reliability of the facility.

Congressman Begich submitted the Deepwater Port project to the House Appropriations Committee, while Senator Murkowski submitted all three requests through the Senate appropriations process. The House Appropriations Committee did not include the Deepwater Port request in its funding package. The Senate Appropriations Committee has not yet scheduled markups for Senator Murkowski's requests, so all three remain pending. The Senate is scheduled to return to session on September 14, and Administration will continue monitoring the appropriations process and working with the delegation as funding decisions advance.

Harbor Matching Grant Program

The Borough submitted its SFY 2028 Harbor Facility Grant application on August 19 for the Wrangell Inner Harbor Replacement Project. The application requests the program maximum of \$5 million toward an estimated \$14.89 million construction project, with the remaining \$9.89 million identified from the Borough's federal USDOT/MARAD RAISE funding.



Wrangell's project was ranked #1 statewide last year, but the Legislature ultimately did not fund the Municipal Harbor Facility Grant Program. We are again pursuing the State match this cycle because it would allow the Borough to fully leverage existing federal funding and significantly reduce the local financial burden associated with replacing the aging harbor infrastructure.

Importantly, the project is also advancing on the design side. PND Engineers is now under contract to complete design and engineering for the Wrangell Harbor Basin replacement, positioning the Borough to move toward permitting, bid readiness, and construction as funding is assembled. The current grant application anticipates construction beginning in 2028 and completion by 2029.



CPV Designated Legislative Grant Funds

Wrangell was awarded \$375,000 in Commercial Passenger Vessel (CPV) Designated Legislative Grant funding as part of a statewide distribution of accumulated cruise passenger tax revenues. The Legislature appropriated \$37.5 million from the State's Commercial Vessel Passenger Tax account to 16 communities affected by cruise activity for port and harbor improvements, passenger safety, and services benefiting vessels and passengers. Wrangell's share was \$375,000.

Administration intends to apply the funding to the Downtown Waterfront Fill and Abutment Project, where it can directly support cruise-related waterfront infrastructure and complement the Borough's existing project funding. If bids received this fall are favorable and generate excess bond proceeds, Administration will evaluate opportunities to expand the project scope, including additional improvements within the community-focused waterfront area or expansion of the Marine Service Center.

This funding is particularly timely because the State had accumulated substantial unspent CPV tax revenues over several years before the Legislature elected this year to distribute the balance back to communities experiencing commercial passenger vessel activity. Wrangell did not receive a new CPV-specific legislative grant in FY2023 through FY2025, making this an important opportunity to reinvest cruise-generated revenues directly into the community's waterfront infrastructure.

Heavy Equipment CDS / Fleet Replacement

The Borough continues working with the Alaska Municipal League (AML) on implementation of Senator Murkowski's Congressionally Directed Spending appropriation for heavy equipment purchases in Alaska communities. AML is the federal recipient and will pass the equipment funding through to participating municipalities following completion of the USDA award process. AML has advised that Wrangell's final allocation will depend on participation and matching capacity among the communities included in the award. The initial equal-share estimate was approximately \$135,439, although AML has indicated that Wrangell's allocation could increase as the award is finalized.

The Borough intends to apply the funding toward replacement of a sanitation garbage truck currently estimated at approximately \$340,000. The Sanitation Fund presently has approximately \$646,881 in unrestricted reserves, providing sufficient capacity to fund the required local share while preserving a meaningful operating reserve. Depending on the final CDS allocation, the Borough would likely contribute approximately \$205,000 or less from Sanitation reserves toward the purchase. The federal funding therefore provides an opportunity to replace an essential piece of aging fleet equipment at a substantially reduced cost to sanitation ratepayers. Recall we used Local Government Lost



Revenue (LGLR) funding to acquire the last garbage truck post COVID-19 (also the funding source used for part of the pool siding replacement). AML has confirmed that the award requires a local match and that the ultimate equipment selection is sufficiently flexible to allow Wrangell to prioritize its highest equipment need.

SEAPA – Wrangell Solar and Grid Reliability

The SEAPA Board will meet in Petersburg on August 27 and 28, with several items of particular importance to Wrangell. The Wrangell Solar Project continues to make tangible progress, with preliminary construction underway at the approximately 44-acre site near Six-Mile. SEAPA has completed the site survey, secured the Borough land lease and conditional-use approval, and completed initial work on the access and transmission-line roads and pads for the battery energy storage system and transformer. This early construction was sufficient to preserve eligibility for federal Investment Tax Credits that could offset as much as 50% of eligible project costs.

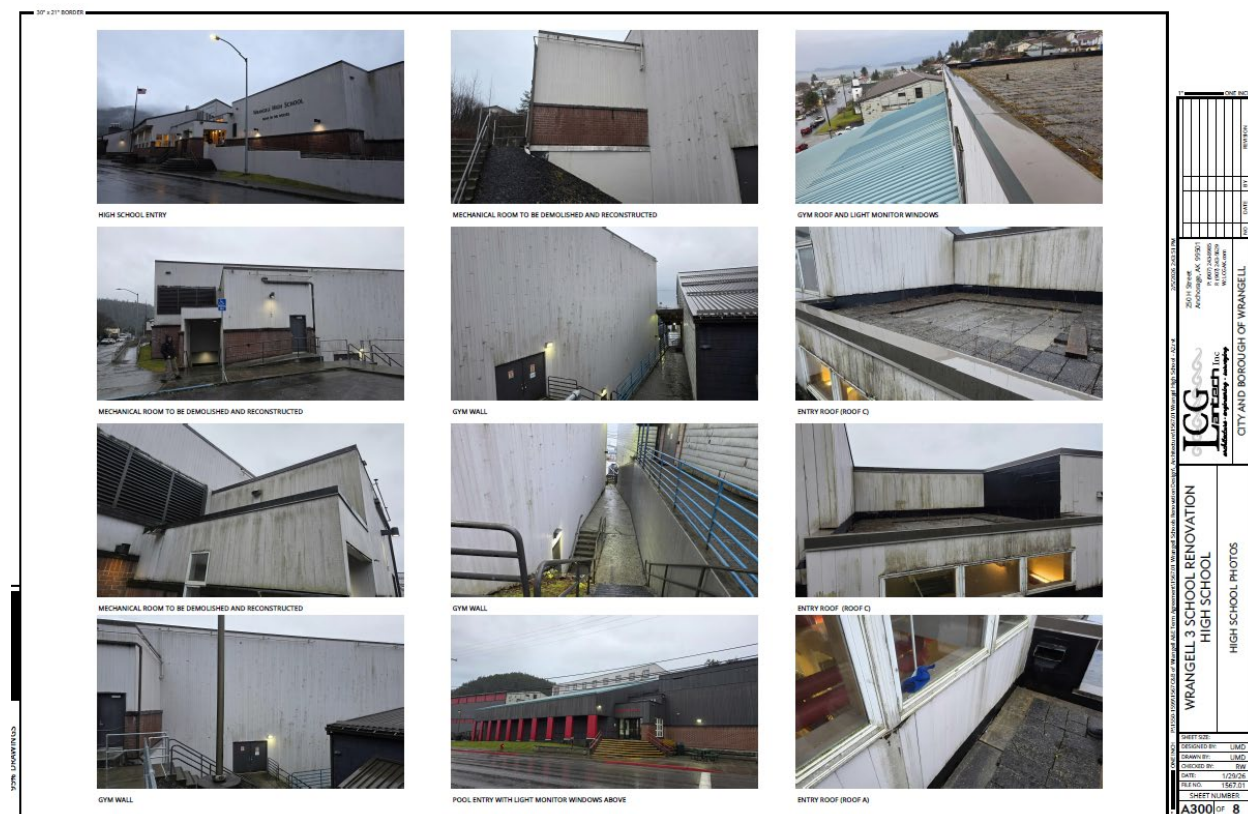
The initial project is planned at approximately 1.5 MW of solar generation, with the site capable of expansion to approximately 5 MW, together with battery storage and associated grid improvements. The next major step is completion of wetlands work and any necessary U.S. Army Corps of Engineers permitting associated with site access. SEAPA currently anticipates major construction activity beginning in 2027 with project completion targeted for 2028.

In parallel, SEAPA is continuing to pursue outside funding for the broader Wrangell Grid Reliability and Stability Project. At Tuesday's Assembly meeting, Administration will bring forward two resolutions supporting SEAPA grant applications—one to the Alaska Energy Authority's Renewable Energy Fund Round 19 and another supporting SEAPA's Congressionally Directed Spending request through Senator Murkowski. The objective is to leverage State and federal



Capital Projects & Infrastructure Highlights

The Public Safety Building Rehabilitation Project is scheduled to enter construction in September. The final construction contract with Dawson Construction is being executed, and at tonight's Assembly meeting the Borough will formally accept the Congressionally Directed Spending award secured through Senator Murkowski and administered through USDA's Community Facilities program. This funding is a major component of the overall project financing and will allow the Borough to advance long-deferred structural, exterior, accessibility, mechanical, and life-safety improvements to the facility.



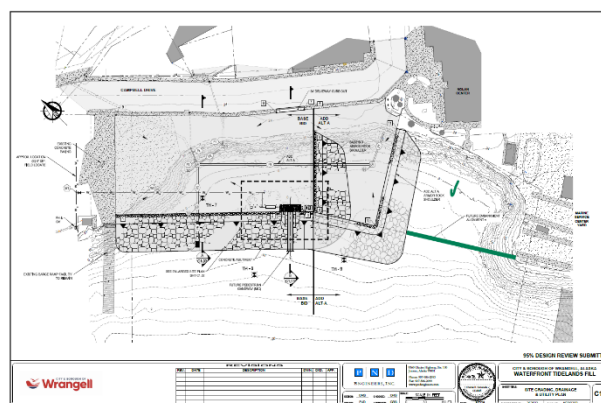
The Middle School Boiler Replacement Project is nearing completion and is expected to be commissioned within the next week, providing reliable heating coverage as the school year begins. The project was funded through School GO Bonds/State Major Maintenance funding. The larger District-Wide School Major Maintenance Project, covering three school sites, is expected to begin in October when McG Constructors mobilizes. Much of that work is planned to continue through the winter months.



The Skeet Range Improvements Project is anticipated to be advertised for proposals this week. On McKinnon Street, sewer utility materials have arrived and installation is underway. The Borough continues to anticipate substantial completion before winter conditions set in, and Administration appreciates the public's patience as construction progresses through this heavily used corridor.

Design work also continues on the Wrangell Harbor Basin Replacement Project with PND Engineers. The Borough is coordinating with both the U.S. Army Corps of Engineers and MARAD on the separate but interrelated scopes of work. Administration expects that the Borough will ultimately need to financially accommodate certain necessary work within the USACE federal navigation zone and complete the associated NEPA process, as delays in federal performance or funding could otherwise affect the overall harbor replacement schedule.

Finally, PND has advanced the Downtown Waterfront Fill Project to approximately 95% design. The Borough is working with PND and the U.S. Army Corps of Engineers to reach a mutually acceptable solution that allows the project to proceed substantially as planned. If USACE can timely amend the existing permit and accommodate the proposed fill configuration, Administration anticipates beginning construction this fall, potentially in October or November.



Fleet Replacement Planning

For many years, the Borough deferred regular replacement of vehicles and heavy equipment, leaving much of the fleet beyond its typical useful life. Wrangell's vehicles generally accumulate fewer miles than fleets in larger communities, but the Borough still requires safe, reliable equipment to deliver essential services. The FY 2027 fleet replacement plan prioritizes public safety and makes strategic use of reassignment to extend the value of each purchase. The Police Department's two new Ford Explorers and the Fire Department's new Ford F-150 arrived today and will now undergo outfitting, with the remaining replacement vehicles expected shortly. Serviceable vehicles being replaced in Police, Fire, WML&P, and Harbor will be reassigned where appropriate before older units are surplus.

The Borough's recent transition of the garage function has also improved how fleet maintenance is managed. Better preventive maintenance scheduling, work tracking, and cost accounting for repair activities are now being implemented, giving Administration a clearer picture of what it costs to keep individual vehicles and pieces of equipment in service. Over time, this information will help the Borough make more disciplined replacement decisions based on condition, reliability, safety, and lifecycle cost rather than simply age or mileage.



Water Main Breaks and Concrete Patching

Public Works has responded to seven water main breaks and one service line break over the past month, including two along Zimovia Highway, three on Stikine Avenue, one on Case Avenue, one in Cow Alley, and a service line break on Oceanview Drive. The crew did an exceptional job working through each repair, often under difficult conditions, and immediately replenished material inventories to ensure we are prepared for future response needs. Public Works also took advantage of favorable August weather to complete several concrete roadway and sidewalk patch repairs throughout the community. I am grateful for the crew's hard work and the continued forward progress.



The recent frequency of water main breaks also underscores the consequences of decades of deferred investment in Wrangell's underground infrastructure. We have made more progress over the past two years through the St. Michael's and McKinnon Street projects than we had in many years prior; however, while reconstructing approximately one roadway per year may be financially sustainable, it may not be sufficient from an operational standpoint. Public Works, Capital Projects, and Administration will present a strategic underground utility replacement plan to the Assembly during an October work session, including several funding and construction alternatives. With AMHS expected to bring SECON to Wrangell in summer 2027, we also have an opportunity to coordinate projects and potentially reduce paving costs. The goal will be to give the Assembly practical options for accelerating replacement of our most deficient water, sewer, and roadway infrastructure.

Community Addressing Project Update

The Borough recently executed a professional services agreement with DATAMARK to move the Community Addressing Project into Phase II. DATAMARK previously completed the Phase I analysis and planning work, which established the framework and recommendations needed to move toward implementation.



Phase II will focus on implementing the addressing system and completing the technical work necessary to establish consistent, reliable addressing throughout the Borough. Once implementation is complete, the Economic Development and Planning Office will lead the community engagement and address registration process, including outreach to property owners and coordination necessary to transition the new addressing information into use.

Tribal & Community Partnerships



Wrangell Cooperative Association Joint Work Plan

Administration and the Wrangell Cooperative Association are reviewing the draft FY 2027 Joint Work Plan and Partnership Priorities today. The intent is to establish a more deliberate government-to-government framework for the coming fiscal year, with specific projects, responsibilities, and desired outcomes rather than simply identifying broad areas of mutual interest. The plan is focused on transportation, recreation, quality of life, tourism, culture, and heritage, and is ultimately intended for adoption by resolution of both the Borough Assembly and the WCA Tribal Council.

The draft identifies ten primary partnership priorities. On the transportation, recreation, and quality-of-life side, those include improvements at Petroglyph Beach State Historic Park, advancing the Petroglyph Beach-to-Mount Dewey trail connection, completing the Alder Top Memorial Park conveyance, creating a stronger tribal transportation funding partnership, redeveloping the community garden area into a multi-use neighborhood park, and establishing a standard for English–Lingít street signage on applicable capital projects.

The tourism, culture, and heritage portion of the plan focuses on incorporating WCA more directly into the Downtown Waterfront Heritage Walk, establishing a long-term totem log, carving, and preservation partnership, improving the consistency and promotion of the Chief Shakes Island and carving shed visitor experience, and developing recurring joint cultural and visitor programming at the Nolan Center, including a pilot revenue-generating program for the 2027 visitor season.

Just as importantly, the plan includes an accountability framework requiring designated points of contact, periodic progress meetings, a shared project list, coordinated pursuit of funding opportunities, and an annual review of accomplishments and future priorities. The goal is to

produce visible, measurable progress during FY 2027 while establishing a stronger long-term working relationship between the Borough and WCA.

I will solicit Assembly comments on the draft at the September 8 meeting before bringing the final work plan forward for formal approval.

Institute Creek Memorial Park – Alternative Location

Administration and the Wrangell Cooperative Association recently met at the Alder Top Subdivision to evaluate alternative locations for WCA's proposed memorial park. Following that site review, Lot 26, Plat No. 29-19, near Institute Creek and immediately north of Lots 1 and 10, was identified as the preferred alternative and is supported by WCA. The location provides a suitable site for the memorial while allowing the Borough to preserve the developed residential lots within Alder Top for their intended housing purpose.

This approach represents a better balance of community priorities. Lots 1 and 10 were developed using taxpayer and ratepayer funds specifically to increase the supply of buildable residential property and help address Wrangell's housing needs. Rather than remove those lots from the housing inventory for non-residential use, Lot 26 allows the Borough to support WCA's memorial park vision without compromising that prior public investment.

The item before the Assembly authorizes Administration to move forward with the proposed donation of the Lot 26 property to WCA and to waive the applicable provisions of Title 16, including the appraisal requirement under WMC Chapter 16.12, to the extent necessary to facilitate the conveyance. WCA would be responsible for the survey, platting, recording, and other associated conveyance costs.

If the Assembly supports moving forward, Administration will prepare the necessary conveyance documents and return the matter to the Assembly later this fall for final approval. Meanwhile, Lots 1 and 10 are proposed to proceed separately for public sale through the Public Surplus process, preserving those parcels for residential development.

Community Garden & Multi-Use Park

The Borough and WCA are looking at an opportunity to refresh the existing community garden and former ballfield area into a more functional multi-use area accessory to City Park. The existing ballfield backstop and dugouts are derelict, the field is overgrown, and the site is no longer serving the community as well as it could.

With relatively modest investment, Administration and WCA leadership believe the area could be substantially



improved to accommodate multiple compatible uses. The concept would include removal of the obsolete ballfield improvements, development of a fenced dog park, and creation of a separate but adjacent secure community garden area with organized garden beds, while leaving room for landscaping, seating, pedestrian circulation, and other amenities as funding allows.

The Borough plans to solicit community interest and input on potential multi-use concepts for the site before finalizing a layout. WCA currently has an MOA with the Borough to manage the community garden and agrees that the site is in need of improvement. The Borough will continue working closely with WCA on the planning and implementation of the project, with the goal of creating a cleaner, safer, and more actively used public space that can serve gardeners, dog owners, nearby residents, and the broader community.

Freedom Rock Veterans Memorial – Project Update

The artwork on Alaska's first Freedom Rock is complete. Artist Ray "Bubba" Sorensen II completed the hand-painted veterans memorial earlier this month, marking a major milestone for a project that has been made possible through tremendous community support.



With the artwork finished, attention now shifts to completing the surrounding Freedom Rock

Veterans Memorial site at City Park. Planning and procurement are underway for the remaining site improvements, including a pavilion, benches, interpretive signage, a flagpole, lighting, and security improvements. These elements will help transform the completed rock into a permanent and welcoming memorial space for veterans, their families,

residents, and visitors.

The Borough and project partners are continuing to seek sponsorships and community contributions to help complete the remaining improvements. Contributions of all sizes can assist in moving the project toward completion and a future formal community dedication. We are extremely grateful to the businesses, organizations, volunteers, and individuals who have already contributed funding, materials, equipment, expertise, and countless hours to make this project possible.

Those interested in sponsoring a portion of the Freedom Rock Veterans Memorial can contact Kate Thomas at kthomas@wrangell.com or 907-874-2381.



Nolan Center Break-Even Plan

The Nolan Center was originally developed with the expectation that it would operate as a self-sustaining facility. In more than 20 years of operation, however, Administration is not aware of a year in which the facility has operated in the black. Administration is committed to identifying practical ways to better align the Nolan Center with its original financial model and reduce the level of ongoing subsidy required to operate the facility.

The timing is favorable. Wrangell's visitor industry continues to grow, the community is scaling, and more business activity is coming to town. Director Jeanie Arnold and the Manager's Office will be developing a Nolan Center Break-Even Plan for presentation to the Assembly that evaluates realistic approaches to increasing revenues, improving utilization, and managing operating costs.

An important part of that effort is the new Nolan Center website, which provides a stronger platform to market the facility, showcase available spaces and services, support event and visitor planning, and better communicate what the Nolan Center can offer to residents, organizations, tour operators, and outside groups. Improving the Center's digital presence is an important business-development tool and should help support greater facility use and revenue generation over time.

The facility has never been closer to achieving self-sufficiency. Under Director Arnold's leadership and stewardship of the Nolan Center, revenues have roughly doubled across multiple categories, driven primarily by increased sales volume rather than significant pricing changes. The next step is to build on that momentum and identify the operational, programming, pricing, partnership, marketing, and business-development strategies necessary to move the Nolan Center toward a sustainable break-even position.

Southeast Alaska Dungeness Fishery Disaster & Sea Otter Proliferation

The Borough is moving forward with a local disaster declaration related to the 2026 Southeast Alaska commercial Dungeness crab fishery failure, recognizing both the severe economic impact to Wrangell fishing families and the contributing effects of sea otter proliferation and predation. Wrangell is home to more than 60 commercial Dungeness permit holders, many of whom operate small, family-owned fishing businesses for which the fishery represents a primary or sole source of household income. The proposed declaration requests that the Governor



support or initiate a federal Fishery Resource Disaster Determination and that state and federal agencies pursue available assistance for affected fishermen, processors, businesses, and communities.

Borough officials also recently met with inside and outside counsel to discuss longer-term avenues for addressing the proliferation of sea otters and their impact on Southeast Alaska shellfish resources. Because sea otters are protected under the Marine Mammal Protection Act, meaningful management action largely rests at the federal level. The Borough intends to work with counsel and industry participants to help facilitate the organization of a Southeast Alaska shellfish association that can provide a unified regional voice for fishermen and affected communities. One of the group's first priorities will be to formally engage NOAA Fisheries/NMFS and request a comprehensive, science-based review of sea otter population growth, predation impacts on commercially important shellfish, and the federal management options available to address those impacts. The goal is to move the issue beyond anecdotal concern and toward a documented regional record that can support research, management action, and potential legislative or regulatory changes. The Borough's resolution similarly calls for state and federal agencies to evaluate the relationship between sea otter abundance and declining shellfish resources and to pursue long-term management solutions.

I also intend to raise the disaster declaration and the broader sea otter issue directly with Governor Dunleavy during his upcoming visit to Wrangell. Our objective is both immediate and long-term: pursue disaster assistance for fishermen and businesses affected by the current fishery failure, while building a coordinated regional effort to address the underlying biological and management challenges threatening Southeast Alaska's Dungeness crab and shellfish fisheries.

Other Administrative Updates

Opportunity Zone Designation & Governor Engagement

Wrangell recently received encouraging economic development news: Governor Mike Dunleavy selected Wrangell for inclusion in Alaska's proposed Opportunity Zone designations under the next generation of the federal program. Opportunity Zones are intended to attract long-term private investment by providing federal tax incentives for qualifying projects and businesses.

I recently discussed Wrangell's economic development trajectory over the phone with the Governor, including the Shipyard, major infrastructure needs, and the broader opportunity to position Wrangell for increased private investment. The designation could become an important tool for attracting capital to the Wrangell Shipyard and deepwater industrial development, while also supporting related investments in workforce housing, marine services, fabrication, and other industrial activity.

The benefits could extend well beyond the Shipyard. Opportunity Zone status may help strengthen the investment case for SEAPA hydroelectric and transmission improvements, particularly if new industrial loads continue to develop. It may also support timber and value-



added wood products, transportation, tourism, lodging, housing, and other commercial development by giving investors another reason to consider Wrangell for long-term capital deployment.

The designation itself will not create development, but it gives Wrangell another meaningful tool to pair with our industrial waterfront, hydroelectric power, transportation infrastructure, available land, tourism growth, and ongoing public investment. Our next step will be to make sure we are positioned to actively market Wrangell and connect eligible projects with investors once the federal designation process is finalized.

Director Evaluations

The FY 2026 Department Director evaluation cycle is complete, providing an opportunity to recognize performance, identify areas for continued professional growth, and align expectations across the organization. The focus now shifts to FY 2027, with each Director developing clear goals and work plans tied to departmental priorities, major projects, operational improvements, and the Borough's broader strategic objectives.

The intent is to make the evaluation process more directly connected to execution throughout the year. Rather than treating evaluations as a once-a-year exercise, FY 2027 goals and work plans will provide a clearer framework for accountability, progress tracking, and regular management discussion.

Emergency Response Tabletop

Administration is scheduling the first Director-level emergency response tabletop exercise for August 26. These exercises will be conducted quarterly and will focus on cross-department coordination and readiness under the Borough's Emergency Operations Plan. In addition to the quarterly Director-level exercises, the Borough will conduct one Borough-wide emergency response drill each year.

The tabletop exercises will give department heads an opportunity to work through realistic emergency scenarios, clarify roles and responsibilities, identify communication and resource gaps, and better understand how individual departments fit into a coordinated Borough response.

The goal is to strengthen preparedness before an actual event requires it. The exercises will also help identify areas where the EOP, internal procedures, contact lists, resource inventories, or interdepartmental coordination can be improved.



Manager's Minute

The Manager's Minute is a new periodic communication intended to give the community a concise look at what is happening across Borough operations, major projects, community initiatives, and upcoming priorities. It provides an opportunity to share progress that may not always make it into individual meeting agendas or public notices, while also recognizing the employees and partners responsible for moving the Borough's work forward.



The Manager's Minute will be available through the Borough's public communication channels, providing residents with an easy way to stay informed about current projects and organizational priorities. A special thank you to the Economic Development Department for developing and producing this new communication tool and helping improve how the Borough shares its work with the community.

At the request of the Assembly, we are continuing to expand those communication efforts. This will also include working with Laura Davies and her video production program, Stikine Stories, to highlight Borough projects, services, employees, and community partnerships in a more accessible and engaging format.

There is a tremendous amount of work happening across the organization, much of it quietly and behind the scenes. The Manager's Minute is another way to make that work more visible and provide the community with a clearer picture of the progress being made throughout the Borough.

Looking Ahead / Upcoming Travel & Engagement

- **SEAPA Board Meeting** (Aug. 27-28th)– Continued engagement on regional energy priorities, hydroelectric infrastructure, grid reliability, and future load growth.
- **Southeast Conference** (Sep. 29-30th) – Opportunity to advance Wrangell's transportation, economic development, infrastructure, and legislative priorities with regional and statewide partners.
- **AIDEA Board Meeting** (October 21) – A major milestone for the Wrangell Shipyard project. The focus will be on presenting the project's strategic importance, the public and private investment being assembled, and the proposed financing strategy, including potential AIDEA participation.

