

City and Borough of Wrangell, Alaska

Economic Development Committee

November 1, 2016

6:30pm Assembly Chambers

AGENDA

1. Call to order
2. Roll Call
3. Amendments to the Agenda
4. Approval of Minutes January 20, 2016
5. Persons to be Heard
6. Correspondence
7. Old Business
8. New Business
 - a) Request by Trident Corporation to purchase Belt Freezer, Building, Land
 - b) Scope of Work for 2017
 - c) Capital Improvement List
9. Adjournment

City and Borough of Wrangell, Alaska

Economic Development Committee

January 20, 2016

6:30pm Assembly Chambers

Minutes

1. Call to order 6:30pm
2. Roll Call Mark Mitchell, Kim Covalt, Bob Maxand, Julie Decker
3. Amendments to the Agenda
MM KC 2nd approved to add nominations of Chair and Vice Chair
4. BM moves KC 2nd to nominate Julie Decker as Chair and Mark Mitchell vice chair.
Approved
5. Approval of Minutes October 26, 2015 MM KC 2nd approved
6. Persons to be Heard
7. Correspondence
 - a) 2015 Tribal and Community Visioning Executive Summary
Sr Housing apts have additional property that could be built on.
Same contractor who did the Visioning for WCA is doing the Institute property feasibility. Work closely with them
8. Old Business
 - a) Municipal Land Selection Discussion – Land uses and Prioritization
Provided spreadsheet comparing comments of EDC and PZ. Generate public comments and participation – joint meeting with PZ and public meeting. March 10 workshop with PZ. Timbering is a big expense. Could provide value to assembly. Help with development cost. Would need to open road, reinstall culvert. Access to timber.
9. New Business
 - a) Comprehensive Plan Update Ch. 4 Economic Development (draft changes available at meeting) Will need to look at niche markets to make the WIS feasible for business development. Using slabs for table tops. Find those small companies with unique and small markets to encourage. If we knew there was a supply.

Multitude of non-timber opportunities - devil's club Siberian ginseng. Sticking point is the harvesting from USFS. There are a number of locals considering the option. Provide permits on borough land for collection of non forest products. Do we need a permit system or just allow for now. Address for green wood, collection... non complicated.... Simplify the process. If use it for commercial vs personal use. Speiflcy 6" or larger then permit.

- b) Tongass Land Management Plan Proposed Amendment
Provided copies of the comparisons, TAC recommendation.
Comments include view priority routes – how is Wrangell roads affected.
Acre for acre... if you can't provide the young growth sales, commit to the old growth. Support for the inventory work.

10. Adjournment 7:54.

Carol Rushmore

From: Jeff Jabusch <manager@wrangell.com>
Sent: Thursday, October 06, 2016 9:13 AM
To: ecodev@wrangell.com; harborgreg@aptalaska.net
Subject: Belt Freezer sale draft
Attachments: Belt Freezer sale draft.docx

Greg and Carol,

Please put the attached memo on your agendas for the Port Commission, Planning and Zoning Commission and the Economic Development Committee. Trident Seafoods has offered to purchase the belt freezer building and land it sits on for the price of \$950,000. The Borough Assembly has authorized me to move this process through the necessary steps to accomplish this. One of the requirements if being sold under the disposition of land without public bid for economic reasons requires each of the boards list to discuss this per the code guidelines and provide any recommendations to the assembly. If we could get this on your November meetings, that would work great.

Let me know if you have questions.

Jeff

October 5, 2016

To: Planning and Zoning Commission
Port Commission
Economic Development Committee

From: Jeff Jabusch, Borough Manager

Subject: Sale of the Borough's Belt Freezer Building to Trident Seafoods

History and Background:

The Belt Freezer building was built in the mid-2000's with the assistance of a state grant and with some city funds. The purpose of the grant and the building was to help enhance the seafood industry. Once it was built, the facility was leased first to Wrangell Fisheries and now to Trident Seafoods. Over the last few years the facility has been used less and less for its original purpose because Trident has more efficient ways to freeze product within their own plant.

In June of 2016, Trident Seafoods presented an offer to the borough to purchase the facility at the appraisal price of \$950,000. We had a review of the independent appraisal by our own assessor and we also had the opportunity to ask the appraiser questions about the appraisal. Staff feels satisfied that we have done our due diligence and that the appraisal price is the fair market price. The Assembly authorized the borough manager to proceed with the process to sell the property to Trident Seafoods.

The Borough receives about \$15,000 per year on the current lease. The continued purpose of the facility if sold would be to enhance the Seafood industry as per the original grant. The granting agency does not have any objections about this proposed sale. The funds, if sold, would likely go to other economic development projects, although that would be for a later discussion by the assembly.

In order to sell the property to Trident Seafoods without a public bid process, we are required to adhere to Wrangell Municipal Code 16.12.012. This is titled "Disposition of real property for economic purposes". Per this section, the sale directly to Trident is allowed if the value of the land is less than \$1,000,000.

Section D of this section requires that the request be sent to the Planning and Zoning Commission, the Port Commission and the Economic Development Committee for their comments and recommendations that will then be forwarded on to the Borough Assembly for the final determination. The Borough Assembly is required to have a public hearing where all comments and public testimony is heard. Following the hearing, the assembly will decide if the sale of this property to Trident Seafoods is in the best interest of the borough. The Borough Assembly will consider the items in 1612.012 (B) below and the various comments from the boards and the public to make this decision.

Questions before the boards:

Please review Wrangell Municipal Code below and based on items 16.12.012 (B)(1 through 7) and other factors you feel relevant, provide comment back to the assembly to assist them in making a final decision.

16.12.012 Disposition of real property for economic development purposes.



A. In the exercise of the borough's economic development powers, the assembly may determine, in its sole discretion, that it is in the best interest of the borough to dispose of borough-owned real property, including tidelands, or any interest therein, which interest has a value of \$1,000,000 or less (as determined by the borough assessor or a qualified appraiser), without requests for proposals or sealed bid procedures and at less than fair market value.

B. In determining the best interests of the borough under this section, the assembly may consider any relevant factors, which may include:

1. The desirability of the economic development project;
2. The actual or potential economic benefits to the borough, its economy and other businesses within the borough;
3. The contribution of the proponent to the economic development project in terms of money, labor, innovation, expertise, experience and otherwise;
4. The business needs of the proponent of the project in terms of integration into existing facilities and operations, stability in business planning, business commitments, and marketing;
5. Actual or potential local employment due to the economic development project;
6. Actual and potential enhancement of tax and other revenues to the borough related to the project; and
7. Existing and reasonably foreseeable land use patterns and ownership.

C. Prior to disposal under subsection (A) of this section, the assembly shall hold a public hearing. The borough clerk shall publish notice of the public hearing in a newspaper of general circulation in the borough at least 14

days prior to the hearing. The notice shall include the date, time and place of the hearing, and general or legal description of the real property or interest, and the proposed disposition and its purpose.

D. Following the hearing, and with comments/recommendations from the port commission, the planning and zoning commission, and the economic development committee, the assembly may authorize disposition of the real property or interest therein by resolution.

E. Where the acquisition of the real property or any interest therein or the construction of a permanent improvement has been approved by the voters at an election, the disposition of such property, interest or improvement under this section by sale, trade or lease for a term exceeding five years shall be made only by authority of an ordinance ratified by a majority of the qualified voters of the borough who vote upon the question. For purposes of this subsection, the term of any such lease shall include the terms of all options to extend or renew the lease. The requirements of this subsection do not apply where the voter approval involved was in the form of authorizing the issuance of bonds to finance the acquisition of the real property or any interest therein or the construction of a permanent improvement. [Ord. 781 §§ 1, 2, 2006; Ord. 756 § 1, 2004.]

Economic Development Committee

2017 Work Plan

DRAFT

Purpose

The purpose of the Wrangell EDC is to act as a sounding board for and make recommendations to the Borough Assembly on development proposals, grant ideas, project proposals and other action items.

Mission

The EDC will work to create a healthy, diversified economy with a stable tax base that supports good streets, public facilities and infrastructure, and will preserve and capitalize on its natural beauty, history and cultural diversity. New industries will be welcomed that create a diverse economic base while existing industries shall be supported to remain strong and viable. We support small businesses development.

Goals

1. **Encourage Business Development in order Diversify the economy** so that Wrangell is not dependent on a single employer or industry
2. Support and promote **infrastructure development** that enables economic growth.
3. Support our **education** system and opportunities.
4. Maintain communication with existing businesses and community.

Areas of Focus for 2017

Promotion of business prospects within Wrangell, including Marine Service Center
Land Entitlement: Finalize zoning in cooperation with Planning and Zoning for potential opportunities in lands selected
Participate in Wrangell Island Sale and other District issues

Economic Development Committee

2014-2015 Work Plan

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Areas of Focus for 2014 – 2015

Discuss and promote opportunities for the Institute Property: review development proposals

Promotion of business prospects within Wrangell, including Marine Service Center

Discuss opportunities for the former mill site (with property owner)

Land Entitlement: Select remaining acres and discuss potential opportunities for all land selected

Investigate Solid Waste/ Recycling opportunities

Participate in Wrangell Island Sale and other District issues

Proposed Wrangell Capital Budget Requests for State and Federal FY 2016-17

Town/Org	Project	State Request		Total Project		State or Federal	Status
		Amount	Amount	Amount	Amount		
1	Wrangell	Shoemaker Bay Float - Construction	5,000,000	10,000,000	State	State	Priority #2 on State Harbor funding list for FY 2017
2	Wrangell	Water Main Distribution System Replacement, Phase 1 (Design all	459,891	656,987	State/Federal	State/Federal	DEC Loan paperwork underway, application in for DEC MMG
3	Wrangell	Fire Engine/Pumper	275,000	275,000			
4	Wrangell	Pool Facility Improvements (Pool Roof, Mechanical, Remodel) Phase I		2,000,000	State/Federal	State/Federal	Assessment completed
5	Wrangell	Wrangell Medical Center Design and Construction		35,000,000	State	State	
6	Wrangell	Wrangell Boat Yard Improvements - Final Improvements	4,200,000	4,200,000	State/Fed	State/Fed	
7	Wrangell	Public Safety Building Renovations	950,000	950,000	State/Federal	State/Federal	
8	Wrangell	Ozone Generator Replacement	300,000	300,000	Sate/Federal	Sate/Federal	DEC Loan paperwork underway
9	Wrangell	Water Main Distribution System Replacement, Phase 2 (Zimovia Highway)	1,583,560	2,262,229	State	State	
10	Wrangell	Back-up Diesel Generation	2,700,000	2,700,000			
11	Wrangell	Ash Street/Lemieux Watermain Replacement	875,000	875,000			AK Rural Water Utilities completed assessment; DEC loan application 1/16
12	Wrangell	Community Center Life & Safety Improvements (phase II) Fire System upgrades	250,000	2,715,000	State/Federal	State/Federal	Phase I design is underway now. Condition Assessment completed
13	Wrangell	SCBA's for personal Protective Equipment	60,000	83,700			
14	Wrangell	Industrial Park Expansion - Road and Utilities Expansion	400,000	2,500,000	Federal	Federal	
15	KSTK	KSTK Radio Group Inc. Flood Cessation	19,000	19,000			
16	Wrangell	Wrangell Road Resurfacing Phase I	2,250,000	2,500,000	State	State	
17	Wrangell	Storm Drain Plan	175,000	175,000			
18	Wrangell	Elementary School Parking Lots	500,000	500,000			WCA Tribal Roads Priority
19	Wrangell	Two Police Vehicles	70,000	70,000	State/Federal	State/Federal	Rural Development application to be resubmitted
20	Wrangell	Pneumatic Control Systems Phase I (Pool Facility)	55,000	55,000			
	Wrangell	School Fire Alarm System	490,226	490,226			
	Wrangell	Library Recarpeting	55,000	55,000			
	Wrangell	Shoemaker Bay Breakwater Feasibility Study		4,000,000	Federal	Federal	DEC Clean Water Fund; Received 750K FY2015
	Wrangell	Power Plant Roof Replacement	200,000				
	WRG/PRG	South Mitkof Island Improvements - Banana Point Improvements	1,250,000	1,250,000	State	State	
	Wrangell	Dam Replacement		50,000,000	Federal	Federal	
	Wrangell	Pool Facility Improvements (Pool Roof, Mechanical, Remodel) Phase II					
	Wrangell	Mt. Dewey Trail Extension (to Petroglyph Beach State Park	200,000	200,000			
	Wrangell	Reliance Harbor - Design and Construction	2,500,000	2,500,000	State/Federal	State/Federal	
	Wrangell	Inner Harbor - Design and Construction	2,500,000	2,500,000	State/Federal	State/Federal	
	Wrangell	Standard Oil Float - Design and Construction	2,000,000	2,000,000	State	State	
	WCA	Wrangell Totem Pole Carving		1,000,000			

Town/Org	Project	State Request		Total Project		State or Federal	Status
		Amount	Amount	Amount	Amount		
Wrangell	Volunteer Park Trail Extension to Etolin Ave.	100,000		100,000			
Wrangell	Pool Locker Replacements	55,000		55,000		State	
Wrangell	Power Infrastructure Improvements - Mission and First Avenue	150,000					
Wrangell	Volunteer Park Ball Fields' Improvements	250,000		250,000			
Wrangell	Meridian Street Extension (North End of Cassiar)						
Wrangell	Shoemaker Bay Park and Rainbow Falls Trailhead Improvements	250,000		1,000,000		State	
Wrangell	First and Second Avenue Improvements (Elementary School)	2,000,000					
Wrangell	Public Works Storage Building, Phase II	50,000					Phase I pad to be completed 2016 by City
Wrangell	Airplane Float Redocking						
Wrangell	Fire Hose Replacement	25,000		25,000			
Wrangell	Volunteer Park Plan	25,000		25,000			
Wrangell	Multipurpose Field Improvements	100,000		100,000			
Wrangell	Mariners Memorial						
Wrangell	Biomass Heating District					State/Federal	
Wrangell	Stikine Avenue Safety Issues						
Wrangell	Mitigation/Restoration Plan for Public/Private Development	75,000		150,000			
Wrangell	Sewer Pumping Truck	100,000		100,000			
Wrangell	Capacitor Bank for Water Treatment Plant	60,000		60,000			
Wrangell	Sunrise Lake - Alternative Water Source (Monitoring, Design, NEPA, etc.)	3,000,000		BG		State/Federal	

Prioritized Projects Under \$100,000

Listed as priority on main list	Town or Org	Project	Request Amount		Total Project Amount		State or Federal	Status
			Request Amount	Request Amount	Total Project Amount	Total Project Amount		
13	Wrangell	SCBA's for personal Protective Equipment	60,000		83,700			
15	Wrangell	KSTK Radio Group Inc. Flood Cessation	19,000		19,000			
19	Wrangell	Two Police Vehicles	70,000		70,000		State/Federal	Rural Development application to be resubmitted
20	Wrangell	Pneumatic Control Systems Phase I (Pool Facility)	55,000		55,000			
	Wrangell	Library Recarpeting	55,000		55,000			
	Wrangell	Pool Locker Replacements	55,000		55,000		State	
	Wrangell	Public Works Storage Building, Phase II	50,000		50,000			Phase I pad to be completed 2016 by City
	Wrangell	Fire Hose Replacement	25,000		25,000			