



City and Borough of Wrangell
Borough Assembly Meeting
Revised AGENDA – (to amend the title for Item 13d)

September 27, 2016 – 7:00 p.m.

Location: Assembly Chambers, City Hall

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mark Mitchell
- b. INVOCATION to be given by Don McConachie
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

2. ROLL CALL

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. CONSENT AGENDA

- a. Item (*) 6a, 7a, 7b, & 7c

6. APPROVAL OF MINUTES

- *a. Minutes of the Public Hearing and the Regular Assembly meetings held September 13, 2016; minutes of the Special Assembly meeting held September 16, 2016

7. COMMUNICATIONS

- a. Correspondence letter from Terri Henson and Barbara Conine, WMC Board Members.
- b. Parks & Recreation Board Minutes from the April 6, 2016 Regular meeting.
- c. Letter from the Wrangell Chamber of Commerce regarding Statewide Internet Sales Tax.

8. BOROUGH MANAGER'S REPORT

9. BOROUGH CLERK'S FILE

10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

- a. Reports by Assembly Members
- b. Appointment to fill the vacancies on various City Boards, Committees, and Commissions

11. PERSONS TO BE HEARD

12. UNFINISHED BUSINESS

- a. **PROPOSED ORDINANCE No. 924:** AN ORDINANCE of the City and Borough of Wrangell, Alaska, authorizing the issuance of a sewer revenue bond in the principal amount of \$91,000 to finance a portion of the cost of acquiring, constructing and installing certain additions and betterments to and extensions of the Borough's sewer system; fixing the date, form, terms, maturities and covenants of the bond; reserving the right of the Borough to issue future revenue bonds with a lien on revenues on a parity with the bond upon compliance with certain conditions; and

providing for the sale of the bond to the United States Department of Agriculture, Rural Development (*second reading*)

- b. **PROPOSED ORDINANCE No. 925:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 18.04.040, BUILDING PERMITS – COMPLIANCE WITH ORDINANCES, OF THE WRANGELL MUNICIPAL CODE RELATING TO BUILDING PERMITS (*second reading*)

13. NEW BUSINESS

- a. **PROPOSED ORDINANCE No. 926:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 20, ZONING, OF THE WRANGELL MUNICIPAL CODE, TO ADD LICENSED MARIJUANA ESTABLISHMENT FACILITIES AS CONDITIONAL USES IN CERTAIN SPECIFIED ZONING DISTRICTS, AND TO UPDATE THE TEMPORARY AND SPECIAL ZONING ACTS TABLE (*first reading*)
- b. **REQUEST FOR A CONTRACT ZONE** from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), Lots 4 and 5, Block 5, USS 2127, requested by Isobel Brophy of Greystone Holdings Inc.
- c. Approval of an Assignment of Lease and Assumption of an Existing Tidelands Lease from Lynn Maxand for John Maxand
- d. **PROPOSED RESOLUTION No. 09-16-1352:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, IN SUPPORT OF THE ALASKA MENTAL HEALTH LAND EXCHANGE ACT OF 2016 BUT ASKING FOR RECONSIDERATION OF CERTAIN PARCELS WITHIN WRANGELL'S BOROUGH BOUNDARY

14. ATTORNEY'S FILE – Summary Report was provided to the Assembly.

15. EXECUTIVE SESSION – None

16. ADJOURNMENT

Agenda Items 1 - 6

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY

AGENDA ITEM

September 27, 2016

ITEM NO. 1 CALL TO ORDER:

INFORMATION: *The Mayor, by code, is required to call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers. Special meetings or continued meetings may be called for at differing times but at the same location. Notice of such will be required by the Borough Clerk. The Mayor will call the meeting to order according to such special or continued meeting notice. At all meetings of the assembly, four assembly members or three members and the mayor shall constitute a quorum for the transaction of business, but a smaller number less than a quorum may adjourn a meeting to a later date.*

RECOMMENDED ACTION:

The Mayor, as presiding officer, is to call the meeting of the Borough Assembly to order, with the following actions to follow:

- a. Pledge of Allegiance to be given by Assembly Member Mark Mitchell
- b. Invocation to be given by Don McConachie
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

ITEM NO. 2 ROLL CALL - BOROUGH CLERK:

INFORMATION: *The Borough Clerk shall conduct a roll call of each elected and duly qualified Assembly Member. Such call shall result in an entry of those present or absent from the meeting. The roll call is primarily utilized in determining if sufficient member(s) are present to conduct a meeting. The Borough Clerk may randomly change the conduct of the roll to be fair to the members of the governing body unless the council determined an adopted procedure for roll call which is different than currently in use.*

RECOMMENDED ACTION:

Borough Clerk to conduct a roll call by voice vote. Each member to signify by saying here, present (or equal) to give evidence of attendance.

ITEM NO. 3 AMENDMENTS TO THE AGENDA:

INFORMATION: *The assembly may amend the agenda at the beginning of its meeting. The outline of the agenda shall be as from time to time prescribed and amended by resolution of the assembly. (WMC 3.04.100)*

RECOMMENDED ACTION:

The Mayor should request of the members if there are any amendments to the posted agenda. ***THE MAYOR MAY RULE ON ANY REQUEST OR THE ASSEMBLY MEMBERS MAY VOTE ON EACH AMENDMENT.***

ITEM NO. 4 CONFLICT OF INTEREST:

INFORMATION: *The purpose of this agenda item is to set reasonable standards of conduct for elected and appointed public officials and for city employees, so that the public may be assured that its trust in such persons is well placed and that the officials and employees themselves are aware of the high standards of conduct demanded of persons in like office and position.*

An elected city official may not participate in any official action in which he/she or a member of his/her household has a substantial financial interest.

ITEM NO. 5 CONSENT AGENDA:

INFORMATION: *Items listed on the Consent Agenda or marked with an asterisk (*) are considered part of the Consent Agenda and will be passed in one motion unless the item has been removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.*

RECOMMENDED ACTION:

Move to approve those Agenda items listed under the Consent Agenda and those marked with an asterisk (*) Items:

****6a, 7a, 7b, & 7c***

ITEM NO. 6 APPROVAL OF MINUTES:

INFORMATION:

- a. Minutes of the Public Hearing and Regular Assembly meetings held September 13, 2016; Minutes of the Special Assembly meeting held September 16, 2016

**Minutes of Public Hearing
Held September 13, 2016**

Mayor David L. Jack called the Budget Public Hearing to order at 6:30 p.m., September 13, 2016, in the Borough Assembly Chambers. Assembly Members Decker, Rooney, Mitchell, Blake were present. Assembly Members Powell and Prysunka were absent. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

Public Hearing Items:

- a. **PROPOSED ORDINANCE No. 922 (am):** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF CHAPTER 15.16, CEMETERY, OF THE WRANGELL MUNICIPAL CODE, RELATING TO CEMETERY FEES (*second reading – as amended*)

- b. **PROPOSED ORDINANCE No. 923:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 2.24.040, ABSENTEE VOTING BY MAIL, OF THE WRANGELL MUNICIPAL CODE, RELATING TO THE PROCEDURES FOR ABSENTEE VOTING BY MAIL (*second reading*)

WRITTEN TESTIMONY – None.

ORAL TESTIMONY – None.

Public Hearing recessed at 6:31 p.m.

Public Hearing reconvened at 6:55 p.m.

Public Hearing Meeting adjourned at 6:55 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**Minutes of Regular Assembly Meeting
Held on September 13, 2016**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., September 13, 2016, in the Borough Assembly Chambers. Assembly Members Mitchell, Rooney, Decker, and Blake were present. Assembly Members Powell and Prysunka were absent. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

The Pledge of Allegiance was led by Assembly Member Becky Rooney.

The Invocation was given by Kay Larson from the Baha'i Faith.

AMENDMENTS TO THE AGENDA

CONFLICT OF INTEREST

CONSENT AGENDA

M/S: Blake/Mitchell, to approve Consent Agenda Items marked with an () asterisk; Items 6a and 7a. Motion approved unanimously by polled vote.*

APPROVAL OF MINUTES

The minutes Public Hearing and the Regular Assembly meetings held August 23, 2016 and the minutes of the Special Assembly meeting held September 6, 2016, were approved as presented.

COMMUNICATIONS

- a. Minutes of the Regular School Board meeting held June 20, 2016 & the Special School Board meeting held July 6, 2016

BOROUGH MANAGER'S REPORT

Manager Jabusch's report was provided.

Mayor Jack requested that we set up an executive session to discuss the processed water report and what went wrong for when Assembly Member Prysunka is back in town.

Manager Jabusch stated that we cannot go into executive session to discuss personnel unless it was do discuss him

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

10b Appointment to fill the vacancies on various City Boards, Committees, and Commissions

As there were no letters of interest received for the remaining vacant seats, the Mayor directed the Clerk to continue advertising.

PERSONS TO BE HEARD

There were no persons to be heard.

UNFINISHED BUSINESS

12a PROPOSED ORDINANCE No. 922 (am): AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF CHAPTER 15.16, CEMETERY, OF THE WRANGELL MUNICIPAL CODE, RELATING TO CEMETERY FEES *(second reading – as amended)*

M/S: Rooney/Blake to adopt Ordinance No. 922 (am). Motion passed with Decker, Blake, Rooney and Jack voting yes; Mitchell voted no.

12b PROPOSED ORDINANCE No. 923: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 2.24.040, ABSENTEE VOTING BY MAIL, OF THE WRANGELL MUNICIPAL CODE, RELATING TO THE PROCEDURES FOR ABSENTEE VOTING BY MAIL *(second reading)*

M/S: Mitchell/Rooney, to adopt Ordinance No. 923. Motion approved unanimously by polled vote.

12c Approval of the revised Local Contractor's List *(postponed from the Regular Assembly meeting held August 23, 2016)*

M/S: Blake/Rooney, to approve revised Contractor's Policy, as presented. Motion approved unanimously by polled vote.

12d Discussion and possible action regarding scrap metal removal options in Wrangell *(added at the request of Assembly Member Rooney-postponed from the Regular Assembly meeting held August 23, 2016)*

Assembly Member Rooney requested that we schedule a workshop so that the Assembly could discuss options for scrap metal removal and have members of the community come and weigh in on the issues. Assembly Member Blake stated that the Port Commission and Planning & Zoning Commission should also be invited to the work shop. There were no objections from the Assembly. Clerk Lane will send date options to the Assembly so that a date can be set.

NEW BUSINESS

13a PROPOSED ORDINANCE No. 924: AN ORDINANCE of the City and Borough of Wrangell, Alaska, authorizing the issuance of a sewer revenue bond in the principal amount of \$91,000 to finance a portion of the cost of acquiring, constructing and installing certain additions and betterments to and extensions of the Borough's sewer system; fixing the date, form, terms, maturities and covenants of the bond; reserving the right of the Borough to issue future revenue bonds with a lien on revenues on a parity with the bond upon compliance with certain conditions; and providing for the sale of the bond to the United States Department of Agriculture, Rural Development *(first reading)*

M/S: Mitchell/Blake, to approve first reading of Ordinance No. 924, and move to a second with a Public Hearing to be held on September 27, 2016.

Manager Jabusch explained the process and why this ordinance was required for the issuance of the bond.

Motion approved unanimously by polled vote.

13b PROPOSED ORDINANCE No. 925: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 18.04.040, BUILDING PERMITS – COMPLIANCE WITH ORDINANCES, OF THE WRANGELL MUNICIPAL CODE RELATING TO BUILDING PERMITS ***(first reading)***

M/S: Decker/Rooney, to approve first reading of Ordinance No. 925, and move to a second with a Public Hearing to be held on September 27, 2016. Motion approved unanimously by polled vote.

13c PROPOSED RESOLUTION No. 09-16-1350: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, DESIGNATING CANVASS BOARD DUTIES TO THREE ASSEMBLY MEMBERS FOR CANVASSING THE RESULTS OF THE REGULAR ELECTION TO BE HELD OCTOBER 4, 2016

M/S: Blake/Rooney, to approve Resolution No. 09-16-1350 designating three members of the Assembly to Canvass the results of the October 4, 2016 Municipal Election. Motion approved unanimously by polled vote.

13d PROPOSED RESOLUTION No. 09-16-1351: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE CONVEYANCE OF PUBLIC LAND, LOT 5, BLOCK 38, USS 1119, PLAT 2015-6, WRANGELL TOWNSITE, BY QUITCLAIM DEED, TO LAURIE A. BROWN

M/S: Decker/Blake, to approve Resolution No. 09-16-1351, for the sale of Over-the-Counter Lot 5, Block 38, USS 1119, Plat 2015-6, to Laurie A. Brown. Motion approved unanimously by polled vote.

13e Approval to hold a Special Assembly Meeting on Monday, October 10, 2016 at 11:30 a.m. to Certify the results of the Regular Borough Election

M/S: Mitchell/Rooney, to approve holding a Special Assembly meeting on Monday, October 10, 2016 at 11:30 a.m. to certify the election results of the Regular Borough Election to be held on October 4, 2016. Motion approved unanimously by polled vote.

13f Discussion and possible action regarding the potential for Statewide Internet Sales Tax ***(added at the request of Assembly Member Decker at the last Assembly Meeting)***

Assembly Member Decker wanted to start the discussion to see if the Assembly thought that it was a good idea; State looking at filling the financial gap: i.e. state tax and income tax; a

statewide internet tax would help local businesses to be on a more even playing field; this would be a tax that would be the least harm to the community since if ordering online, the buyer would pay the State internet tax, that might steer buyers into even buying more locally.

Assembly Member Mitchell spoke in opposition to this idea; tried it in Colorado and it failed miserably; one more tax, one more fee; question of regulation; who would monitor the internet.

Assembly Member Rooney stated that she knew that this could be done because it's being done within the State of California; when buying online with Amazon, the tax is applied automatically. Rooney also questioned whether anyone had done any research on if the State did implement this tax, would we have to pay the sales tax when we went down to Seattle; it's a huge opportunity to take advantage of that benefit.

Decker stated that she was looking to see if the Assembly or community of Wrangell would be interested in submitting a resolution of support to Alaska Municipal League, our Legislators in Juneau, and to Southeast Conference. Decker also stated that whether we like it or not, all of these tax discussions are going to be discussed in this upcoming legislative session.

Assembly Member Blake and Mayor Jack spoke in opposition to the idea of a Statewide internet sales tax.

13g Authorization to proceed with the Property Tax Foreclosures for tax years 2012 through 2015

M/S: Decker/Rooney, to authorize city staff to proceed with the property tax foreclosure for the tax years 2012 through 2015 as per Wrangell Municipal Code 5.04.370. Motion approved unanimously by polled vote.

Mayor Jack called a recess at 7:51 p.m.

Mayor Jack reconvened the meeting at 7:53 p.m.

13h Approval of a fee proposal from CRW Engineering Group's for a Preliminary Engineering Report for the Water Treatment Plant Improvement project

M/S: Blake/Mitchell, to approve a contract amendment to CRW Engineering Group for development of a Preliminary Engineering Report for a Water Treatment Plant Improvement project in a lump sum amount of \$43,390. Project costs will be paid from Water Fund Revenues. Motion approved unanimously by polled vote.

13i Approval of change orders to BW Enterprises for the Barge Ramp Concrete Paving project

M/S: Mitchell/Blake, to authorize the issuance of Change Order #1-#4 to BW Enterprises for changed conditions to the Barge Ramp Concrete Paving construction contract for a total increase of \$23,221.54, and a time extension of three days. Additional project costs will be paid from the Ports and Barge Ramp FY17 Capital Projects Fund.

In response to Assembly Member Blake's inquiry as to why these costs were not stated for the original project bid, Manager Jabusch stated that during the time that the contractor was performing the work, there were unknown setbacks that were not known before the project was awarded. Jabusch stated that there were other minor modifications as well.

Motion approved unanimously by polled vote.

ATTORNEY'S FILE – None.

EXECUTIVE SESSION – None.

Regular Assembly Meeting adjourned at 7:58 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**Minutes of Special Assembly Meeting
Held September 16, 2016**

Mayor David L. Jack called the Special Assembly meeting to order at 12:00 p.m., September 16, 2016, in the Assembly Chambers. Assembly Members Rooney, and Decker and Mitchell were present. Assembly Members Powell, Prysunka and Blake were absent. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane also attended.

CONFLICT OF INTEREST

There were no conflicts of interest declared.

PERSONS TO BE HEARD

There were no persons to be heard.

ITEMS OF BUSINESS

5a Executive Session: To discuss the ongoing union negotiations with the borough attorney

M/S: Decker/Rooney, to go into executive session along with the Borough Manager to discuss union negotiations with the borough attorney, which are confidential, attorney-client privilege communications, and which could adversely impact the finances of the Borough. Motion approved unanimously by polled vote.

5b Executive Session: Options on moving forward for the Mill Site Property

M/S: Rooney/Decker, pursuant to AS 44.62.310 (c), (1), that we recess into executive session with the Borough Manager, to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Borough, specifically the options for moving forward with the Mill Site Property.

Manager Jabusch stated that there was nothing new to report on the Mill Site Property and requested that the Assembly not adjourn to discuss this item.

Assembly Member Rooney withdrew her motion.

Special Assembly meeting recessed into Executive Session at @ 12:02 p.m.

Special Assembly meeting reconvened into Special Session @12:52 p.m.

Special meeting adjourned at 12:52 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Agenda Item 7

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

COMMUNICATIONS:

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require separate action. This is an avenue to keep the Assembly informed, for the public to enter items on the record, if necessary. The Assembly also receives agenda communications directly by their constituents, Borough Manager, other agencies' Officers and Department Directors.

A MAIL BOX IS ALSO AVAILABLE IN THE BOROUGH CLERK'S OFFICE FOR EACH MEMBER OF THE ASSEMBLY AND SHOULD BE CHECKED ON A ROUTINE SCHEDULE.

All items appearing under Communications on the Agenda have been approved under the Consent Agenda unless removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.

- a. Correspondence letter from Terri Henson and Barbara Conine, WMC Board Members.
- b. Parks & Recreation Board Minutes from the April 6, 2016 Regular meeting.
- c. Letter from the Wrangell Chamber of Commerce regarding Statewide Internet Sales Tax.

September 15, 2016

Attn: Mayor David Jack and Wrangell Assembly Members

Re: Assembly meeting of August 23, 2016

CITY CLERK
SEP 15 2016
RECEIVED

Dear Mayor Jack and Assembly Members,

We, the undersigned, are members of the Wrangell Medical Center Board but are writing this as individual board members. The full board will be made aware of this letter at the next meeting.

It came to our attention that we were unaware of your desire to have an update on TruBridge six months after commencement of the contract with them to do the hospital billing and that you were unaware of the discussions the board had and items we agreed to before entering into the contract. It was determined that six months prior to end of the two year contract, we would take a hard look at where we stood and see if it was worth signing onto another contract or if we should hire more people, train them and then do the billing in house. A major concern was that we would be in exactly the same position as we found ourselves in recently meaning if one or more of the billing staff was on vacation or sick leave, billing wouldn't get done just as before. The risk of winding up once again with ever increasing accounts receivable and then having many hundreds of thousands of charges being denied because they timed out. We cannot afford to lose another dime after the millions we've already lost.

It was our understanding that the Assembly had a representative to the hospital board to make sure past mistakes never occurred again and so that the Assembly representative could relay the wishes from that body to the board of the Wrangell Medical Center and conversely, the representative could carry any actions by the board back to the Assembly. Obviously, that hasn't worked with neither body knowing of the actions of the other body. What has worked were the e-mails from the clerk to the CEO which were then disseminated to the board.

In your meeting of the 23rd, Mr. Prysunka was concerned that if we weren't careful, Peace Health would be in charge of our billing. Since they send their billing out like we do, that will not happen. Ms. Rooney was concerned about new jobs and must not have heard Mr. Rang say we have now employed six new nurses, some local and some about to be local residents, leaving only 2 travelers on staff. Additionally, we are in need of at least two coders as we are short in that department and those would be good local jobs. The coding will remain in house even if the billing is not. It is a skilled position, does require training and we do risk after they are fully trained, they, too, are more valuable on the job market.

Mayor Jack seemed astounded that once billers are trained they are a hot commodity on the open market and pointed out the ladies doing it before had remained from 10 to 30 years. Unfortunately, the world has changed with new technology and most people do not remain on a job for the proverbial gold watch. An analogy to what is happening is the telephone. How many pay phones were in Wrangell?

Where are they now? How many people have given up landlines for just cell phones? Did any of us see that coming? Same with the billing in today's world.

The hospital board has worked incredibly hard these last four years with a multitude of issues not ever envisioned until we were in the middle of them. We have done it with due diligence at all times keeping the hospital and City's rules followed to the letter of the law and in what is in the best interest of the community. We have never acted in haste but rather stuck with some issues for extended periods of time until the issue was resolved properly. We quite frankly took offense at hearing that perhaps the board should do the review for the Assembly, implying we don't do anything anyway and our "feet should be held to the fire". We have walked IN the fire more than once and found that comment unprofessional and demeaning. We are elected, not appointed, just like you and feel we are due the same respect as you. The remark not wanting to micro manage does not ring true.

Lastly, we have other meetings either directly concerning the hospital or are on other City committees that we attend, several times a month. We fail to see why we should be faulted for not attending the Assembly meeting when the CEO, the Comptroller and the person now overseeing the department for getting the bills out to TruBridge were already attending. What more could we have added to the discussion?

There will be a formal review for you in the future regarding an analysis of costs of bring the billing back in house, a roundup of those hospitals doing their own vs. sending it out (not very many we've found yet) and a detailed recommendation we have of what to do and why. You may rest assured that it will have been thoroughly discussed amongst the board and voted on before it comes to you.

Thank you for your attention to these matters.

Respectfully,

Terri Henson, President WMC Board



Barbara Conine, Treasurer WMC Board



WRANGELL PARKS RECREATION BOARD
REGULAR MEETING MINUTES April 6, 2016
7:00 ASSEMBLY CHAMBERS

CALL TO ORDER: Chairman Lippert called the Parks & Recreation Advisory Board to order in the Assembly Chambers at 7:00 p.m.

ROLL CALL: Board members in attendance were Bob Lippert, Cindy Martin, Haig Demerjian, Alice Rooney and Holly Owens.

AMENDMENT TO AGENDA:

APPROVAL OF MINUTES: March 2, 2016 Parks & Recreation Advisory Board meeting minutes were moved to approve. 1st by Owens 2nd by Martin. Motion passed.

CORRESPONDENCE: None

PERSON'S TO BE HEARD: None

BOARD MEMBER REPORTS

Lippert reported he did maintenance and general cleanup on Mt. Dewey Trail.

DIRECTOR'S REPORT

Kate gave an oral report.

UNFINISHED BUSINESS

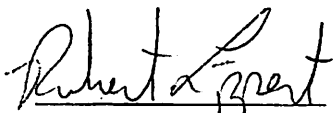
- A. Fund Raising- Director proposed the same policy as the City's Convention Center.
 - a. All paying renters are eligible to fund raise during their event in which they are paying for.
 - b. Board members agreed this policy was clear and concise and applicable to Parks and Rec.

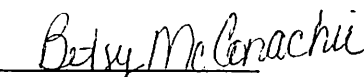
NEW BUSINESS

- A. Recreation Improvement Fund-a discussion on the recreation improvement fee for vessels using the City of Wrangell Port facilities and recreation sites.
A motion was made by Rooney to approve the adoption of the Recreation Improvement Fee for vessels utilizing the City of Wrangell port facilities and recreation sites 2nd by Owens motion passed.
- B. 2016-2017 Budget Review-
 - a. Board members requested more information on Utilities billed by the school, to get a better understanding of the fixed cost.
 - b. Concerns were raised about Pool's water loss.

CLOSING

- A. Next Agenda
- B. Adjournment 7:45


Chairman
Bob Lippert


Recording Secretary
Betsy McConachie



Wrangell Chamber of Commerce
P. O. Box 49
Wrangell, AK 99929
(907) 874-3901
www.wrangellchamber.org

September 16, 2016

David Jack, Mayor
City and Borough of Wrangell
P.O. Box 531
Wrangell, AK 99929

CITY CLERK
SEP 20 2016
RECEIVED

Dear Mayor Jack:

The 2016-17 legislative session is nearly upon us and given the fiscal issues facing the State of Alaska, there will likely be multiple ideas presented by various special interest groups regarding alternate sources of revenue. Many of these suggestions will include forms of taxation that will invariably impact some individuals and groups more, or less, than others. The challenge then becomes to find a tax that fairly distributes the tax burden across a variety of socioeconomic boundaries. The mission of the Wrangell Chamber of commerce is to:

“Advance all of the business, professional, civic and cultural interests of the City and Borough of Wrangell as well as regional, state and national interests under the democratic system of free competitive enterprise. We encourage the growth of existing business activities while giving all proper assistance to any new firms or individuals seeking residence in Wrangell.”

This mission statement conveys a true dedication to promoting the welfare, economic and beyond, of our local residents and the businesses that exist within our community. There have been a number of studies and associated commentaries done on the topic of internet taxation and internet purchasing. One such study out of Stanford University concludes:

“We found that purchases by interested buyers fall by roughly two percent for every one percentage point increase in the sales tax charged by the seller.” (Einov et al., 2014)

In other words, internet sales dropped as taxes on purchases made on the internet increased. One could conclude that this would result in increased local commerce since customers would still be making their purchase, and most certainly comparison shop. Additionally, Fox Business unequivocally states:

“Evidence from investors, analysts and consumers reveals that online stores have a competitive edge when they don’t have to collect sales tax from shoppers, according to two separate studies from researchers at Ohio State University and the University of Washington (Brooks, 2014)”

We also understand and concur that research suggests a comprehensive solution will require federal intervention, but the challenges of finding an equitable form of taxation and the mission of the Wrangell Chamber of Commerce still require a near term action. Thus, we suggest that *The State of Alaska should tax internet sales at a predetermined level*. This will allow taxes to be levied only on those making a purchase, and it would remove what amounts to a competitive advantage afforded internet businesses when compared to local retailers.

Therefore, the Wrangell Chamber of Commerce Board of Directors is requesting a support resolution from Southeast Conference to be submitted to both Governor Walker and the Alaska Legislature, that encourages the State of Alaska to implement an Internet Commerce Tax Schedule Effective January 1, 2018.

Sincerely,



Christie Jamieson
Wrangell Chamber of Commerce
Board President

REFERENCES

Einav, L., Knoepfle, D., Levin, J., Sudaresan, N. (2014). Sales Tax and Internet Commerce. *American Economic Review*. pp. 1-26. <http://dx.doi.org/10.1257/aer.104.1.1>

1

Brooks, Chad. *Fox Business* published April 24, 2014.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: MANAGER'S REPORT

DATE: SEPTEMBER 27, 2016

ANSEP Committee:

The ANSEP Committee has met twice.

I wanted to give you an update on the progress we are making toward establishing a Residential Education Facility at the former Wrangell Institute site. When we began this effort only eight months ago, two of our initial goals have been:

- 1) To be scheduled to deliver a presentation at the Alaska Federation of Natives (AFN) Fall Conference.
- 2) To find a sponsor that would submit a resolution for an AFN Delegate vote at the same meeting.

We have found a strong supporter to assist us from within the Southeast Native Community, but we have simply run out of time to meet both AFN's submission deadlines, and to gather additional support from both in and out of the statewide Native Community. These are both very important in order to have a high likelihood of success.

We have made remarkable progress in only eight months toward the goal of making the Residential Education Facility a reality, so taking the time to move forward in a calculated and structured manner is a good thing. None of this change in timeline precludes us from being involved in sustained efforts to gain comprehensive support throughout the next year.

Assessor Program:

The State Assessor requires a fair amount of information from each community each year about assessments and various land issues. Currently some of our information is in a data base but much of the detail about assessments is contained in manually kept assessment cards. We are unable to provide easily much of what is needed and like many communities in the state, we have been looking for an affordable program to achieve this. Our assessor, Mike Renfro, has been looking for years for an affordable assessment program that would achieve the following:

- Be able to easily provide the information on the annual assessor reports.
- Provide an assessment program that would allow the assessor the ability to do the annual updates and changes quickly and more importantly at less cost to the city.
- To have electronic data that could be accessed by the public on the internet about assessments rather than coming to city hall to get copies or other requests.

- The new program will allow the assessor to make all the changes, including photos, in the field on an i-pad or other similar device and upload the information instantly. If sales show that land needs to be increased by say 5% borough wide, they can do that for all parcels in a matter of minutes. With the cards, they have to hand calculate and enter those changes in approximately 1800 cards and then we have to enter from the cards into the data base we have the information. Lots of wasted time and huge chance for errors.
- There will be an upfront cost for both the program and the cost to entering all of the data into the computer program. There will be an annual cost for the program maintenance. A rough guess is that we will break even after maybe 10 years and after that point it should be cheaper each year to have our assessments completed.
- We will be bringing a proposal from the assessor to the assembly sometime within the next month or so once all of the costs are identified. We would have included this in the budget if we knew the assessor was this close to finding a program.

AICS Clinic Warranty Deed:

I have attached below a copy of the warranty deed that discusses the conditions of the land transfer to AICS for the clinic. I have given a copy to Mark Walker and asked him to understand that this condition exists and that I wanted him to be aware that this would need to be discussed with the assembly if there is a pending transfer or sale to SEARHC. He will be traveling during this next meeting and that, at this time, he could not talk about negotiations as it is confidential. But when it is to a point that he can make a presentation to the assembly he will.

Warranty Deed Conditions:

"It is expressly made a conditions herein that the conveyed property be used exclusively as the site of the Alaska Island Community Services (AICS) Clinic, offering primary medical, educational, social, mental health, and substance abuse services, and should the above-described real property cease to be used for the purpose of the Alaska Island Community Services Clinic, as described above, the possession and title of the parcel will automatically revert to the City and Borough of Wrangell. AICS agrees that should the parcel automatically revert to the City and Borough of Wrangell pursuant to this reversionary clause, it will cooperate with the City and Borough of Wrangell in the preparation and completion of whatever documents deemed necessary by the City and Borough of Wrangell in order to memorialize the automatic reversion."

Miscellaneous Projects:

- Working with our attorney to finalize a new Alaska Court Lease at the Public Safety Building. Only a small issue to be resolved between the State's attorney and our attorney.
- Our proposal to SEAPA was received and is being worked on by them to determine if they will accept our proposal or will offer a variation.
- Working with the software consultant and Finance Director in the planning for the new accounting software. This will be on going for the 8 months until all systems are changed over and completed. It is likely that it will take at least a year to work out all the bugs which is pretty normal. After we get the basic systems working we will explore adding more modules to the system such as our utility billing which is currently on a different program.

- Working with Staff and Assembly to come up with a suitable site for a new or expanded cemetery. The assembly has selected four sites for us to investigate and we will move forward with those as soon as some of the current issues are behind us.
- We have been asked to move forward with the process of selling the belt freezer by Trident. There are multiple steps that need to be done by the borough, including the inclusion of the Planning and Zoning, Port Commission and the Economic Development Committee for discussion and comments. We will begin that process in October with the various boards.
- This fall the safety committee will get back to developing a borough wide safety manual after we received some assistance from OSHA.

Public Works and Capital Projects Update

Asphalt Road Paving

The Asphalt contract by SECON is completed. We have only experienced to issue and had nothing to do with the contract or the contractor. There has been a water issue at the bottom of the Alaska State Housing hill and caused problem with the asphalt. The water was not there before we started so not sure why. We have tested the water for chlorine in case a pipe was broken during construction, but that does not appear to be the case. We are continuing to look for solutions to this problem. All of the rest of the paving went as planned.

Shoemaker Bay Parking Lot

We started the improvements to Shoemaker Bay Parking lot. At the time of this writing we were not sure if we could get done everything we wanted before the rain started to pour, but it should be greatly improved and if we can't get it completed like we would like, we will continue on it at the next chance of good weather. This is taking a large portion of the rock we had crushed and our stock pile may run out sooner than planned but we think it is important to get this done. A couple of issues is the drainage out there and we may in the future be adding additional catch basins and culverting to help eliminate some of the pooling of water.

Wood Street Improvements

Rock-N-Road Contractors have completed all of the underground work and are now working on forming up the curbs and gutters. Once that is completed, they will begin the concrete for the roadway. They are on track to complete the project by the deadline date of October 15th, but probably sooner.

Water Treatment Plant Pilot Study

The water plant pilot study is in its last couple of weeks in Wrangell. Following the final data collection, CRW plans to finalize their findings report and recommendations.

The Assembly approved the additional proposed work from CRW about providing the preliminary engineering work that is required prior to being able to apply to USDA RD for Funding for the new treatment plant. We hope this can be completed within the next few months and we are working through some things with USDA RD gearing up for a successful application.

Water Treatment Plant Update - No Change Since last Report

After our initial review of the proposed modifications to the roughing filters with DEC, their office has requested an engineered plan submittal outlining the modifications and proposed

affects to the treatment system. CRW Engineering's research of slow sand filter systems' roughing filter component shows that some further modifications to our original design thought would enhance the effects of the changes. Thus CRW has made additional proposed modifications to the plan and is in the process of finalizing their submittal for review and discussion with DEC.

CRW Engineering was provided an approval to proceed with developing a sand filter dredging plan. Once complete, CBW staff will plan to clean the sand, one filter at a time. Given the added work load of the water staff, this work will need to be performed once filter maintenance work has slowed, the pilot study is complete (as it is requiring a great deal of staff time to manage), and we have additional help for the dredging work.

Byford Property Clean-Up –

DEC released a press release that said that they are complete with the treatment of all materials. The treated material on site will be relocated by EPA this following spring/summer to a state owned rock pit. The release thanks the contractor, City, EPA and others in their involvement and support of the cleanup of this property. I have included a copy of the report.

City Dock Electrical Upgrades - No Change Since last Report

Morris Engineering has completed the electrical design work for the electrical upgrades at the City Dock. Staff is working to complete the remaining bid package prior to releasing the solicitation package for competitive bidding. The work under this project includes replacing existing electrical components (lighting and 240V power center) and an additive alternate to upgrade the power center to a 480V three-phase service to support larger vessel that may seek future, long-term moorage in Wrangell.

Shoemaker Harbor Float Design - No Change Since last Report

PND has completed the 65% level design drawings for the Shoemaker Bay Harbor Float Design project, including modifications to the potable water system and fire suppression requirements. Staff will provide a final review of the 65% level design and return comments to PND who will then complete the project to the required 90% level plan review drawings. Project design plans were to be sufficient for inclusion in the State of Alaska 50/50 matching harbor grant program.

Bid ready construction documents were not required as part of this design project. Rather, because portions of the construction funding for this project were still being sought, bid-ready construction documents were planned to approved following securing of the full project funding.

An upgraded proposal was sent in for the State of Alaska Harbor Matching Grant Program. We have been selected as the number one rated project in the state, but that is only good if both the governor and legislature approve the five million dollars again for the program. If it does, then we will move forward with the bonds that have already been authorized by the assembly which will make up about 25% of the total funding. During the process of selling the bonds we will finish the design to a bid ready state and then go to bid once all the funding is secured.

Dump Metal-

Our Public Works Director has contacted Channel Construction and he will take all of our metal at the dump when he comes here the end of October. He also plans to take the junk out the road that has accumulated.

Scrap Metal and Hazardous Waste Services – *No Change Since last Report*

The SEASWA group has begun discussions with Waste Management for cooperating on scrap metal disposal services. Waste Management's sustainable waste services manager, Mike Holzschuh, visited Wrangell on August 9th and met with Sanitation staff and Wrangell's SEASWA board rep, Chris Hatton, to review our solid waste facility and learn of its full operations. Waste Management is working to develop a proposal for each SEASWA community, based on their needs. The proposal is expected to outline a program for removing Wrangell's scrap metal and creating a sustainable program for all materials which have potential for scrap recycling or other sustainable disposal (i.e. ferrous and non-ferrous metals, batteries, hazardous waste, etc.). We expect to see Waste Management's proposal by the end of September.

Waste Management has also expressed an interest in providing a competitive proposal for solid waste disposal at such time as Wrangell's term contract with Republic Services expires.

SEASWA is also seeking a new vendor to take over the Hazardous Waste Collection contract following Carson Dorn's decision to opt out of the program. Acceptable vendors are required to provide hazardous waste handling training to local operators, manage the waste during the HHW annual event, order waste shipping containers and prepare all shipping manifests and manage disposal according to EPA regulations. Options explored early on were 1) having one of the SEASWA communities act as the group's collection vendor (no community has shown interest to date); 2) asking one of the shipping companies, AML or Samson if they would like to provide the service (neither were interested). Waste Management has expressed an interest in including the hazardous waste collection and management as part of their proposal to the SEASWA communities.

Evergreen

We understand that the state has sent letters and called or attempted to call all of the residents that need to be contacted to resolve Right of Way issues. It appears that they are on track to accomplish the right of way issues and the final design by the end of the year or sooner. If that is accomplished, advertisement for construction could happen in time to award a contractor the work for completion in 2017. They still have a ways to go so all we can do is to keep on them about the progress needed.



Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE — September 21, 2016

CONTACT: Sally Schlichting, Contaminated Sites Program, (907)465-5076
Bruce Wanstall, Contaminated Sites Program, (907) 465-5210

State Completes Emergency Cleanup of Contaminated Wrangell Junkyard Site

(JUNEAU, AK) – The Alaska Department of Environmental Conservation (DEC) and emergency response contractor, NRC Alaska, have excavated, treated, and stabilized more than 18,000 yards of lead contaminated soil at the former Byford Junkyard site this summer. Elevated and dangerous concentrations of lead and petroleum contamination were found in soil and surface water at the site, posing an imminent and substantial health risk. People harvesting shellfish from the popular Zimovia Strait and property owners adjacent to the site were at the greatest risk of adverse health effects if the junkyard was not cleaned up. That risk has now been eliminated.

"NRC Alaska did an outstanding job successfully completing this challenging project in just five **months,**" said Bruce Wanstall, DEC's project manager. "**Nearly the entire four-**acre site was excavated of contaminated soil. This soil was treated with EcoBond, a proprietary and non-toxic compound that reduces the lead solubility, thus stopping migration and protecting groundwater and surface water. Post-treatment tests show the soil, currently stockpiled onsite, is now non-hazardous and can be safely disposed of in a local **monofill.**"

Because the former junkyard owners and operators are deceased, DEC accessed the Oil and Hazardous Substance Release Prevention and Response Fund for \$6.5 million to fund the cleanup and address the significant risks posed by lead at the site.

"The good news is this site is no longer a threat to human health or the environment. Fortunately, we were able to access the emergency fund in order to protect Wrangell residents. However, it is unfortunate that public funds had to be used for a cleanup that was the responsibility of a private polluter," said Kristin Ryan, director of DEC's Division of Spill Prevention and Response. "**This site is an excellent case study for local and state agencies to recognize the need for prioritizing pollution prevention and holding polluters accountable,**" said Ryan. "It is far cheaper to prevent contamination than clean it up or mitigate its impacts on the environment."

The Byford Junkyard operated from the 1960s-1990s, and contamination came primarily from incinerated, crushed, and emptied batteries and drums. It is estimated that more than 1,500 automobiles were disposed of at the site. The site is currently owned by the City and Borough of

Wrangell which foreclosed on the property in 2006. The City removed nearly all surface scrap metal and other junk at the site prior to the State-led cleanup.

The State is now working with the U.S. Environmental Protection Agency, Alaska Department of Natural Resources, and the City of Wrangell on disposal plans for the treated soil, currently contained on-site.

For more information on the Wrangell Junkyard, visit the DEC Contaminated Sites Program at https://dec.alaska.gov/spar/csp/sites/wrang_junkyard.htm or the City and Borough of Wrangell at <http://www.wrangell.com/community/state-dec-clean-former-byford-junkyard>.

Attached: before and after photos of the Wrangell Junkyard Site.

###






Agenda Item 9

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM

CLERK'S REPORT September 27, 2016

Mark Your Calendar:

- 10/4 Regular Borough Election 
- 10/5 Parks & Recreation Board meets @ 7pm in the Assembly Chambers
- 10/6 Canvass Board meets @ 11:30am in the Assembly Chambers
- 10/6 Port Commission meets @ 7pm in the Assembly Chambers
- 10/8 Tax Free Day!!
- 10/10 Special Assembly mtg. to Certify the Regular Borough Election @ 11:30am

10 12-13 SEAPA Board Mtg. to be held in Wrangell, with times TBD

Regular Borough Election - Tues., October 4, 2016

Absentee Voting continues up until Monday, October 3rd from 9:00 am to 5:00 pm at City Hall.

Letters of interest are being accepted for the following Boards and Committee vacancies:

Planning & Zoning Commission	three – (three year terms)
Parks & Recreation	one – (three year term)
Wrangell Convention & Visitors Bureau	two – (three year terms)
Economic Development Committee	two – (three year terms)
Nolan Museum/Civic Center Board	one – (three year term)

Of course, there are still vacancies on the following boards/committees:

Planning & Zoning Commission	one - unexpired term until 10-2017
Economic Development Committee	one - unexpired term until 10-2018)
Nolan Museum/Civic Center Board	three - unexpired terms until 10-2018

Kim Lane, Borough Clerk

CITY AND BOROUGH OF WRANGELL
SAMPLE BALLOT
REGULAR ELECTION
OCTOBER 4, 2016

Completely fill in the oval opposite the name of each candidate for which you wish to vote as shown: ●

FOR BOROUGH MAYOR
TWO YEAR TERM

VOTE FOR NO MORE THAN ONE

David L. Jack

Kipha Valvoda

FOR ASSEMBLY MEMBER
THREE YEAR TERM

VOTE FOR NO MORE THAN TWO

Julie Decker

FOR PORT COMMISSION
THREE YEAR TERM

VOTE FOR NO MORE THAN TWO

John A. Yeager

FOR SCHOOL BOARD
THREE YEAR TERM

VOTE FOR NO MORE THAN TWO

Georgianna Buhler

Rinda Howell

Robert Rang

Scott W. Seddon

FOR HOSPITAL BOARD
FOUR YEAR TERM

VOTE FOR NO MORE THAN ONE

Barbara Conine

Marlene Messmer

FOR HOSPITAL BOARD
UNEXPIRED TERM
UNTIL OCTOBER 2018

VOTE FOR NO MORE THAN TWO

Patrick V. Mayer

Olinda White

TURN BALLOT OVER - VOTE BOTH SIDES
PROPOSITION NO. 1 ON BACK

PROPOSITION 1

Explanation

Section 3-10 of the Home Rule Charter provides that the Nolan Museum and Civic Center shall be operated by a board established by ordinance and appointed by the Assembly. The Assembly has determined that the Nolan Board, established by ordinance as an advisory board, is no longer necessary or cost effective as its function is provided by the Friends of the Wrangell Museum. The Assembly therefore adopted Ordinance No. 919 proposing an amendment to the Charter to repeal Section 3-10.

CHARTER AMENDMENT

Shall the Home Rule Charter of the City and Borough of Wrangell be amended to repeal Section 3-10, Nolan Museum and Civic Center, as set forth in Ordinance No. 919?

YES

NO

Agenda Items 10 a & b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS:

INFORMATION: This agenda item is reserved for the Mayor and Assembly Member's special reports. Such information items as municipal league activities, reports from committees on which members sit, conference attendance, etc., are examples of items included here.

- **Item 10a** Reports by Assembly Members
- **Item 10b** City Boards and Committee Appointments

Letters for City Boards & Committee Appointments received from:

- Planning & Zoning Commission (unexp until 10-2017)
- Economic Development Committee (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2016)

*There was one (1) letter of interest received for the unexpired term seat on the **Planning & Zoning Commission** (October 2017) from:*

Charles Haubrich

Recommended Action:

Appointments are to be filled by the Mayor with the consent of the assembly for the various seats.

Recommended Action if not approved with the consent of the Assembly:

Motion: Move to appoint _____ to fill the vacancy on the _____ for the term up until October _____.

Agenda Item 12a

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

PROPOSED ORDINANCE No. 924: AN ORDINANCE of the City and Borough of Wrangell, Alaska, authorizing the issuance of a sewer revenue bond in the principal amount of \$91,000 to finance a portion of the cost of acquiring, constructing and installing certain additions and betterments to and extensions of the Borough's sewer system; fixing the date, form, terms, maturities and covenants of the bond; reserving the right of the Borough to issue future revenue bonds with a lien on revenues on a parity with the bond upon compliance with certain conditions; and providing for the sale of the bond to the United States Department of Agriculture, Rural Development (*second reading*)

Attachments:

- 1. Proposed Ordinance No. 924**

RECOMMENDED ACTION:

Move to adopt Ordinance No. 924.

CITY AND BOROUGH OF WRANGELL, ALASKA

SEWER REVENUE BOND, 2016

\$91,000

ORDINANCE NO. 924

AN ORDINANCE of the City and Borough of Wrangell, Alaska, authorizing the issuance of a sewer revenue bond in the principal amount of \$91,000 to finance a portion of the cost of acquiring, constructing and installing certain additions and betterments to and extensions of the Borough's sewer system; fixing the date, form, terms, maturities and covenants of the bond; reserving the right of the Borough to issue future revenue bonds with a lien on revenues on a parity with the bond upon compliance with certain conditions; and providing for the sale of the bond to the United States Department of Agriculture, Rural Development.

Passed _____, 2016

Prepared by:

STRADLING YOCCA CARLSON & RAUTH, P.C.
Seattle, Washington

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions.....	2
Section 2. Authorization of Bond	4
Section 3. Prepayment	4
Section 4. Priority of Payments from Sewer Fund.....	5
Section 5. Bond Fund.....	5
Section 6. Short-Lived Asset Reserve Fund	6
Section 7. Pledge of Sewer Revenue	7
Section 8. Sufficiency of Revenues	7
Section 9. General Covenants	7
Section 10. Tax Covenants; Special Designation	8
Section 11. Future Parity Bonds	9
Section 12. Transfer	11
Section 13. Lost or Destroyed Bond.....	11
Section 14. Form of Bond.....	11
Section 15. Execution of the Bond	13
Section 16. Sale of Bond.....	14
Section 17. Application of Bond Proceeds	14
Section 18. Severability	14
Section 19. General Authorization.....	14
Section 20. Prior Acts	14
Section 21. Effective Date	14

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 924

AN ORDINANCE of the City and Borough of Wrangell, Alaska, authorizing the issuance of a sewer revenue bond in the principal amount of \$91,000 to finance a portion of the cost of acquiring, constructing and installing certain additions and betterments to and extensions of the Borough's sewer system; fixing the date, form, terms, maturities and covenants of the bond; reserving the right of the Borough to issue future revenue bonds with a lien on revenues on a parity with the bond upon compliance with certain conditions; and providing for the sale of the bond to the United States Department of Agriculture, Rural Development.

WHEREAS, the City and Borough of Wrangell, Alaska (the "Borough"), a municipal corporation and home rule borough of the State of Alaska, owns, operates and maintains a sewage collection and treatment system (the "System"), as authorized by Section 8-1 of the Borough Charter; and

WHEREAS, the Borough has determined that it is in the best interest of the Borough and its residents to construct and equip upgrades to some of the pumping stations in the System (as described more fully herein, the "Project"); and

WHEREAS, the Borough has received state and federal grants for most of the cost of the Project; and

WHEREAS, by a letter of conditions dated August 31, 2015 (the "Letter of Conditions"), the United States of America, acting through the United States Department of Agriculture, Rural Development ("USDA"), has offered to lend the Borough \$91,000 for a portion of the cost of the Project; and

WHEREAS, by resolution of the Borough Assembly, adopted on October 13, 2015 (the "Loan Resolution"), the Borough accepted the terms of the USDA loan; and

WHEREAS, in accordance with the Letter of Conditions and the Loan Resolution, the Borough now wishes to authorize the issuance of a sewer revenue bond of the Borough in the principal amount of \$91,000 (the "Bond") to evidence and secure payment of the USDA loan; and

WHEREAS, the former City of Wrangell (the "City"), by Ordinance No. 636, passed by the City Council on July 8, 1997, issued to USDA the City's Sewer Revenue Bond, 1997, in the initial principal amount of \$250,000 (the "1997 Bond"), approximately \$188,120.68 of which remains outstanding; and

WHEREAS, the incorporation of the Borough as a unified home rule borough was approved by the Local Boundary Commission and by the Borough's voters and became effective on May 30, 2008; and

WHEREAS, as a result of the incorporation of the Borough, the City was dissolved and the Borough succeeded to all rights, powers, duties, assets and liabilities of the City, including the System and the 1997 Bond; and

WHEREAS, as required by the Letter of Conditions, the Bond will be issued with a first lien position on revenue of the System, so USDA as holder of the 1997 Bond is deemed to have waived the parity conditions set forth in Ordinance No. 636 and consented to the issuance of the Bond on a parity of lien with the 1997 Bond, as provided herein;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, as follows:

Section 1. Definitions. As used in this ordinance the following terms have the following meanings:

“Assembly” means the Borough Assembly as the general legislative authority of the Borough as the same shall be duly and regularly constituted from time to time.

“Assessments” means the assessments (including interest and penalties) levied in any utility local improvement district of the Borough created for the acquisition or construction of additions and betterments to, or extensions of the System, if the assessments are pledged to the Bond Fund.

“Average Annual Debt Service” on any of the Parity Bonds means the amount determined by dividing (a) the sum of all interest and principal to be paid on such bonds from the date of determination to the last maturity date of the bonds, by (b) the number of calendar years from and including the calendar year in which the determination is made to the last calendar year in which the bonds will be outstanding.

“Bond” means the \$91,000 par value sewer revenue bond of the Borough authorized to be issued by this ordinance.

“Bond Fund” means the “City and Borough of Wrangell Sewer Revenue Bond Redemption Fund” renamed and continued by Section 5 of this ordinance to pay and secure the payment of all Parity Bonds.

“Borough” means the City and Borough of Wrangell, a municipal corporation and home rule borough duly organized and existing under and by virtue of the laws of the State of Alaska and the Borough’s Charter.

“Borough Clerk” means the Borough Clerk, or the successor to the duties of that office.

“Costs of Maintenance and Operation” means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expenses, but excludes depreciation, payments for debt service or into reserve accounts and costs of capital additions to or replacements of the System, taxes levied by the Borough or payments in lieu of such taxes.

“Finance Director” means the Finance Director of the Borough or the successor to the duties of that office.

“Future Parity Bonds” means any and all sewer revenue bonds of the Borough issued after the date of the issuance of the Bond and having a lien on the money in the Sewer Fund for the payment of the principal thereof and interest thereon equal to the lien upon the money in such fund for the payment of the principal of and interest on the Bond.

“Gross Revenue” means all of the earnings, revenue and money, except Assessments, received by the Borough from or on account of the operation of the System including proceeds from the sale, lease or other disposition of any of the properties or facilities of the System, and the income from investments of money in the Revenue Fund and any bond fund or from any other investment thereof except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. Gross Revenue shall not include grants or bond proceeds, but shall include federal or state reimbursements of operating expenses to the extent that such expenses are included as Costs of Maintenance and Operation.

“Letter of Conditions” means the letter from USDA to the Borough dated August 31, 2015, establishing conditions for the USDA loan, together with any amendments or supplements to that letter.

“Loan Resolution” means the resolution adopted by the Assembly on October 13, 2015, in the form set forth in RUS Bulletin 1780-27, accepting the USDA loan and prescribing certain terms to be included in this ordinance.

“Net Revenue” means Gross Revenue less the Costs of Maintenance and Operation.

“Parity Bonds” means the 1997 Bond, the Bond, and any Future Parity Bonds.

“Principal and Interest Account” means the special account of that name heretofore created in the Bond Fund and continued pursuant to Section 5 for the purpose of paying the principal of and interest on all Parity Bonds.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the Borough having a favorable reputation for skill and experience with sewer systems of comparable size and character to the System in such areas as are relevant to the purposes for which they are retained.

“Project” means constructing and equipping upgrades to pumping stations in the System.

“Reserve Account” means the special account of that name heretofore created in the Bond Fund and continued pursuant to Section 5B for the purpose of securing the payment of all Parity Bonds.

“Sewer Fund” means the heretofore established Sewer Fund of the Borough.

“Short-Lived Asset Reserve Fund” means the fund of that name established pursuant to Section 6 of this ordinance.

“System” means the existing sewage collection and treatment system of the Borough and such improvements or additions as may be made to such system for as long as any Parity Bonds are outstanding and may include the water supply and distribution system of the Borough and the storm drainage system of the Borough if either is or both are ever combined with the sewer system.

“Term Bonds” means any Future Parity Bonds identified as Term Bonds in the ordinance authorizing the issuance thereof, the payment of the principal of which is provided for by a mandatory schedule of deposits of money equal (in the aggregate) to the full principal amount of such Term Bonds, into the Bond Fund, and by a mandatory redemption schedule corresponding (as to time and amounts) to such mandatory schedule of deposits.

“USDA” means the United States, acting by and through the Department of Agriculture, Rural Development.

“1997 Bond” means the City of Wrangell, Alaska, Sewer Revenue Bond, 1997, issued pursuant to Ordinance No. 636 passed by the Wrangell City Council on July 8, 1997, and now an obligation of the Borough.

Section 2. Authorization of Bond. To provide financing for a portion of the cost of the Project, the Borough shall issue and sell its sewer revenue bond in the aggregate principal amount of \$91,000 (the “Bond”). The Bond shall be designated “City and Borough of Wrangell, Alaska, Sewer Revenue Bond, 2016,” shall be dated as of the date of its delivery to USDA as the initial purchaser, shall be numbered R-1, shall be in the denomination of \$91,000, shall be fully registered, shall bear interest from the date of its issuance on the unpaid principal balance thereof at a per annum interest rate to be established by USDA, as provided in Section 16 of this ordinance (so long as that rate does not exceed 4.0% per annum), shall be amortized over a 40-year period with approximately equal semiannual installments of principal and interest payable on the dates acceptable to USDA and set forth in the Bond, until all principal installments of the Bond have been paid or such payment has been duly provided for; provided, however, that the final payment of all principal of and interest on the Bond shall nevertheless be due at final maturity of the Bond approximately 40 years after the date of the Bond.

Payments will be applied first to interest and then to principal, and interest shall accrue on the basis of a 365-day year.

Both principal of and interest on the Bond are payable in lawful money of the United States of America to the owner or owners thereof at the address appearing on the registration books of the Borough maintained by the Finance Director; provided, however, that as long as USDA is the owner and holder of the Bond, the Borough will make payments by any electronic funds transfer or similar means established by USDA from time to time.

The Bond is payable solely from the Gross Revenue and is not a general obligation of the Borough.

The Bond shall be registered as to both principal and interest as long as any of the installments of the Bond remain unpaid, and the Borough will maintain in the office of the Finance Director books for the registration and transfer of the Bond. No transfer of the Bond so registered will be valid unless made on those registration books upon the written request of the registered owner or its duly authorized agent.

Section 3. Prepayment. The Borough hereby reserves the right to prepay principal installments remaining unpaid at the price of par plus accrued interest, in whole, or in part in chronological order, at any time. No advance notice of intended prepayment or redemption is required.

Section 4. Priority of Payments from Sewer Fund. There has heretofore been established in the office of the Finance Director a special fund of the Borough designated as the “City and Borough of Wrangell Sewer Fund” (the “Sewer Fund”). All of the Gross Revenue must be deposited in the Sewer Fund as collected. The Sewer Fund must be held separate and apart from all other funds and accounts of the Borough, and the Gross Revenue deposited in the Sewer Fund will be used only for the following purposes and in the following order of priority:

First, to pay the Costs of Maintenance and Operation;

Second, to pay the interest on any Parity Bonds;

Third, to pay the principal of any Parity Bonds;

Fourth, to make all payments required to be made into the Reserve Account created to secure the payment of Parity Bonds;

Fifth, to make all payments required to be made into any revenue bond redemption fund or revenue warrant redemption fund and debt service account or reserve account created to pay and secure the payment of the principal of and interest on any revenue bonds or revenue warrants of the Borough having a lien upon the Gross Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

Sixth, to make all payments required to be made into the Short-Lived Asset Reserve Fund; and

Seventh, to retire by redemption or purchase in the open market any outstanding revenue bonds or revenue warrants of the Borough, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System of the Borough, or for any other lawful Borough purposes.

Section 5. Bond Fund. To pay and secure payment of all Parity Bonds, Ordinance No. 636 authorized the creation of a special fund designated as the “City of Wrangell 1997 Sewer Revenue Bond Redemption Fund.” That fund is hereby renamed and continued as the “City and Borough of Wrangell Sewer Revenue Bond Redemption Fund” (the “Bond Fund”), which fund contains the Principal and Interest Account and the Reserve Account established by Ordinance No. 636 and is to be drawn upon for the sole purpose of paying the principal of and interest on all Parity Bonds.

A. Principal and Interest Account. As long as the Bond remains outstanding, the Borough hereby irrevocably obligates and binds itself to set aside and pay from the Sewer Fund into the Principal and Interest Account, in addition to amounts required to be paid therein on account of any other issue of Parity Bonds, those amounts necessary, after taking into consideration such other funds as are on hand in the Principal and Interest Account and available for the payment of principal and interest on the Bond, to pay the interest or principal and interest next coming due on the Bond. These payments from the Sewer Fund shall be made on or before the day on which the regular semiannual payment of principal of and interest on the Bond is due and payable in an amount equal to such regular payment.

The Borough covenants and agrees that if it issues any Future Parity Bonds that are Term Bonds, it will provide in each ordinance authorizing the issuance of the same for annual payments to be made from the Sewer Fund into the Principal and Interest Account sufficient, together with Gross Revenue collected and deposited and such other money as is on hand and available therefor in such account, to amortize the principal of Future Parity Bonds that are Term Bonds on or before the maturity date thereof.

B. Reserve Account. The Borough covenants and agrees that it will pay into the Reserve Account out of the Gross Revenue (or, at the option of the Borough, out of any other funds on hand legally available for such purposes) annual payments sufficient with other money in the Reserve Account to have on deposit therein by ten years from the date of delivery of the Bond, a total amount of not less than the Average Annual Debt Service on the Bond, to be paid at the rate of not less than 1/10 of such amount per year.

The Borough further covenants and agrees that if it issues any Future Parity Bonds it will provide in each ordinance authorizing the issuance of such Future Parity Bonds that, within ten years of the date of issuance of such Future Parity Bonds, the Borough will have set aside and paid into the Reserve Account an amount that will at least equal the Average Annual Debt Service on such Future Parity Bonds. This amount shall be accumulated by one or more deposits commencing not later than six months after the date of issuance of such Future Parity Bonds and continuing no less often than semiannually until such amount has been accumulated.

The Borough further covenants and agrees that when the required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to the Average Annual Debt Service on all outstanding Parity Bonds. Whenever there is a sufficient amount in the Bond Fund, including the Reserve Account and the Principal and Interest Account, to pay the principal of premium if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay such principal, premium, if any, and interest. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on any outstanding Parity Bonds, as long as the money left remaining on deposit in the Reserve Account are equal to the average annual debt service on the remaining outstanding Parity Bonds.

If there is a deficiency in the Principal and Interest Account to meet maturing installments of either interest on or principal of and interest on Parity Bonds, the deficiency shall be made up from the Reserve Account by the withdrawal of money therefrom. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up out of Gross Revenue after making necessary provision for the payments required to be made under paragraph "First" through "Third" of Section 4 of this ordinance.

All money in the Reserve Account may be kept in cash or invested as permitted under Alaska law. Interest earned on or any profits made from the sale of any such investments shall be deposited in and become a part of the Principal and Interest Account.

Section 6. Short-Lived Asset Reserve Fund. A special fund designated the "Wrangell Sewer System Short-Lived Asset Reserve Fund" (the "Short-Lived Asset Reserve Fund") is hereby authorized to be established in the office of the Finance Director. Money in the Short-Lived Asset Reserve Fund may be used from time to time to replace short-lived assets of the System. So long as the Bond remains outstanding, subject to the priorities established in Section 5 of this ordinance, the

Borough must deposit \$45,963 annually (or such other amounts as may be required by USDA) into the Short-Lived Asset Reserve Fund.

Section 7. Pledge of Sewer Revenue. The amounts pledged to be paid into the Bond Fund and the accounts therein out of the Sewer Fund are hereby declared to be a lien and charge upon Gross Revenue and the money in the Sewer Fund junior, subordinate and inferior to the Costs of Maintenance and Operation, equal in rank to the lien and charge that may later be made thereon to pay and secure the payment of the 1997 Bond and any Future Parity Bonds, and superior to all other charges of any kind or nature.

Section 8. Sufficiency of Revenues. The corporate authorities of the Borough hereby declare that in fixing the amounts to be paid into the Bond Fund as aforesaid they have exercised due regard to the reasonable and necessary costs of maintenance and operation of the System and the charges necessary to pay and secure the payment of the principal of and interest on the Bond and have not obligated the Borough to set aside and pay into the Bond Fund a greater amount of the Gross Revenue than in their judgment will be available over and above such reasonable and necessary costs of maintenance and operation and the amounts necessary to pay the principal of and interest on the Bond.

Section 9. General Covenants. So long as the Bond remains unpaid, the Borough hereby covenants and agrees with the owner of the Bond from time to time, as follows:

A. Maintenance and Operations. The Borough will at all times maintain and keep the System in good repair, working order and condition, will at all times operate the System and the business in connection therewith in an efficient manner and at a reasonable cost, and will comply with all applicable laws of the State of Alaska.

B. Rates. The Borough will impose and collect such rates and charges for service rendered by the System (i) that Gross Revenue paid into the Sewer Fund will be sufficient at all times to provide for the payment of the Costs of Maintenance and Operation and payments of principal of and interest on the Bond and any Parity Bonds; (ii) that all service rendered by the System shall be subject to the full rates prescribed by the rules and regulations of the Borough; and (iii) that no free service from the System will be permitted.

C. Books and Records. The Borough will maintain complete books and records relating to the operation of the System and its financial affairs, and will cause such books and records to be audited annually at the end of each fiscal year and an audit prepared in accordance with State law. At all reasonable times USDA shall have the right to inspect the System and the records, accounts and data of the Borough relating thereto.

D. Insurance. The Borough will carry fire and extended coverage insurance in an amount at least equal to the depreciated replacement value for all above-ground structures of the System, including equipment and machinery. The Borough will also carry adequate public liability insurance, workers' compensation insurance and other kinds of insurance as under good practice are ordinarily carried on such properties by utilities engaged in the operation of a sewer utility. The premiums paid for all such insurance may be regarded and paid as a Cost of Maintenance and Operation.

E. Assessments. The Borough shall promptly collect all Assessments levied in any utility local improvement district now or hereafter created to secure the payment of the principal of and interest on any Parity Bonds and shall pay the same into the Bond Fund without allocation of such Assessments to any particular series of Parity Bonds. It is hereby provided further, however, that nothing in this ordinance or in this subsection shall be construed to prohibit the Borough from issuing revenue bonds having a lien on Gross Revenue junior to the lien on such revenue for the payment of the principal of and interest on Parity Bonds and pledging as security for the payments of such junior lien bonds assessments levied in any utility local improvement district that may have been created to pay part or all the cost of improvements to the System for which such junior lien revenue bonds were specifically issued.

F. Disposition of Facilities. The Borough will not mortgage, sell, lease, or in any manner encumber or dispose of all the property of the System, unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all outstanding Parity Bonds, and that it will not mortgage, sell, lease, or in any manner encumber or dispose of any part of the System that is used, useful and material to the operation of the System unless provision is made for replacement thereof or for payment into the Bond Fund of an amount that bears the same ratio to the amount of the outstanding Parity Bonds as the revenue available for debt service for those Parity Bonds for the 12 months preceding such sale, lease, encumbrance or disposed of, bears to the revenue available for debt service for those Parity Bonds from the entire System for the same period. Any such money so paid into the Bond Fund shall be used to retire outstanding Parity Bonds at the earliest possible date.

Notwithstanding any other provision of this Subsection F, the Borough may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same with a value less than 4% of the net utility plant of the System or which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into the Bond Fund.

G. Fidelity Bond. The Borough will maintain an officer's fidelity bond for its Finance Director for as long as USDA is the registered owner of the Bond. A certified copy of such bond will be delivered to USDA.

Section 10. Tax Covenants; Special Designation.

A. General. The Borough hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the Borough that may be deemed to be proceeds of the Bond pursuant to Section 148 of the Code that will cause the Bond to be an "arbitrage bond" within the meaning of said section and said regulations.

The Borough further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a "private activity bond" under Section 141 of the Code.

B. Special Designation. The Borough hereby designates the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Borough does not anticipate issuing more than \$10,000,000 of qualified tax-exempt obligations during 2016.

Section 11. Future Parity Bonds. The Borough hereby further covenants and agrees with the owner from time to time of the Bond for as long as any portion of the same remains outstanding, as follows:

A. That it will not hereafter issue any sewer revenue bonds or other obligations of the Borough that will have a lien and charge upon Gross Revenue superior to the lien and charge thereon of the Bond. The Borough may issue Future Parity Bonds for:

First, the purpose of acquiring, constructing and installing additions, betterments and improvements to and extensions of, acquiring necessary equipment for, or making necessary replacements of or repairs to the System, or

Second, the purpose of refunding by payment, redemption, exchange or purchase at or prior to their maturity any outstanding Parity Bond,

upon compliance with the following conditions:

1. So long as USDA holds the 1997 Bond and the Bond, USDA consents to the issuance of such Future Parity Bonds. With such consent, the certificate described in paragraph 6 below is not required, and the Borough will comply with the rest of the conditions set forth in this Section 11.A to the extent required by USDA.

2. At the time of the issuance of such Future Parity Bonds there is no deficiency in the Principal and Interest Account or the Reserve Account.

3. Each ordinance authorizing the issuance of such Future Parity Bonds must require that principal and interest on the Future Parity Bonds be payable out of the Bond Fund and further provide (i) for payments into the Bond Fund to satisfy the sinking fund requirement set forth in Section 5.A hereof with respect to any such Future Parity Bonds that are Term Bonds and (ii) for payments into the Reserve Account to satisfy the requirements of Section 5.B hereof.

4. Each ordinance authorizing the issuance of such Future Parity Bonds must require that any and all Assessments will be paid directly into the Bond Fund.

5. Each ordinance authorizing the issuance of refunding Future Parity Bonds must require that all uncollected Assessments that may have been levied to secure the payment of the principal of and interest on the bonds being refunded be paid directly into the Bond Fund.

6. At the time of the issuance of such Future Parity Bonds, the Borough shall have on file in the office of the Borough Clerk a certificate of a Professional Utility Consultant showing: that the Net Revenue determined and adjusted as hereafter provided for each calendar year after the issuance of such Future Parity Bonds (the "Adjusted Net Revenue") will equal at least 1.10 times the Annual Debt Service (after deducting Assessments, allocated to the years in which they would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll) for each such calendar for all Parity Bonds plus the Future Parity Bonds proposed to be issued.

The Adjusted Net Revenue shall be the Net Revenue for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future

Parity Bonds as adjusted by such Professional Utility Consultant to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(i) the additional Net Revenue that would have been received if any change in rates and charges adopted by ordinance of the Borough prior to the date of such certificate and subsequent to the beginning of such 12-month period, had been in force during the full 12-month period;

(ii) the additional Net Revenue that would have been received if any facility of the System that became fully operational after the beginning of such 12-month period had been so operating for the entire period;

(iii) the additional Net Revenue estimated by such Professional Utility Consultant to be received from potential customers of the System with existing homes or other buildings that will be required to connect to any additions, betterments and improvements to and extensions of any facilities of the System that are (a) under construction at the time of such certificate or (b) will be constructed from the proceeds of the Future Parity Bonds to be issued;

(iv) the additional Net Revenue that would have been received if those customers added to the System subsequent to the beginning of such 12-month period had been customers for the entire period;

(v) the additional Net Revenue estimated to be received from any potential customers of the System who paid any required connection charge subsequent to the beginning of such 12-month period;

(vi) the additional Net Revenue estimated to be received from any potential customers of the System who received building permits subsequent to the beginning of such 12-month period and are anticipated to connect to the System;

(vii) The additional Net Revenue estimated to be received from any person, firm, association, private or municipal corporation under any executed service contract, which net revenue is not included in any of the sources of Net Revenue heretofore described in this subsection A(5); and,

(viii) The estimated change in Net Revenue as a result of any actual or reasonably anticipated changes in the Costs of Maintenance and Operation after such 12-month period.

Such Professional Utility Consultant may rely upon, and his or her certificate shall have attached thereto, financial statements of the System certified by the Finance Director showing income and expenses for the period upon which the same is based.

The certificate of such Professional Utility Consultant shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection A(5).

B. Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity

Bonds and the issuance of such refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Future Parity Bonds over and above the amount required in such year for the principal of and interest on the bonds being refunded thereby, the certificate described in subsection A.6 of this section is not required.

C. Nothing herein contained shall prevent the Borough from issuing any revenue bonds, warrants or other obligations that create a lien and charge upon Gross Revenue and money in the Sewer Fund junior or inferior to the payments required by this ordinance to be made into the Bond Fund and the Reserve Account.

Section 12. Transfer. The Bond may be transferred by the registered owner thereof, provided that such transfer relates to the entire unpaid principal amount of the Bond, and any such transfer shall be noted on the bond registration books of the Borough.

Section 13. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Borough may execute and deliver a new bond of like date, number and tenor to the registered owner thereof in the manner provided by law and upon the owner's paying the expenses and charges of the Borough in connection therewith.

Section 14. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$91,000

STATE OF ALASKA

CITY AND BOROUGH OF WRANGELL
SEWER REVENUE BOND, 2016

The City and Borough of Wrangell, Alaska, a municipal corporation and home rule borough of the State of Alaska (the "Borough"), acknowledges itself indebted and for value received promises to pay, but solely from the Bond Fund (hereinafter identified), to the United States of America, acting by and through the Department of Agriculture, Record Development (the "Payee"), the principal sum of

NINETY-ONE THOUSAND AND NO/100 DOLLARS (\$91,000)

and to pay interest, from the date hereof, on the balance of said principal from time to time remaining unpaid at the rate of _____% per annum payable in semiannual installments of principal and interest, equal to _____ and No/100 Dollars (\$_____), payable on _____, and semiannually thereafter, until all of such installments have been paid or such payment has been duly provided for, provided that the final payment of principal of and interest on this bond shall nevertheless be due on _____, 2056.

As long as the Payee is the registered owner of this bond, the Borough will make payments of principal and interest by any electronic funds transfer or similar means established by Payee from time to time. Upon final payment of the principal of and interest on this bond, it shall be submitted to the Borough for cancellation and surrender.

Both principal of and interest on this bond are payable solely out of the special fund of the Borough known as the “City and Borough of Wrangell Sewer Revenue Bond Redemption Fund” (the “Bond Fund”).

In addition to the installments of principal required to be paid by the Borough as hereinabove set forth, the Borough, at its option, shall have the right to prepay any or all unpaid principal installments in the chronological order of such installments at any time. No advance notice need be given of any prepayment hereunder.

This bond is issued pursuant to Ordinance No. _____ (the “Bond Ordinance”) for the purpose of financing the completion of certain additions and improvements to the Borough’s sewer system (the “System”). Capitalized terms used in this bond and not otherwise defined herein have the meanings given those terms in the Bond Ordinance.

The Borough does hereby pledge and bind itself to set aside from the Gross Revenue and to pay into the Bond Fund the various amounts required by the Bond Ordinance to be paid into and maintained in said Fund, on the dates and at the times provided by the Bond Ordinance. Said amounts so pledged to be paid into the Bond Fund are hereby declared to be a lien and charge upon such Gross Revenue junior, subordinate and inferior to the Costs of Maintenance and Operation of the System, equal in rank to the lien thereon of the 1997 Bond and any Future Parity Bonds, and superior to all other charges of any kind or nature. In the Bond Ordinance, the Borough has reserved the right to issue Future Parity Bonds on terms and conditions as set forth therein.

Reference is made to the Bond Ordinance for a more complete description of the covenants with and the rights of the owner of this bond. The Borough hereby covenants and agrees with the owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed.

This bond may be assigned, and upon such assignment the assignor shall promptly notify the Borough Finance Director by registered mail.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the Charter and ordinances of the Borough, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the City and Borough of Wrangell, Alaska, has caused this bond to be signed on behalf of the Borough with the manual or facsimile signature of the Mayor, to be attested by the manual signature of the Borough Clerk, and the seal of the Borough to be impressed hereon, as of this _____ day of _____, 2016.

CITY AND BOROUGH OF WRANGELL,
ALASKA

/s/
Mayor

[SEAL]

ATTEST:

_____/s/
Borough Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the owner on the books of the Borough in the office of the Borough Finance Director as to both principal and interest as noted in the registration blank below. No transfer hereof shall be valid unless made by the registered owner or his/her duly authorized agent in writing, and similarly noted hereon and on the bond registration books of the Borough.

Date of Registration	Name and Address of Registered Owner	Signature of Registrar
_____, 20__	United States Department of Agriculture, Rural Development Palmer, AK	
_____	_____	_____

The Bond shall have endorsed thereon the following form of assignment:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner thereof hereby sells, assigns and transfers the within bond unto _____.

DATED _____

In the presence of _____

NOTICE: Signature(s) must be guaranteed pursuant to law.

(Repeat this form of assignment)

Section 15. Execution of the Bond. The Bond will be executed on behalf of the Borough with the manual or facsimile signatures of the Mayor and the Borough Clerk, and will have the seal of the Borough impressed or imprinted thereon.

If any officer of the Borough who has signed, attested, authenticated, registered or sealed the Bond ceases to hold that office before the Bond so signed, attested, authenticated, registered or sealed has been actually issued and delivered, the Bond will be valid nevertheless and may be issued by the Borough with the same effect as though the person who had signed, attested, authenticated, registered or sealed that Bond had not ceased to hold that office. The Bond may also be signed, attested, authenticated, registered or sealed on behalf of the Borough by a person who, at the actual

date of execution of the Bond is a proper officer of the Borough although at the original date of the Bond that person did not hold that office.

Only a Bond that bears a Registration Certificate in the form set forth in Section 14, manually executed by the Bond Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The executed Registration Certificate will be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

Section 16. Sale of Bond. The Bond shall be sold to USDA at a price of par on the terms and conditions set forth in the Letter of Conditions and in this ordinance. The Borough Manager is authorized to accept the applicable interest rate provided by USDA, so long as that interest rate does not exceed 4.0%, and that interest rate and the applicable principal and interest payment dates acceptable to USDA shall be set forth in the Bond.

Section 17. Application of Bond Proceeds. The proceeds of the sale of the Bond shall be accounted for in the Sewer Fund and used to pay costs of the Project and costs of issuance of the Bond.

Section 18. Severability. If any covenant or agreement provided in this ordinance to be performed on the part of the Borough is declared by any court of competent jurisdiction to be contrary to law, then that covenant or agreement will be null and void and deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 19. General Authorization. The Mayor, Borough Manager, Borough Clerk, Finance Director and all other appropriate officers of the Borough are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of and complete the transactions contemplated by, this ordinance.

Section 20. Prior Acts. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 21. Effective Date. This ordinance is effective upon passage, in accordance with Section 2-10 of the Borough Charter.

PASSED by the Borough Assembly of the City and Borough of Wrangell, Alaska, at a regular meeting thereof held this ____ day of _____, 2016.

CITY AND BOROUGH OF WRANGELL,
ALASKA

Mayor

ATTEST:

Borough Clerk

CERTIFICATE

I, the undersigned, Borough Clerk of the City and Borough of Wrangell, Alaska (the "Borough"), and keeper of the records of the Borough Assembly (the "Assembly"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. _____ (the "Ordinance") is a true and correct copy of an ordinance of the Borough as passed at a regular meeting of the Assembly held on _____, 2016, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Borough this _____ day of _____, 2016.

Kim Lane, Borough Clerk

[Borough Seal]

Agenda Item 12b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016

INFORMATION:

PROPOSED ORDINANCE No. 925: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 18.04.040, BUILDING PERMITS - COMPLIANCE WITH ORDINANCES, OF THE WRANGELL MUNICIPAL CODE RELATING TO BUILDING PERMITS (*second reading*)

Attachments:

1. **Proposed Ordinance No. 925**

RECOMMENDED ACTION:

Move to adopt Ordinance No. 925.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 925

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 18.04.040, BUILDING PERMITS – COMPLIANCE WITH ORDINANCES, OF THE WRANGELL MUNICIPAL CODE RELATING TO BUILDING PERMITS

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 18.04.040, Building Permits – Compliance with ordinances, of the Wrangell Municipal Code relating to building permits.

SEC. 2. Amendment of Section. Section 18.04.040 of the Wrangell Municipal Code is amended to read:

Section 18.04.040 Building permits – Compliance with ordinances.

A. **[It is established that no]**No permit will be issued for the construction of new buildings or building, within the corporate limits of the borough, which is inconsistent with any borough ordinances and regulations, except as provided in subsection B of this section for the Remote Residential Mixed-Use District (RMU).

B. The provisions of WMC Title 18, Buildings and Construction, do not apply to construction standards for the areas within the Remote Residential Mixed-Use District (RMU), unless the intended use of the structure is for commercial purposes. Persons seeking to construct new buildings or building within the RMU district the intended use of which is for noncommercial purposes must complete a Proposed Development application in lieu of the building permit application. Persons seeking to construct new buildings or building within the RMU district the intended use of which is for commercial purposes must complete a building permit application and comply with WMC Title 18.

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Severability. If any portion of this ordinance or any application thereof to

any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: September 13, 2016.

PASSED IN SECOND READING: _____, 2016.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Agenda Item 13a

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

PROPOSED ORDINANCE No. 926: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 20, ZONING, OF THE WRANGELL MUNICIPAL CODE, TO ADD LICENSED MARIJUANA ESTABLISHMENT FACILITIES AS CONDITIONAL USES IN CERTAIN SPECIFIED ZONING DISTRICTS, AND TO UPDATE THE TEMPORARY AND SPECIAL ZONING ACTS TABLE (*first reading*)

Attachments:

1. **Proposed Ordinance No. 926**
2. Memo from Planning & Zoning Commission

Additional Information:

The Planning and Zoning Commission unanimously recommend adopting the attached ordinance, Proposed Ordinance 926 of the Assembly of the City and Borough of Wrangell Alaska amending certain sections of Title 20, Zoning, of the Wrangell Municipal Code, to add Licensed Marijuana Establishment Facilities as Conditional Uses in certain specific zoning districts, and to update the Temporary and Special Zoning Acts Table.

RECOMMENDED ACTION:

Move to approve first reading of Ordinance No. 926, and move to a second reading with a Public Hearing to be held on October 11, 2016.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 924

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF TITLE 20, ZONING, OF THE WRANGELL MUNICIPAL CODE, TO ADD LICENSED MARIJUANA ESTABLISHMENT FACILITIES AS CONDITIONAL USES IN CERTAIN SPECIFIED ZONING DISTRICTS, AND TO UPDATE THE TEMPORARY AND SPECIAL ZONING ACTS TABLE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **bolded and in brackets** are to be deleted].]

SEC. 1. Action. The purpose of this ordinance is to amend certain sections of Title 20, Zoning, of the Wrangell Municipal Code to add licensed marijuana establishment facilities as conditional uses in certain specified zoning districts, and to update the temporary and special zoning acts table.

SEC. 2. Amendment of Section. Section 20.12.050 of the Wrangell Municipal Code is amended to read:

20.12.050	Temporary and special zoning acts.
Ord. No.	Description
...	
<u>864</u>	<u>Rezone by Contract Zone from single-family residential to multifamily residential for a three-unit structure; Lot 20A, Oliver Subdivision</u>
<u>867</u>	<u>867 Amending Title 20, including adding Remote Residential Mixed Use District</u>
<u>1/28/14 motion</u>	<u>Rezone of Lot 12 and portion of Lot 5 USS 2589 from Waterfront Development to Rural Residential</u>

<u>2/24/15 motion</u>	<u>Reassignment of Contract Zone Ordinance 609 from Fennimore to Matney</u>
<u>7/28/15 motion</u> <u>Pending signature</u>	<u>Rezone by Contract Zone from Single Family Residential to Light Industrial Lot C Torgramsen- Glasner Subdivision.</u>
<u>3/31/16 motion</u>	<u>Rezone by Contract Zone from Commercial to Single Family Residential Lot 7B, Block 2, USS 1119.</u>
<u>4/26/16 motion</u> <u>Pending signature</u>	<u>Rezone by Contract Zone from Single Family Residential to Light Industrial, Lot A-1A and Lot A, Torgramsen – Prunella Subdivision.</u>

SEC. 3. Amendment of Section. Section 20.28.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.28

RR-1 DISTRICT – RURAL RESIDENTIAL

...

20.28.040 Conditional uses.

The following are the uses which may be permitted in the RR-1 district by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC:

- A. Home occupations;
- B. Public and private elementary and secondary schools and colleges;
- C. Nursery schools, private kindergartens, and child care centers;
- D. Public buildings and structures;
- E. Hospitals, sanitariums, nursing homes and convalescent homes;
- F. Churches and cemeteries;
- G. Radio and television transmitters and towers;
- H. Mobile home parks;
- I. Neighborhood-oriented commercial development (e.g., neighborhood grocery);
- J. Quarrying, material extraction and processing;

- K. Energy-related facilities;
- L. Commercial animal establishments;
- M. Fisheries enhancement/aquaculture;
- N. Recreational vehicle parks;
- O. Marine ways;
- P. Storage of equipment for private and/or commercial use only;
- Q. Cottage industry[.];
- R. Licensed retail marijuana store facility, provided the facility must be located on one acre or more of land and meet setbacks;
- S. Licensed marijuana testing facility, provided the facility must be located on one acre or more of land and meet setbacks;
- T. Licensed marijuana product manufacturing facility, with the exception of solvent based manufacturing processes which are not allowed, and provided the facility must be located on one acre or more of land and meet setbacks;
- U. Licensed standard cultivation marijuana facility (500 square feet or more under cultivation), provided the facility must be located on two acres or more of land and meet setbacks;
- V. Licensed limited cultivation marijuana facility (fewer than 500 square feet under cultivation), provided the facility must be located on one acre or more of land and meet setbacks.

...

SEC. 4. Amendment of Section. Section 20.28.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.30

RR-2 DISTRICT – RURAL RESIDENTIAL

...

20.30.040 Conditional uses.

The following are uses which may be permitted in the rural residential-2 (RR-2) district by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC:

- A. Home occupations;
- B. Public and private elementary and secondary schools and colleges;
- C. Nursery schools, private kindergartens and child care centers;
- D. Public buildings and structures;
- E. Hospitals, sanitariums, nursing homes and convalescent homes;
- F. Churches and cemeteries;
- G. Radio and television transmitters and towers;
- H. Mobile home parks/subdivision;
- I. Neighborhood-oriented commercial development (e.g., neighborhood grocery);
- J. Quarry, material extraction and processing;
- K. Energy-related facilities;
- L. Commercial animal establishments;
- M. Fisheries enhancement/aquaculture;
- N. Recreational vehicle parks;
- O. Marine ways;
- P. Storage of equipment for private and/or commercial use;
- Q. Cottage industry[.];
- R. Licensed retail marijuana store facility, provided the facility must be located on one acre or more of land and meet setbacks;
- S. Licensed marijuana testing facility, provided the facility must be located on one acre or more of land and meet setbacks;
- T. Licensed Marijuana product manufacturing facility, with the exception of solvent based manufacturing processes which are not allowed, and provided the facility must be located on one acre or more of land and meet setbacks;
- U. Licensed standard cultivation marijuana facility (500 square feet or more under cultivation), provided the facility must be located on two acres or more of land and meet setbacks;

V. Licensed limited cultivation marijuana facility (fewer than 500 square feet under cultivation), provided the facility must be located on one acre or more of land and meet setbacks.

...

SEC. 5. Amendment of Section. Section 20.31.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.31
RMU DISTRICT – REMOTE RESIDENTIAL MIXED-USE

...

20.31.040 Conditional uses.

A. The following licensed marijuana establishment facilities are uses which may be permitted in the remote residential mixed-use (RMU) district, with the exception of the Union Bay RMU subarea zone (RMU-U), by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC: retail store, testing, standard cultivation (500 or more square feet under cultivation), limited cultivation (fewer than 500 square feet under cultivation), and product manufacturing with the exception of solvent based manufacturing processes which are not allowed. Licensed marijuana establishment facilities are not allowed in the Union Bay RMU subarea zone (RMU-U).

[A]B. Other compatible uses which are consistent with the intent of this chapter, as determined by the commission, may be allowed with appropriate conditions in accordance with Chapter 20.68 WMC, if such uses would serve the community's best interest.

...

SEC. 6. Amendment of Section. Section 20.40.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.40

TM DISTRICT – TIMBER MANAGEMENT

...

20.40.040 Conditional uses.

The following uses may be permitted in the timber management district by action of the commission under the conditions and procedures set forth in Chapter 20.68 WMC:

- A. Storage (inside or screened);
- B. Mineral extraction (including quarries) and processing;
- C. Temporary dwellings and facilities associated with permitted or other conditional uses;
- D. Commercial hunting and fishing camps and lodges;
- E. Private roads;
- F. Public utility uses (i.e., power lines and other energy-related facilities);
- G. Mariculture and fisheries enhancement;
- H. Recreational vehicle parks;
- I. Cabins;
- J. Commercial animal establishments; **[and]**
- K. Cottage industry[.];
- L. Licensed marijuana establishment facilities as follows: retail store, testing, standard cultivation (500 or more square feet under cultivation), limited cultivation (fewer than 500 square feet under cultivation), and product manufacturing with the exception of solvent based manufacturing processes which are not allowed.

...

SEC. 7. Amendment of Section. Section 20.44.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.44

C DISTRICT COMMERCIAL

...

20.44.040 Conditional uses.

The following are uses which may be permitted in the commercial district by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC:

A. Gasoline/service stations[.];

B. Licensed marijuana retail store facility;

C. Licensed marijuana testing facility;

D. Licensed marijuana product manufacturing facility, with the exception of solvent based manufacturing processes which are not allowed;

E. Licensed standard cultivation marijuana facility (500 or more square feet under cultivation), provided the facility must be located indoors only and must be limited to no more than a 2,000 square foot grow area;

F. Licensed limited cultivation marijuana facility (fewer than 500 square feet under cultivation).

...

SEC. 8. Amendment of Section. Section 20.48.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.48

I DISTRICT – INDUSTRIAL

...

20.48.040 Conditional uses.

The following are permitted conditional uses in this district:

A. Animal establishments; **[and]**

B. Licensed marijuana establishment facilities as follows: retail store, testing, standard cultivation (500 or more feet under cultivation), limited cultivation (fewer than 500 square feet under cultivation), and product manufacturing with the exception of solvent based manufacturing processes which are not allowed.

[B]C. Other compatible uses which are consistent with the intent of this chapter, as determined by the commission, may be allowed with appropriate conditions in accordance with Chapter 20.68 WMC, if such uses would serve the community’s best interest.

...

SEC. 9. Amendment of Section. Section 20.50.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.50

WD DISTRICT – WATERFRONT DEVELOPMENT

...

20.50.040 Conditional uses.

The following are uses which may be permitted in the waterfront development district by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC:

A. Water-related uses not mentioned above and their accessory uses;

B. Other uses if there is no suitable upland alternative for a nonwater-related or nonwater-dependent use;

C. Retail and wholesale businesses;

D. Laundries and consumer services; **[and]**;

E. Animal establishments other than establishments for livestock[.];

F. Licensed marijuana establishment facilities as follows: retail store, testing, standard cultivation (500 or more square feet under cultivation), limited cultivation (fewer than 500 square feet under cultivation), and product manufacturing with the exception of solvent based manufacturing processes which are not allowed.

...

SEC. 10. Amendment of Section. Section 20.51.040 of the Wrangell Municipal Code is amended to read:

Chapter 20.51
IL DISTRICT – LIGHT INDUSTRIAL

...

20.51.040 Conditional uses.

The following are uses which may be permitted in the light industrial district by action of the commission under the conditions and procedures specified in Chapter 20.68 WMC:

A. Those commercial uses as specified in WMC 20.44.020;

B. Recreational vehicle parks;

C. Multifamily structures, dormitories, roominghouses, bunk houses and boardinghouses;

D. Public parks and playgrounds associated with a high density residential development;

[and]

E. Animal establishments[.];

F. Licensed marijuana retail store facility;

G. Licensed marijuana testing facility;

H. Licensed Marijuana product manufacturing facility, with the exception of solvent

based manufacturing processes which are not allowed:

I. Licensed standard cultivation marijuana facility (500 or more square feet under cultivation).

J. Licensed limited cultivation marijuana facility (fewer than 500 under cultivation).

...

SEC. 11. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 12. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 13. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2016.

PASSED IN SECOND READING: _____, 2016.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL

FROM: MS. CAROL RUSHMORE
ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: Proposed Ordinance 924 of the Assembly of the City and Borough of Wrangell Alaska amending certain sections of Title 20, Zoning, of the Wrangell Municipal Code, to add Licensed Marijuana Establishment Facilities as Conditional Uses in certain specific zoning districts, and to update the Temporary and Special Zoning Acts Table.

DATE: September 9, 2016

BACKGROUND:

The Planning and Zoning Commission were tasked last spring to develop an ordinance addressing where licensed marijuana facilities could operate. After several workshops and public meetings the Commission developed a recommendation that was sent to the Assembly to review. From that, a draft ordinance was created. The Attorney reviewed staff's draft ordinance and made necessary language changes for clarity.

The Planning and Zoning Commission held a public hearing on the draft ordinance on September 8, 2016. There were no comments during the public hearing.

RECOMMENDATION:

The Planning and Zoning Commission unanimously recommend adopting the attached ordinance, Proposed Ordinance 924 of the Assembly of the City and Borough of Wrangell Alaska amending certain sections of Title 20, Zoning, of the Wrangell Municipal Code, to add Licensed Marijuana Establishment Facilities as Conditional Uses in certain specific zoning districts, and to update the Temporary and Special Zoning Acts Table.

ATTACHMENTS:

1. Draft Ordinance 924

Agenda Item 13b

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

REQUEST FOR A CONTRACT ZONE from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), Lots 4 and 5, Block 5, USS 2127, requested by Isobel Brophy of Greystone Holdings Inc.

Attachments:

1. Memo from Carol Rushmore, Economic Development Director
2. Additional information from the P&Z Commission meeting held September 8, 2016

RECOMMENDED ACTION:

Move to approve a Contract Zone from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), Lots 4 and 5, Block 5, USS 2127, requested by Isobel Brophy of Greystone Holdings Inc., as recommended by the Planning & Zoning Commission.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: MS. CAROL RUSHMORE
ECONOMIC DEVELOPMENT DIRECTOR**

SUBJECT: Request for a Contract Zone from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), Lots 4 and 5, Block 5, USS 2127, requested by Isobel Brophy of Greystone Holdings Inc.

DATE: September 9, 2016

BACKGROUND:

In June 2016, Public Works Director Amber Al-Haddad sent Ms. Brophy, representative of Greystone Holdings, owner of the above described lot a letter of violation, outlining multiple zoning, building and electrical code violations. Ms. Brophy is doing what she can to systematically address each of the violations.

The Planning and Zoning Commission at their regular meeting of September 8, 2016 voted to recommend to the Assembly approval of the request for a contract zone from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), on Lots 4 and 5, Block 5, USS 2127.

RECOMMENDATION:

ATTACHMENTS:

1. Letter of Violation, June 2016
2. Planning and Zoning packet: staff reports, maps/drawings, photos

City and Borough of Wrangell

Agenda Items F1

Date: August 30, 2016

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Request for a Contract Zone from Single Family Residential to Multi-Family Residential for a triplex building (3 living units), Lots 4 and 5, Block 5, USS 2127, requested by Isobel Brophy of Greystone Holdings Inc.

Background:

At the August 11, 2016 meeting, the Commission moved (McConachie, 2nd Shoemaker) to approve the Contract Zone request changing the zone from Single Family to Multifamily for a triplex. After discussion the Commission deferred a decision until information pertaining to accessory structures could be obtained in order to deal with all issues at one time.

This staff report is updated with additional information.

This structure has had three units for some time, but the previous owners never obtained the necessary permits for a multi unit structure. While attempts were made to require zoning compliance, staff did not consistently pursue. One of the previous owners did apply for and received a conditional use permit for a 3 unit assisted living facility with apartment subject to State licensing approval.

Findings:

The Commission is making a recommendation to the Assembly for review.

In June 2016, the Public Works Director sent a Notice of Violation letter to Isobel Brophy, Greystone Holdings Inc, in response to a review of a violation complaint. In response to that letter, Ms. Brophy is trying to address each violation issue outlined in the letter, one of them being the zoning issue.

The structure is located on two lots and at some point was converted into three units – possibly in the late 1990's. Staff found out about the conversion when the owners applied for an electrical permit to install additional meters. Additional meters were not permitted since they were not in compliance with the zoning. In 2005, the owners of the structure at that time applied for and received a conditional use permit for converting the structure into a three unit Assisted Living Facility, plus an apartment, subject to assisted living licensing approval by the State of Alaska. The State license was never approved, and the multifamily structure remained an unapproved zoning violation. Ms. Brophy is seeking the Contract Zone for up to 3 units in order to comply with zoning requirements. Her original request asks for 4

units but in a phone conversation on August 10, 2016, she indicated she was changing the request to 3 units.

Primary potential impacts of having a multi family structure within Single Family residential includes noise and traffic. The rental market is extremely tight right now according to a housing survey conducted as part of the Institute Master Planning Process. The proposal meets the housing criteria of the Comprehensive Plan as well as community needs. The Commission must review the proposal as to whether the location is appropriate for the multi family structure, if the proposal is in the best interest of the public, and what the impacts could affect adjacent residents

The structure has been a triplex for many years and staff is not aware of complaints resulting from the fact that the structure has 3 residential units, but rather inquiries have been made regarding zoning of the property.

At the August meeting, the Commissioners were seeking information regarding use and location of the accessory structures located on site, in order to address any other requirements all at the same time. Ms. Brophy provided an updated siteplan and letter regarding the structures that are used for storage, wood and a chicken coop. At this time, the side yard setbacks seem to be met. The structure located in the Backyard Setback does not appear to have a permanent structure and is currently being used as a chicken coop. All are approximately 8 feet from property lines according to the landowner. The Side yard setback in Single Family is 5 foot and the back yard is 20 foot. She indicated that she would be doing an asbuilt survey soon and would have setbacks established accurately at that time, possibly in time for the Assembly hearing.

Recommendation:

Staff recommends approval of the Contract Zone for Triplex . The Commission needs to make Findings of Fact to forward to the Assembly regarding the request as part of the approval or rejection of the request. This can be done at the meeting with the public hearing or at a subsequent meeting.

Findings must address per WMC 20.76.030 (C):

- 1) Justification for the proposed change, including the effect on the objectives of the comprehensive plan
- 2) Effect of the proposed change on property owners, including traffic flow, population, density, parking, sewer and water
- 3) Approval or Disapproval

DRAFT FINDINGS OF FACT:

1. Justification for the proposed change, including the effect on the objectives of the comprehensive plan: The Commission deems it in the best interest of the community to approve the requested contract zone change from Single Family Residential to Multi Family residential for the specific use of a triplex. The proposal can meet Policy 31 of the Comprehensive Plan by providing for a range of housing and the Commission could establish conditions that might minimize any impacts between adjacent residents in order to comply with Policy 33 Compatibility between land use and user. The proposal will provide much needed rental units and are also a step toward

correcting many of the code violations that the structure has.

2. Effect of the proposed change on property owners, including traffic flow, population, density, parking, sewer and water: The Commission finds that the impacts to adjacent property owners will be minimal with a tri-plex. The Commission does not believe that traffic flow issues on Evergreen would increase significantly or that sewer and water services should be an issue. None of the accessory structures look to be very solid or in good condition. If the survey proves them to not meet setbacks, a condition of approval could be to remove the structures. The chicken coop structure appears to be within the required setback and according to the landowner, is approximately 8 feet from the property line.

3. Approval or Disapproval: The Commission moved at the August meeting to recommend to the Assembly approval of the Request for a Contract Zone to Multi Family for a Triplex apartment unit on Lots 4 and 5 Block 5, USS 2127 zoned Single Family Residential, requested by Isobel Brophy of Greystone Holdings LLC. The item was then deferred until September meeting to confirm accessory structures.



CITY AND BOROUGH OF WRANGELL, ALASKA



1 inch = 150 feet
Date: 8/5/2016

Public Map

DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE.



August 30/16

Attn. Carol Rushmore,

Faxing you the update schematic for
the property @ 907 Evergreen.

Hope this information satisfies the
Commission.

Thank you for your advice and help
with the process of completing this
application for a new contract zone.

Sincerely
Jared Brophy

Greystone Holdings LLC

Re lots 4/5a Block 5, USS 2127. - 907 Evergreen Rd.

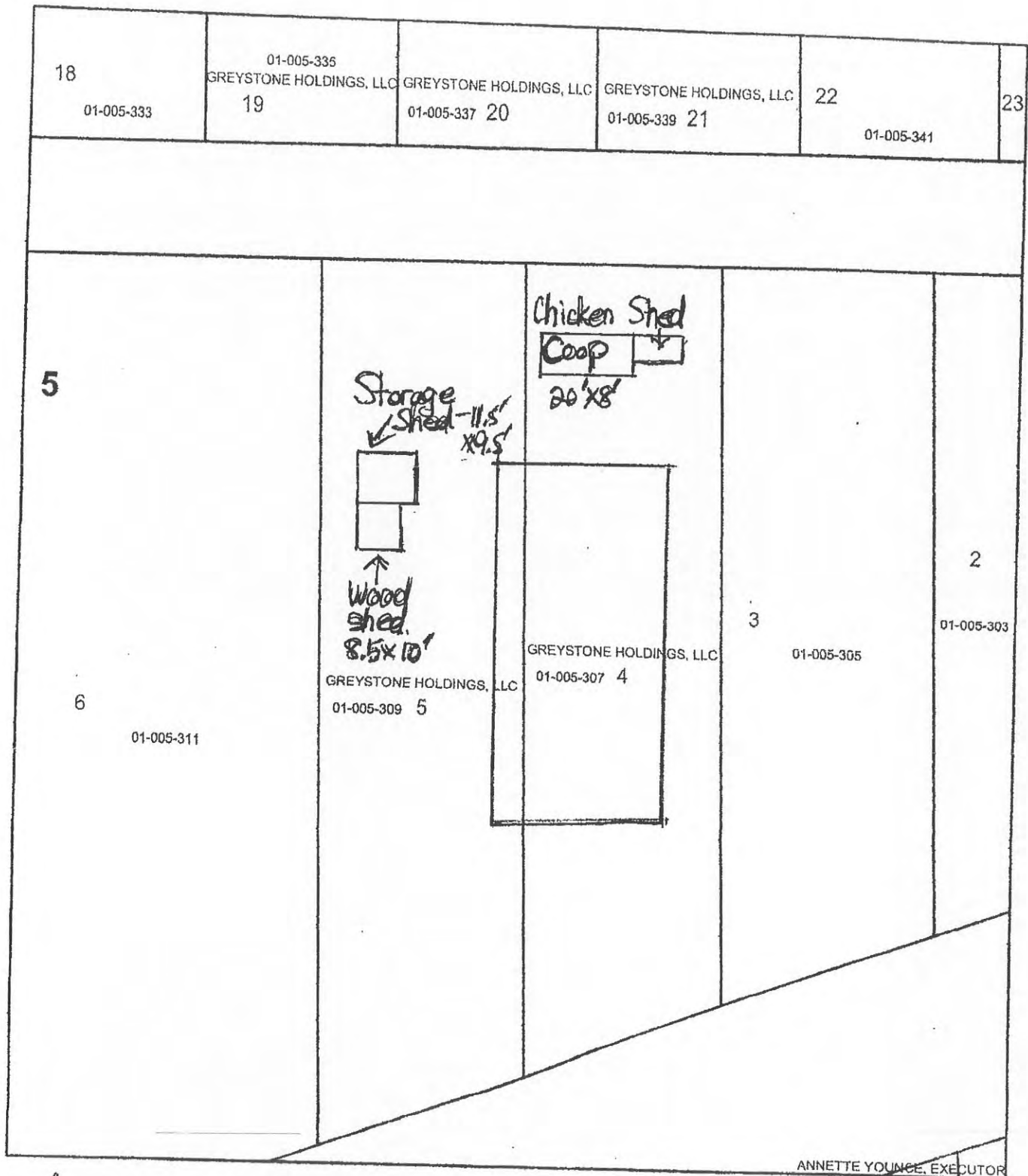
To whom it may concern,

As per the request from the Planning and Zoning Commission for an updated site plan to reflect location, descriptions of use and distances from property lines, I am submitting a schematic utilizing a public map of the property with the outbuildings included. They have been measured by a tenant on the property as as much as possible drawn to scale. The distances from the property lines are measured to a shared fence c LOT # 3. and a wooded area abutting LOT 6. Visually they appear to be about 8' from these borders.

All outbuildings are for storage, wood, chicken coop. I hope this additional information is helpful and conclusive to the approval of the rezone contract.

Sincerely
Isabel Brophy
IBrophy.

CITY AND BOROUGH OF WRANGELL, ALASKA



1 inch = 35 feet
Date: 7/5/2016

Public Map



DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE



CITY & BOROUGH OF WRANGELL

INCORPORATED JUNE 15, 1903

Dept. of Public Works & Capital Projects

PO Box 531
Wrangell, AK 99929

Phone (907)-874-3904
Fax (907)-874-2699

June 15, 2016

Isobel Brophy
Greystone Holdings, LLC
9116 East Sprague Avenue, #527
Spokane Valley, WA 99206

Re: Lots 4 and 5, Block 5, USS 2127 Subdivision, located along Evergreen Road
Zoning and Code Compliance: Notice of Violations

Dear Ms. Brophy:

The office of Public Works serves as the office of the Building Official in Wrangell. We are in receipt of a Notice of Violation, issued as a complaint of building code compliance issues filed with our office for the above-referenced property. The City & Borough of Wrangell's records list you as the responsible party.

Zoning Compliance

During our review of the zoning for the subject property (Lots 4 and 5, Block 5, USS 2127), we find that it is zoned Single Family Residential, which allows one and two family dwellings. The structure, from a zoning designation, is an unapproved multifamily structure. In 2005, the owners of the structure at that time applied for and received a conditional use for an Assisted Living Facility for 3 units, plus an apartment, subject to assisted living licensing approval by the State of Alaska. That license was never approved, thus the multifamily structure remains an unapproved zoning violation.

In order to become compliant with Wrangell's zoning regulations, you are required to either: 1) convert the current structure to a duplex; 2) apply for a Contract Zone, per WMC 20.77, requesting a multifamily structure with 3 or 4 units. If applying for a Contract Zone, a site plan, a \$75 application fee and the additional information requested in WMC20.77 is required. A copy of WMC20.77 is attached for your reference.

Building Code Compliance

The primary purpose of building codes is to protect the health and safety of the people who live in houses and apartments. This office is relying on one of your former tenant's Notice of Violation which cites that there are building code violations in the referenced property as follows:

- Drain waste and vent system is not properly vented, and it is suspected that waste lines are improperly vented, or possibly not vented at all. If waste lines are not adequately vented, sewer gasses present a potential safety risk to your tenants.

- A heat source is not provided and tenants must provide their own heater source.
- The former tenant has provided a photograph of an inside electrical distribution panel stated to be located in a downstairs hallway of your building (photo provided). If this panel is indicative of the wiring within the building, the violations are founded.

There are at least eight different Municipal and National Code violations present with just this one panel. A review of the service entrance (outside meter base) also presents compliance issues, the most critical being the lack of an effective building ground, which essentially renders all the grounding/bonding and GFCI's ineffective within the building. The meter height is a problem as it is well over the 6.5 foot maximum allowed by code. It also does not have a main disconnect as a part of the base, as is required for rental units.

The work to correct these violations will have to be done by a licensed electrician working with a valid State of Alaska Certificate Of Fitness as well as under the authority of a current Alaska Administrators License.

These conditions present a potential life safety risk to your tenants. Further, the Landlord and Tenant Act law provides for certain responsibilities of the landlord, including that they maintain fit premises. This act stipulates in part that the landlord must:

1. Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition.
2. Keep all common areas of the premises in a clean and safe condition.
3. Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilation, air conditioning, kitchen, and other facilities and appliances, supplied or required to be supplied by the landlord.

Your response is required within twenty-one (21) calendar days from the date of this letter. Please address the manner in which you propose to comply with the zoning regulations. Please also respond to each alleged building code violation, identifying and describing the building system addressed in each item and the current condition and/or the proposed corrective action for each item. To ensure that your building is in compliance, we will require a site visit for inspection (as allowed by 1997 Uniform Building Code 104.2.3 Right of Entry).

Our goal, through this correspondence, is aimed at protecting the safety of the residents in our community. Thank you in advance for your assistance and cooperation in this matter, and we look forward to your reply by July 7, 2016.

Best Regards,

Amber Al-Haddad
Public Works Director
City & Borough of Wrangell

Copy: Jeff Jabusch, Borough Manager
Clay Hammer, Municipal Light & Power Director
Carol Rushmore, Zoning Administrator

Enclosure: Wrangell Municipal Code 20.77

July 26th/2016

Re: Contract Zone Petition for Lots 4 and 5, Block 5, USS 2127 subdivision, located on Evergreen Road

Dear Ms. Rushmore,

In response to your correspondence of 6/15/16, I am writing to inform you that I am applying for a Contract Zone per WMC 20.77 requesting appropriate zoning for a multifamily structure with 3 or 4 units.

At the time that the property and structure were purchased in 2010, I was neither aware nor informed by any interested party that it was not zoned for a multifamily structure.

This building has 3 units/apt., and a 4th unit unfinished, utilized largely as storage for the other 3 units. For years, I have been billed by the City and paid monthly utilities for 3 units whether or not the units were occupied.

Currently I have 3 units occupied by stable renters, including a disabled individual whose rent is subsidized by Alaska Housing. It would create much hardship to any of these tenants should they be asked to leave. Minimally, it is necessary to have 3 units occupied in order to support the high costs associated with renting and maintaining this structure.

I have included the requested site plan with parking allowances outlined. This is a large property with ample room to accommodate the vehicles of 3 tenants or more. I have submitted a map of the property which I have tried to do to scale.

There are no structural changes planned for this building other than those which are cosmetic, interior or needed to improve the safety for the residents living within.

I am requesting that this petition be considered at the August mtg. of the Planning and Zoning Commission and that common sense and fairness will prevail in your deliberations.

Sincerely,

Isobel Brophy

tandibrophy@gmail.com

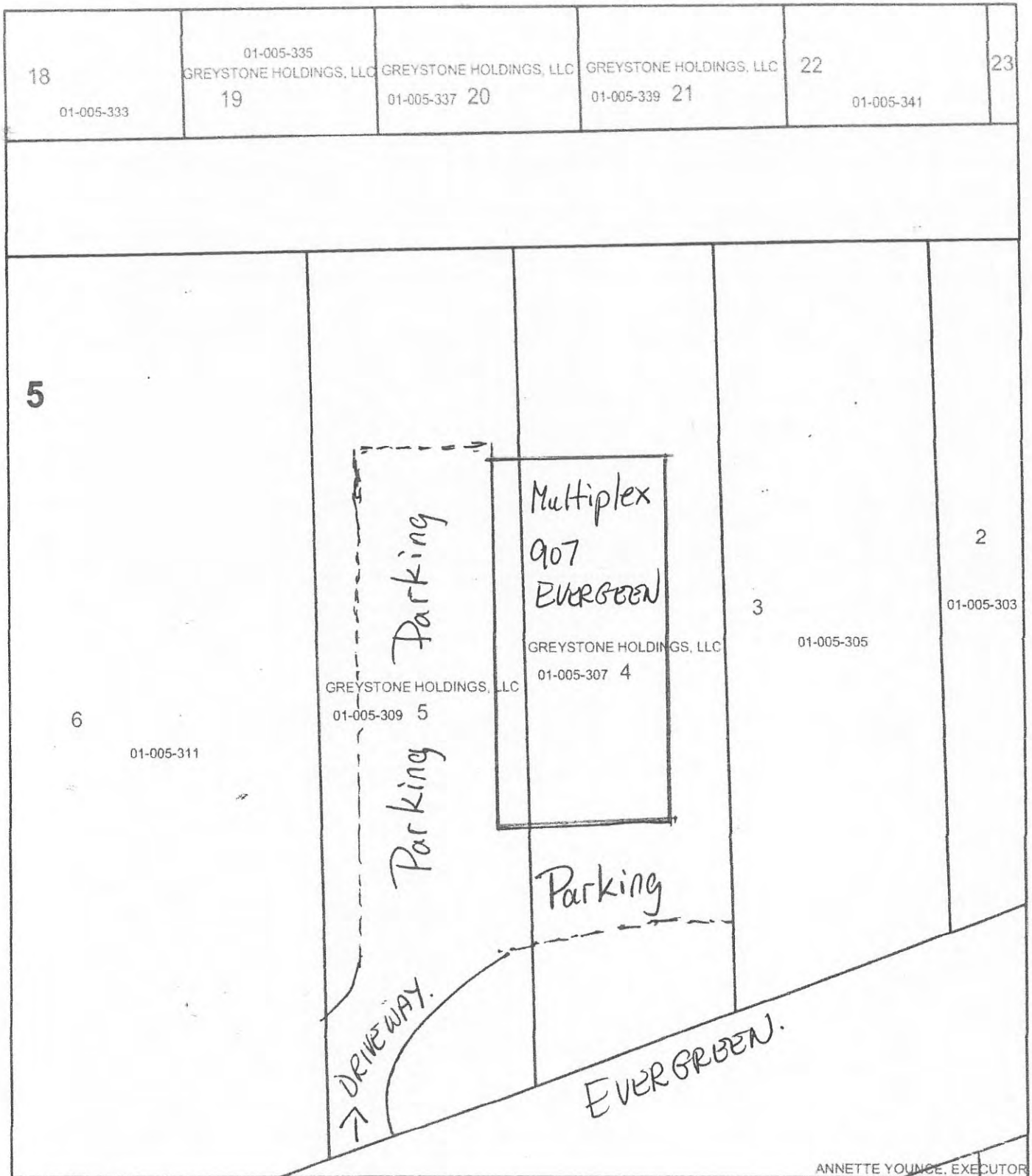
509-499-2142 [c]

Greystone Holdings LLC

Cc Ms Al-Haddad

I have sent the 75.00 application fee by check in the mail

CITY AND BOROUGH OF WRANGELL, ALASKA



ANNETTE YOUNCE, EXECUTOR



1 inch = 35 feet
Date: 7/5/2016

Public Map



DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE.

Aug. 10/16

Hello Carl.

Faxing you the requested schematic for the structure at 907 Evergreen as you requested.

In the end I have decided to ask for rezoning for 4 units as the building contains an unfinished area that could be another apartment in the future.

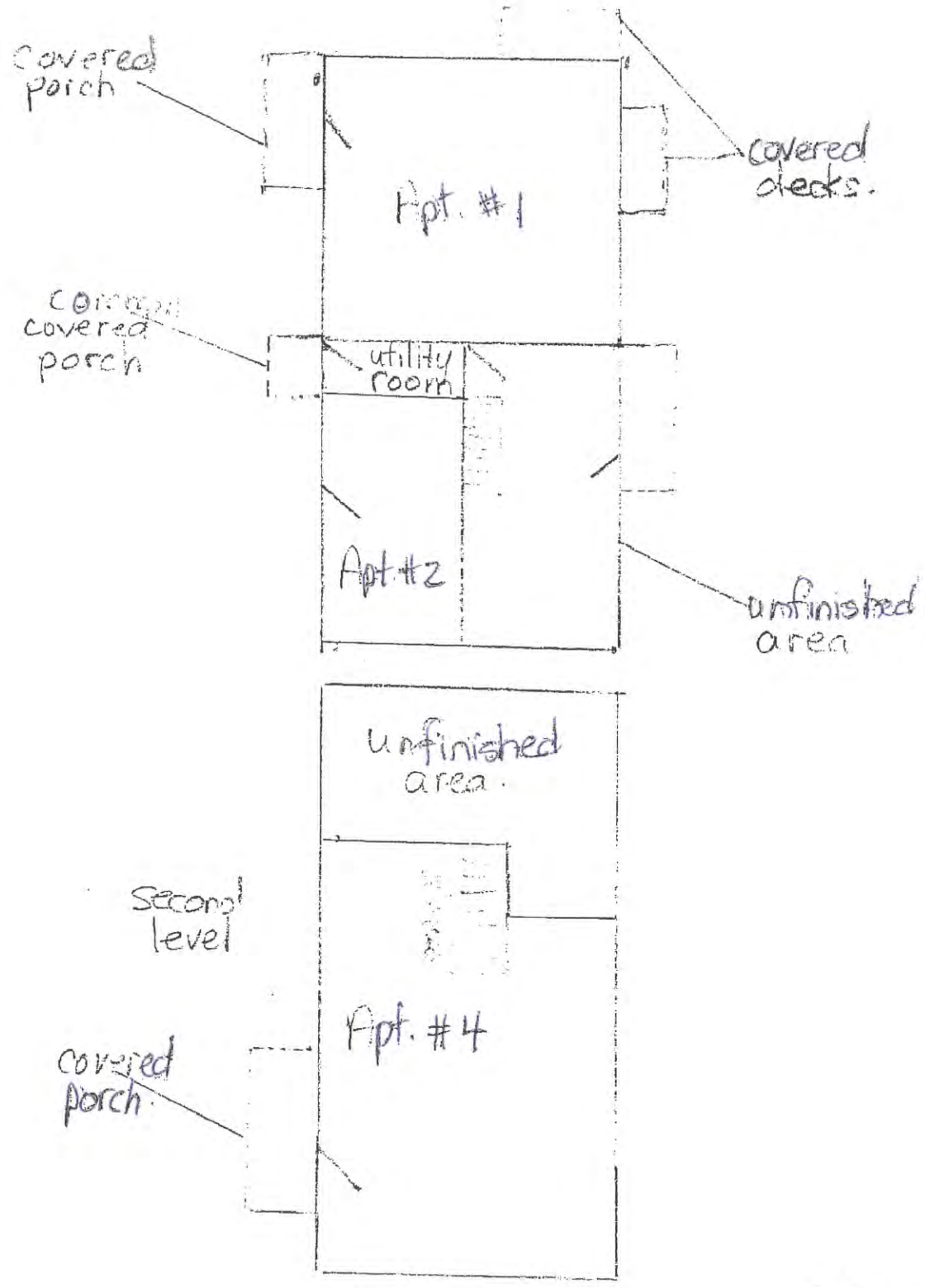
I hope this info. is helpful and contributes to a successful rezoning.

Thank you.
Isobel Burphy
Utility Rep.
Greystone Holdings LLC
1-509 499 2142

8/10/16
spoke to Isobel -
she is asking for
only 3 units.

RECEIVED
AUG 10 2016
WRANGELL CITY HALL

GREYSTONE HOLDINGS LLC. APARTMENT SCHEMATIC



907 EVERGREEN

RECEIVED
 AUG 10 2016
 WRANGELL CITY HALL

Agenda Item 13c

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

Approval of Consent to Assignment of Lease and Assumption of an Existing Tidelands Lease, requested by Lynn Maxand for John Maxand

Attachments:

1. Consent to Assignment of Lease and Assumption
2. Request from C.F. James, CPA, for John Maxand through Lynn Maxand, POA
3. Existing Tidelands Lease

RECOMMENDED ACTION:

Move to approve the Assignment of Lease and Assumption for Lot 13A, Block 84A, Wrangell Tidelands Addition ATS#83 to James R. Maxand, requested by John Maxand through Lynn Maxand, POA.

C. F. James, CPA, PC
P. O. Box 1258 Wrangell, Alaska 99929
Phone (907) 874-2331 Fax (907) 874-3187
Email: info@cfjamescpa.com

September 13, 2016

Dear Sirs and Madams of the Assembly,

Lynn Maxand who holds Power of Attorney for John Maxand wishes to request that the Assembly approve the assignment of lease and assumption thereof to his son James R. Maxand.

Thank you,

Kelley A. Decker

Kelley Decker

John Maxand by Lynn Maxand POA

John Maxand, by Lynn Maxand attorney in fact

9-13-16

Date

CONSENT TO ASSIGNMENT OF TIDELANDS LEASE

PURSUANT TO Wrangell Municipal Code § 16.08.240, the City and Borough of Wrangell, Alaska, Post Office Box 531, Wrangell, Alaska 99929, hereby consents to the assignment of that certain Tidelands Lease dated April 18, 1994, and recorded on April 20, 1994, in the Wrangell Recording District in Book 23 at Page 182 *et seq.*, which Lease is by and between the City and Borough of Wrangell, Lessor, and John Maxand, Lessee, an individual whose address is Post Office Box 463, Wrangell, Alaska 99929, by Lessee/Assignor John Maxand to James R. Maxand, Assignee, whose address is Post Office Box 220, Wrangell, Alaska 99929. The leased real property is situate in the Wrangell Recording District, First Judicial District, State of Alaska, and more particularly described as follows:

Lot 13A, Block 84A, Wrangell Tidelands Addition ATS #83, as recorded on Plat 94-3, Wrangell Recording District, City of Wrangell, Alaska, containing 3,385 square feet of Tidelands.

In accordance with Wrangell Municipal Code § 16.08.240, James R. Maxand is subject to all the provisions of the above-described Tidelands Lease and this consent does not release John Maxand from the terms of the Tidelands Lease.

Dated at Wrangell, Alaska, this ___ day of September, 2016.

CITY AND BOROUGH OF WRANGELL
LESSOR

Attest: _____
Kim Lane
Borough Clerk

Hon. David L. Jack
Mayor

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of September, 2016, personally appeared before me DAVID L. JACK, MAYOR and KIM LANE, BOROUGH CLERK, to me known and known to me to be the individuals described in and who executed the within CONSENT TO ASSIGNMENT OF TIDELANDS LEASE and acknowledged that they signed the same as the free and voluntary act and deed of the City and Borough of Wrangell, Alaska, for the uses and purposes therein mentioned and as set out in Resolution No. _____ of the City and Borough of Wrangell dated ____ September, 2016.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public for Alaska
Commission expires: _____

JAMES R. MAXAND, an individual whose address is Post Office Box 220, Wrangell, Alaska 99929, does hereby accept and assume, full and complete, the assignment of the above-described Tidelands Lease and all of the obligations of Lessee/Assignor John Maxand owing and due, or to become owing and due, the City and Borough of Wrangell, Alaska, Lessor.

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of September, 2016, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JAMES R. MAXAND, to me known and known to me to be the individual described in and who executed the within CONSENT TO ASSIGNMENT OF TIDELANDS LEASE and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public for Alaska
Commission expires: _____

Record in the Wrangell Recording District

Return to: City and Borough of Wrangell
Post Office Box 531
Wrangell, Alaska 99929

CITY OF WRANGELL, ALASKA

TIDELANDS LEASE

(Title 16, Chapter 8)

This indenture made this 18th day of April, 1994 between CITY OF WRANGELL, ALASKA, of P. O. Box 531, Wrangell, Alaska 99929, as Lessor, and JOHN MAXAND of P. O. Box 463, Wrangell, Alaska 99929, as Lessee:

W I T N E S S E T H:

Lessor hereby leases and demises unto Lessee, and Lessee does hereby lease and take from Lessor, for and in consideration of the rents, terms, limitation, covenants and mutual agreements hereinafter stated, the following described tide and submerged lands situated in the City of Wrangell, First Judicial District, State of Alaska, to-wit:

Lot 13^A, Block 84A, Wrangell Tidelands Addition ATS #83, as recorded on Plat 94-3, Wrangell Recording District, City of Wrangell, Alaska. 3,385 square feet of Tidelands.

That each of the parties hereto has performed or caused to be performed all of the acts and things required by the substantive and procedural requirements of Wrangell City Code, Title 16, Chapter 8, and Army Corps of Engineers if necessary.

LAW OFFICE OF ROBIN L. TAYLOR

ATTORNEY AT LAW
P. O. BOX 1441
WRANGELL, ALASKA 99929
(907) 874-2316

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1 That the term hereof is for fifty-five (55) years from
2 the date hereof, ending and terminating on April 18th, 2049, unless
3 renewed or sooner terminated under the provisions of said City
4 Code.

5 That the annual rental is \$102.00, payable in advance
6 each year, subject to adjustment pursuant to the provisions of
7 Wrangell City Code, Sec. 16.08.220, as may be from time to time
8 amended.

9 That Lessee will maintain the improvements on the leased
10 lands described herein:

11 Shed for boat storage

12 That Lessor has imposed no other conditions or
13 limitations on Lessee, other than those contained in Wrangell City
14 Code, Title 16 and that may be required by the Army Corps of
15 Engineers, and in consideration thereof Lessee hereby agrees to
16 perform such other acts and deeds required by said City Code
17 relating to the construction and operation of said structure and
18 Lessee hereby states that he is aware of such requirements; that
19 he has read or caused the provisions thereof to be read and
20 understood, and which terms and provisions are hereby adopted by
21 reference as if fully set forth in writing herein.

22 Lessee does further agree that at the expiration of said
23 term, or renewal term, to quit and surrender the said premises
24 with improvements thereon according to the terms and provisions of
25 the present Wrangell City Code.

DATED this 18th day of April, 1994 at Wrangell, Alaska.

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LESSOR:

CITY OF WRANGELL, ALASKA

By Raymond F. McGurk, Jr.
RAYMOND F. MCGURK, JR.
MAYOR

LESSEE:

John J Maxand
JOHN MAXAND

ATTEST: Frnette Vincent
FRANETTE VINCENT,
CITY CLERK

LAW OFFICE OF ROBIN L. TAYLOR

ATTORNEY AT LAW
P. O. BOX 1441
WRANGELL, ALASKA 99929
(907) 874-2316

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 18th day of April, 1994, personally appeared before me JOHN MAXAND, to me known to be the individual described in and who executed the within TIDELANDS LEASE and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written. 94-206

WRANGELL REC. DIST 24
DATE 4-20 1994
TIME 2:16 P.M.
Requested By City of
Address Wrangell

Franelle A. Vincent
Notary Public for Alaska
My Commission Expires: 10-24-98

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 18th day of April, 1994, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared RAYMOND F. MCGURK, JR. and FRANETTE VINCENT of the City of Wrangell, a corporation organized and existing under the laws of the State of Alaska, to me known to be the Mayor and City Clerk, respectively, of said corporation and acknowledged to me that they signed the foregoing TIDELANDS LEASE freely and voluntarily for and on behalf of said corporation by authority of its City Council for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

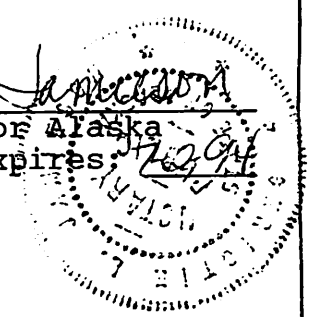
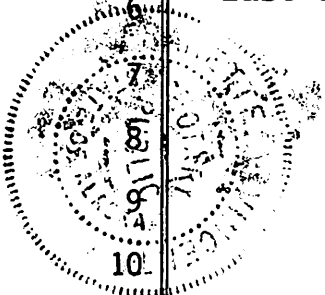
Christie L. Jamieson
Notary Public for Alaska
My Commission Expires: 7-2-98

After Recording
Return to:
City Clerk
City of Wrangell
Box 531
Wrangell, AK 99929

TIDELANDS LEASE
CITY OF WRANGELL, ALASKA/ JOHN MAXAND

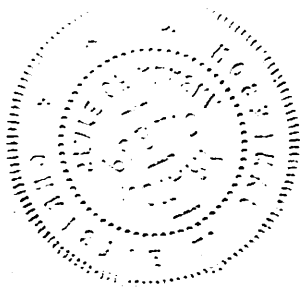
LAW OFFICE OF ROBIN L. TAYLOR

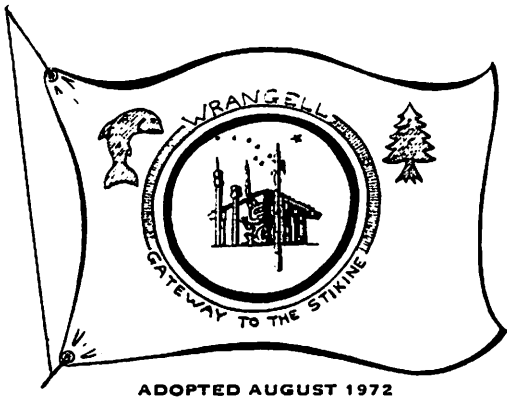
ATTORNEY AT LAW
P. O. BOX 1441
WRANGELL, ALASKA 99929
(907) 874-2316



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REC'D
of
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STATE
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ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381
FAX: (907) 874-3952

May 20, 1994

John Maxand
Box 463
Wrangell, AK 99929

Dear John:

Enclosed is a copy of your recorded Tidelands Lease, and invoice #15684 in the amount of \$28.00 for the recording fee.

If you have any questions, please call.

Sincerely,

A handwritten signature in cursive script that reads 'Franette A. Vincent'.

Franette A. Vincent
City Clerk

Enc

Agenda Item 13d

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

PROPOSED RESOLUTION No. 09-16-1352: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, IN SUPPORT OF THE ALASKA MENTAL HEALTH LAND EXCHANGE ACT OF 2016 BUT ASKING FOR RECONSIDERATION OF CERTAIN PARCELS WITHIN WRANGELL'S BOROUGH BOUNDARY

Attachments:

1. Proposed Resolution No. 09-16-1352
2. Supporting Map
3. Additional Information

Additional Information:

Carol Rushmore requested that this Resolution be considered by the Assembly. This Resolution is supported by Southeast Conference and was discussed and modified at their meeting held last week. This request comes from Paul Slenkamp with Alaska Mental Health Trust. Here is the link to the website with the maps: <http://mhtrustland.org/index.php/southeast-land-exchange/> This shows the maps (concept) which have been modified (after much discussion by USFS and AMHT).

RECOMMENDED ACTION:

Move to adopt Resolution No. 09-16-1352.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 09-16-1352

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, IN SUPPORT OF THE ALASKA MENTAL HEALTH LAND EXCHANGE ACT OF 2016 BUT ASKING FOR RECONSIDERATION OF CERTAIN PARCELS WITHIN WRANGELL'S BOROUGH BOUNDARY

RECITALS:

WHEREAS, in 1956, Congress passed the Alaska Mental Health Enabling Act, granting an entitlement of one million acres of federal land to the Territory of Alaska to generate revenues for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease, and dementia; and

WHEREAS, the Alaska Mental Health Trust Board has a fiduciary responsibility to: (1) maximize long-term revenue from Trust Land; (2) encourage a diversity of revenue-producing uses of Trust Land; (3) manage Trust Land prudently, efficiently, and with accountability to the Trust and its beneficiaries; and (4) protect and enhance the long-term productivity of Trust Land; and

WHEREAS, for nearly a decade, the Alaska Mental Health Trust has been seeking to exchange with the US Forest Service 17,341 acres of forested and undeveloped Trust lands within community boundaries of Ketchikan, Juneau, Petersburg, Wrangell, Sitka, and Myers Chuck, in exchange for US Forest Service timber lands of equal value in the Ketchikan Gateway Borough and on Prince of Wales Island; and

WHEREAS, the City and Borough of Wrangell contains approximately 2600 acres of land owned by the Alaska Mental Health Trust on Wrangell Island (within the Service Area, Wrangell Island East and Thoms Place) and in Meyers Chuck; and

WHEREAS, the City and Borough of Wrangell has a responsibility to its citizens to 1) be a catalyst for economic development opportunities; 2) provide public services to improve and enhance citizen welfare; 3) manage valuable resources for the public's benefit; and 4) plan for the long term sustainability and health of the community.

WHEREAS, from the perspective of Trust beneficiaries, the highest and best use of the 17,341 acres of Trust lands is to harvest high-value timber lands and develop other Trust lands for residential, commercial, or industrial purposes; and

WHEREAS, the exchange of the 17,341 acres of Trust lands for up to 20,580 acres of US Forest Service lands of equal value would avoid many of the concerns of communities regarding the potential adverse impacts on tourism, recreation, wildlife management, watershed protection, and public safety, and would also help sustain what remains of the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis; and

WHEREAS, the City and Borough of Wrangell supports trading most of the land that is proposed for the trade with the USFS within its Borough Boundaries, except for approximately 115 acres of community developable parcels north of Pats Lake and Pats Creek which have already been partially harvested by Alaska Mental Health Trust Lands; and

WHEREAS, on June 30, 2015 the US Forest Service and the Trust completed an "Agreement to Initiate" an administrative land exchange which requires preparation of an Environmental Impact Statement that could take years to complete; and

WHEREAS, delays in the US Forest Service timber sale planning efforts have caused serious concerns that there will not be enough timber available to support what remains of the timber industry in Southeast Alaska to allow it to transition to young-growth timber unless the State of Alaska and Mental Health Trust can provide bridge timber sales in the interim; and

WHEREAS, The Alaska Mental Health Trust Land Exchange Act of 2016, sponsored by U.S. Senator Lisa Murkowski and co-sponsored by U.S. Senator Dan Sullivan, would provide Congressional authorization and direction for the exchange, which should expedite completion of the transfer so that timber lands could be transferred to the Trust within 12 months; and

WHEREAS, the Alaska Mental Health Trust Land Exchange Act of 2016 requires: (1) the land exchange to be of equal value, based on appraisal; (2) environmental reviews to protect all species, cultural, and historic resources, wetlands, and floodplains; (3) that tribal consultations be conducted; and (4) that the trust cover all expenses incurred by the US Forest Service in completing the exchange; and

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE CITY AND BOROUGH OF WRANGELL, ALASKA as follows:

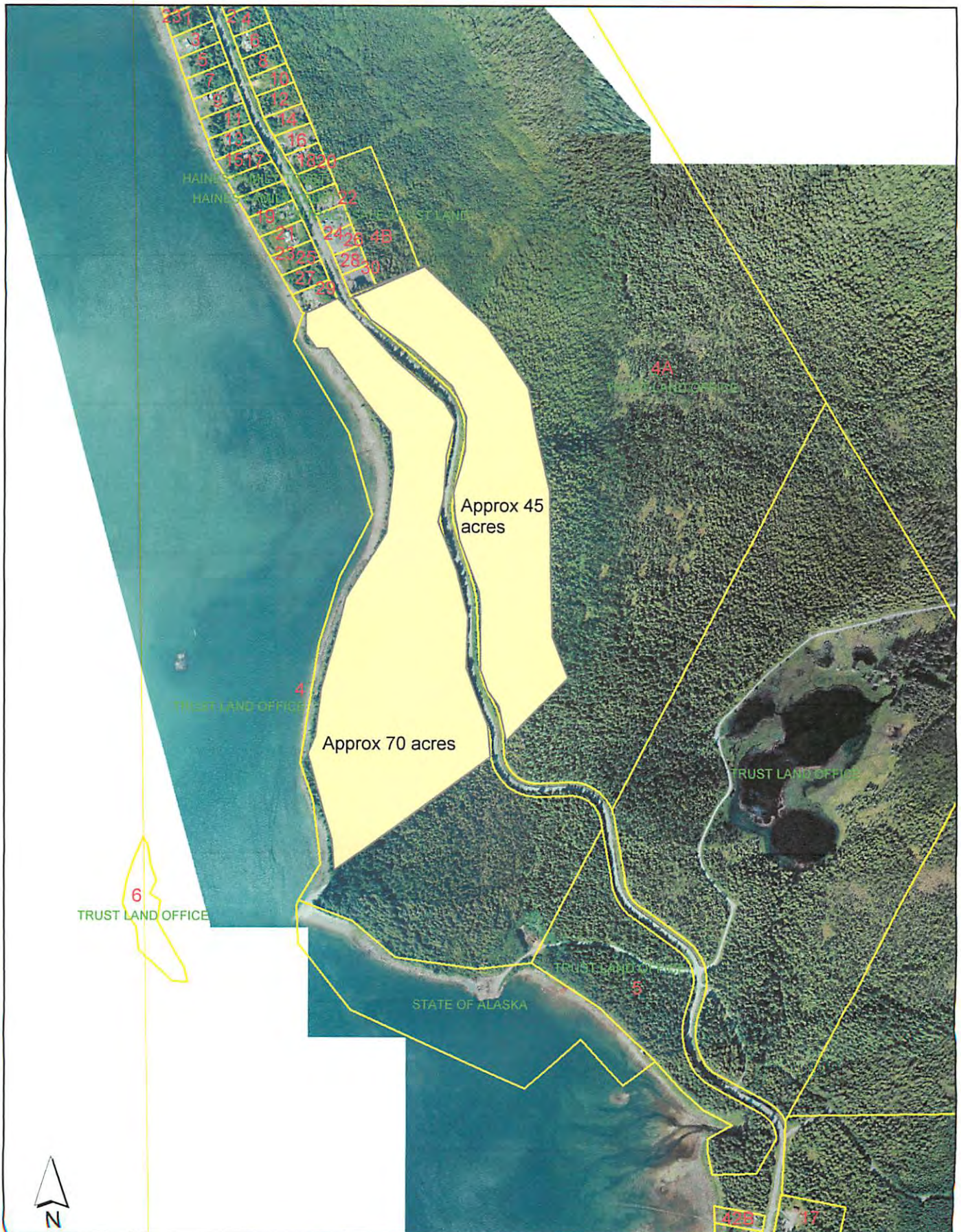
The City and Borough of Wrangell supports passage of S. 3006, the Alaska Mental Health Trust Land Exchange of 2016, but asks for further consultation and reconsideration of 115 acres located within the borough boundaries of the City and Borough of Wrangell north of Pats Lake and Pats Creek.

ADOPTED: _____, 2016

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

CITY AND BOROUGH OF WRANGELL, ALASKA



1 inch = 1,000 feet
Date: 9/23/2016

Public Map

DISCLAIMER THESE MAPS ARE FOR PLANNING PURPOSES ONLY.
PROPERTY LINES ARE APPROXIMATE.





United States Forest Service
Tongass National Forest
and
Alaska Mental Health Trust Authority
Proposed Land Exchange
September 4, 2012

**United States Forest Service
Alaska Mental Health Trust Authority
Proposed Land Exchange
September 4, 2012¹**

The maps and information contained in this booklet describe the land packages to be considered as part of a proposed land exchange between the US Forest Service (USFS) and the Alaska Mental Health Trust (AMHT). The material presented here will make up the proposed action for the USFS/AMHT Land Exchange. There are many organizations, agencies and individuals which have provided input to reach this milestone. We appreciate the long hours of work and commitment by all parties involved.

As you review the information, please remember the following:

- This is a proposal; there are many reviews of each parcel that will identify potential environmental, historic, ownership, or other issues that may exist for both owners.
- This is a “value for value exchange”. Final acreages will be determined by the appraised value of the land finally selected to be included in the exchange. The appraisal process is set forth in the Federal Land Exchange Statute.
- As part of the appraisal process, each parcel will be analyzed for its “highest and best use” and valued on that basis for the purpose of this exchange.
- The same criteria will be used for each landowner.
- The administrative land exchange process may take 3 to 5 years.
- There will be opportunity for public comment during this process.
- The process of parcel selection required numerous parameters such as: consideration of all aspects of the Tongass Land and Resource Management Plan, Federal Land Exchange Regulations, State of Alaska Statutes, and public concerns.

Questions and inquiries can be directed to:

Paul Slenkamp, Trust Land Office
(907) 225-6618 paul.slenkamp@alaska.gov

¹ *This package contains minor modifications made at the Tongass Futures Roundtable, September 13, 2012, Ketchikan, Alaska.*

United States Forest Service
 Alaska Mental Health Trust
 Proposed Land Exchange
Parcel List Administrative Exchange 9/04/2012
 Parcels are listed in priority of exchange

Non Federal Lands

Community	Parcel #	Acreage
Ketchikan	K-1	1841
	K-2	681
	K-3	926
	K-4A	3290
	K-4B	418
	Sub Total	7156
Petersburg	P-1	3385
	P-2B	181
	P-3B	92
	P-4	280
	P-5	77
	P-7	72
		Sub Total
Wrangell	W-1	224
	W-2	106
	W-3	63
	W-4	711
		Sub Total
Sitka	S-1	2457
	S-2	296
	S-3	103
	S-4	28
		Sub Total
Myers Chuck	MC-1	169
Juneau	J-1B	2237
Juneau	J-1A	429
	Sub Total	2666
Grand Total		18,066

Comments

Inclusion in Question

Federal Lands

Community	Parcel	Acreage
Ketchikan	Shelter Cove	8170
Naukati	North Naukati	1490
	West Naukati	4914
	Central Naukati	2177
	East Naukati	2084
Hollis	Hollis	1544
Ketchikan	Gravina / Niblack	541
Grand Total		20,920

Comments

TFR* Special Interest Area
 TFR* Special Interest Area

TFR* Special Interest Area

* Tongass Futures Roundtable

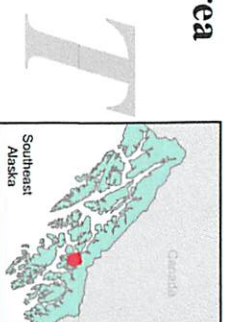


AMHT Parcels for Exchange - Wrangell Area

ID	Acres
W-1	224
W-2	106
W-3	63
W-4	711
Total Acres:	1,104
<small>(Acreages are approximate)</small>	

AMHT Parcels
Retain
Exchange

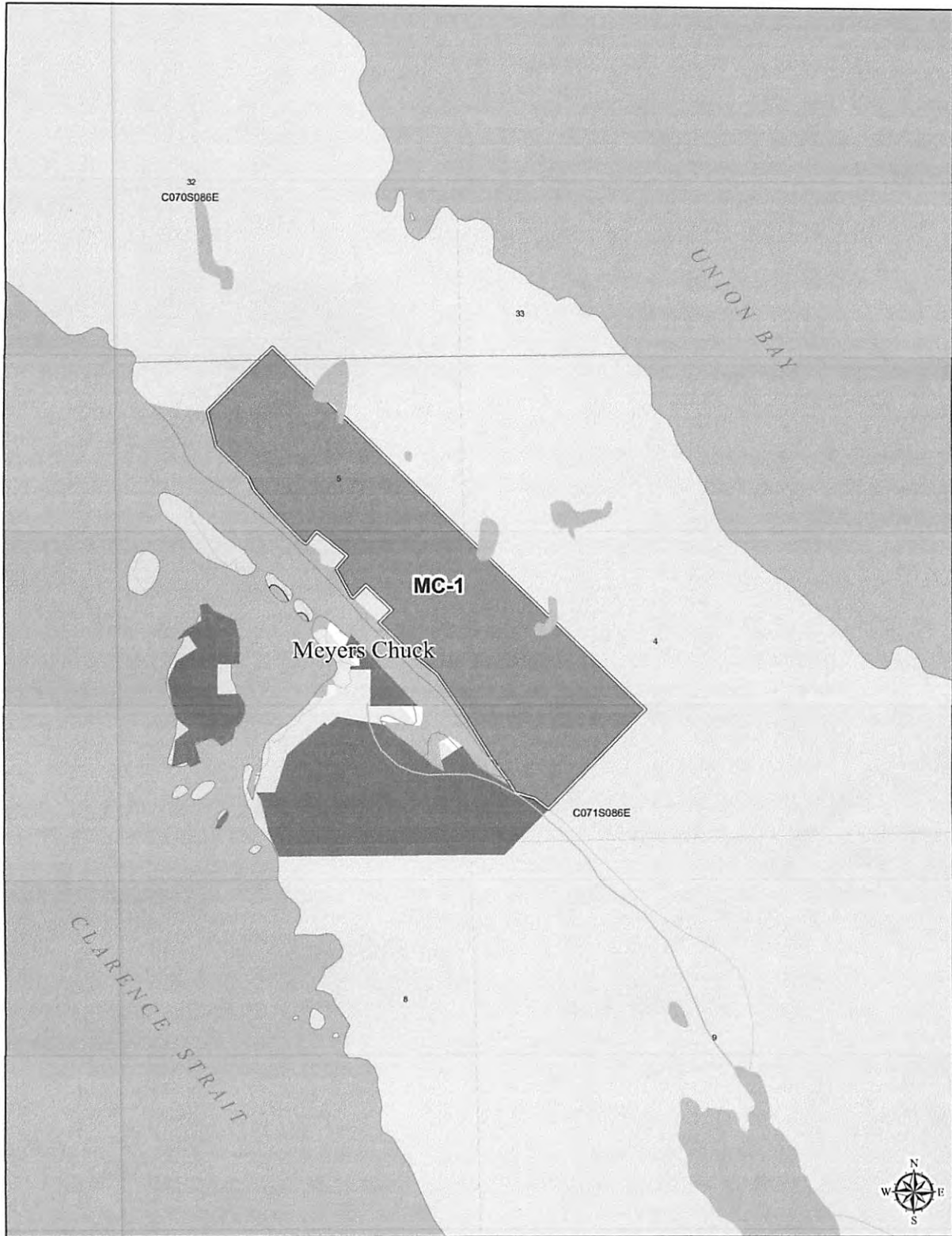
Land Owner/Manager
Federal - USFS
State of Alaska
Other



Date Printed: August 30, 2012 V5



This is a representation of the land ownership management in the area. For specific legal descriptions and notes and regulations related to the use or sale of these lands, please contact the appropriate land manager.



AMHT Parcels for Exchange - Meyers Chuck Area

ID	Parcel Name	Acres
MC-1	Meyers Chuck	169
Total Acres: 169		(Acreage is approximate.)

AMHT Parcels

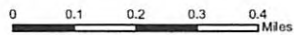
- Retain
- Exchange

Land Owner/Manager

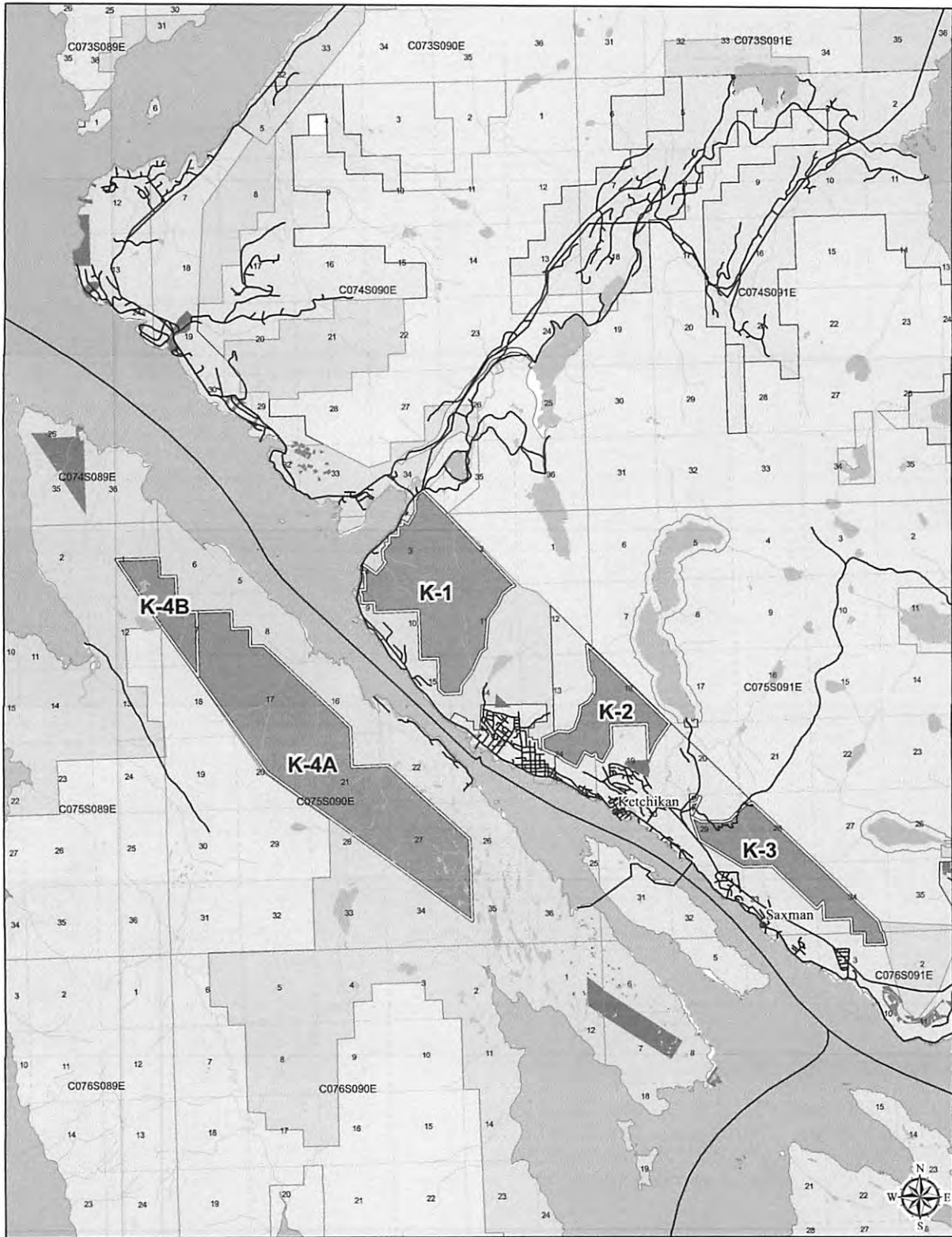
- USFS
- State of Alaska
- Other



Date Printed: July 24, 2012 V3



This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.

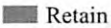
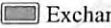


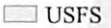
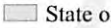
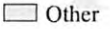
AMHT Parcels for Exchange - Ketchikan Area

ID	Parcel Name	Acres
K-1	Signal Mtn.	1841
K-2	Minerva Mtn.	681
K-3	Deer Mtn.	926
K-4A	Gravina Mid	3290
K-4B	Gravina/Niblack	418

Total Acres: 7,156
(Acreages are approximate.)

Date Printed: August 29, 2012 VS

AMHT Parcels
 Retain
 Exchange

Land Owner/Manager
 USFS
 State of Alaska
 Other



This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.



AMHT Parcels for Exchange - Petersburg Area

ID	Parcel Name	Acres
P-1	Twin Creek	3385
P-2B	S Fall Creek	181
P-3B	Blind Pt. E	92
P-4	Kupreanof N	280
P-5	Kupreanof S	77
P-7	Petersburg	72

Total Acres: 4,087
(Acreages are approximate.)

AMHT Parcels

- Retain
- Exchange

Land Owner/Manager

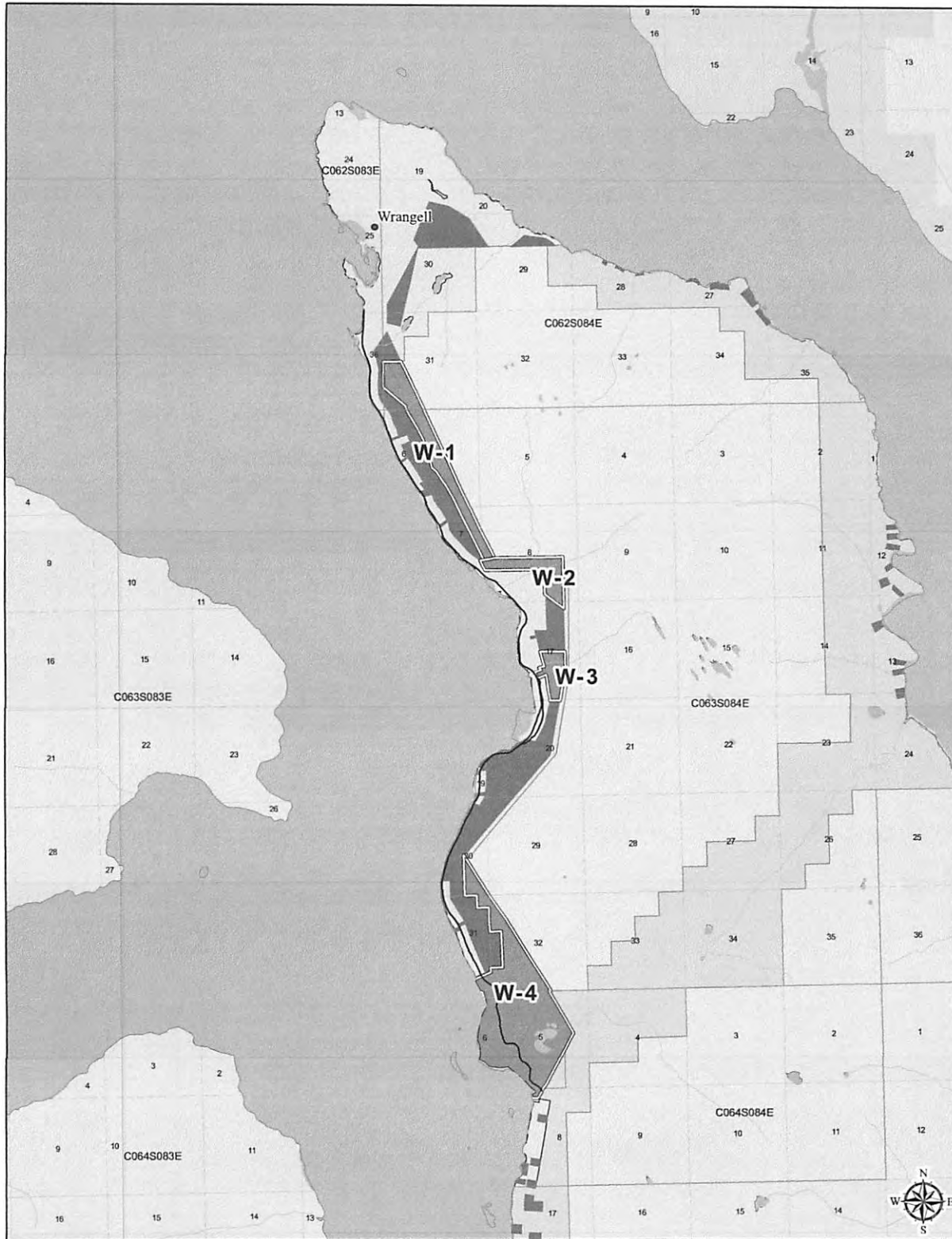
- USFS
- State of Alaska
- Other

0 0.5 1 1.5 2 Miles

Date Printed: July 24, 2012 V3



This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.



AMHT Parcels for Exchange - Wrangell Area

ID	Acres
W-1	224
W-2	106
W-3	63
W-4	711

Total Acres: 1,104
(Acreages are approximate.)

AMHT Parcels

- Retain
- Exchange

Land Owner/Manager

- Federal - USFS
- State of Alaska
- Other



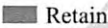
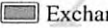


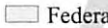

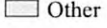
AMHT Parcels for Exchange - Sitka Area

ID	Parcel Name	Acres
S-1	Katlian Bay	2457
S-2	Indian Creek E	296
S-3	Indian Creek W	103
S-4	Cascade Creek	28

Total Acres: 2,884
(Acreages are approximate.)

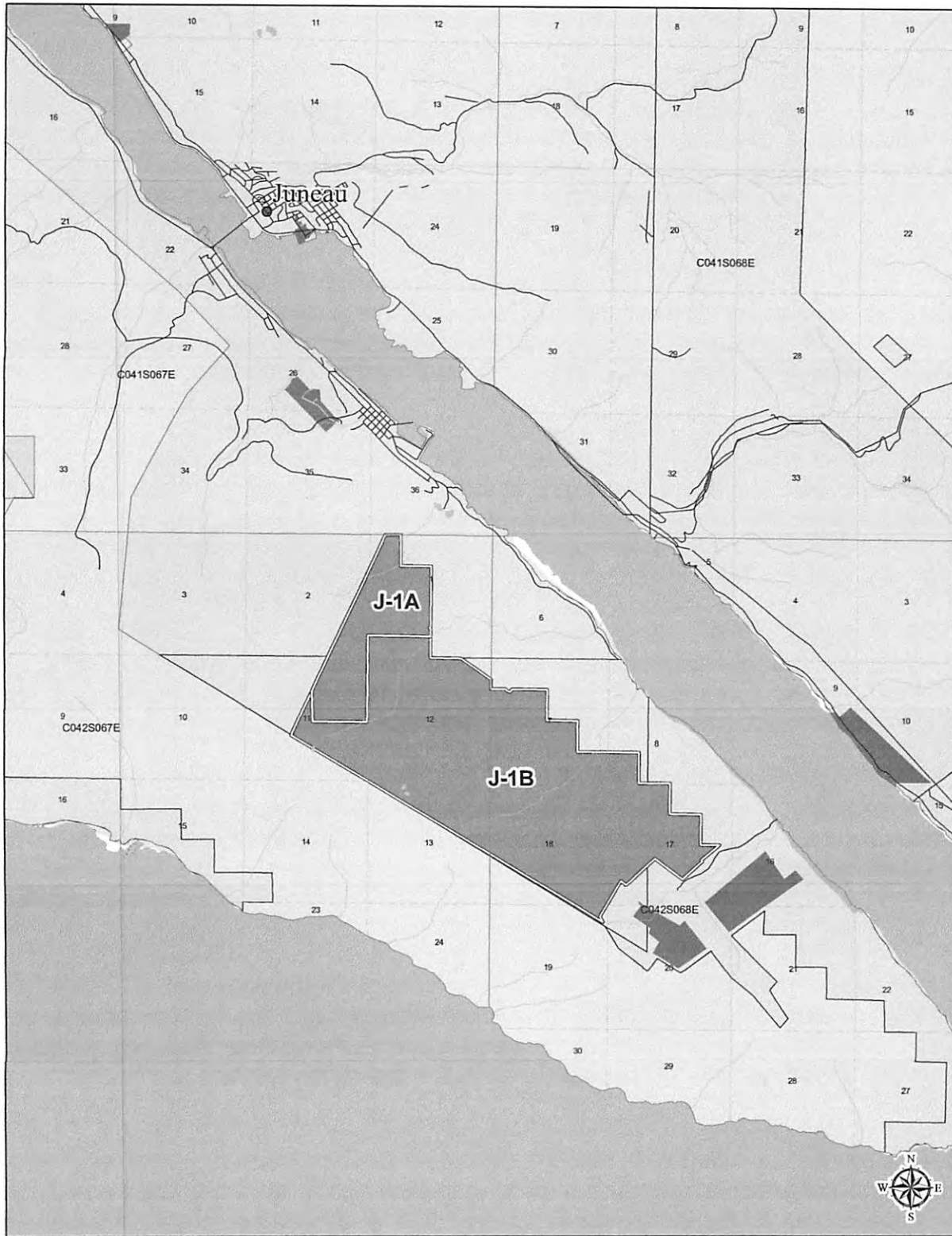
Date Printed: July 24, 2012 V4

AMHT Parcels
 Retain
 Exchange

Land Owner/Manager
 Federal - USFS
 State of Alaska
 Other



This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.



AMHT Parcels for Exchange - Juneau Area

ID	Parcel Name	Acres
J-1A	Mt Bradley Trail	429
J-1B	Douglas S	2,237
Total Acres:		2,666
(Acreages are approximate.)		

AMHT Parcels

- Retain
- Exchange

Land Owner/Manager

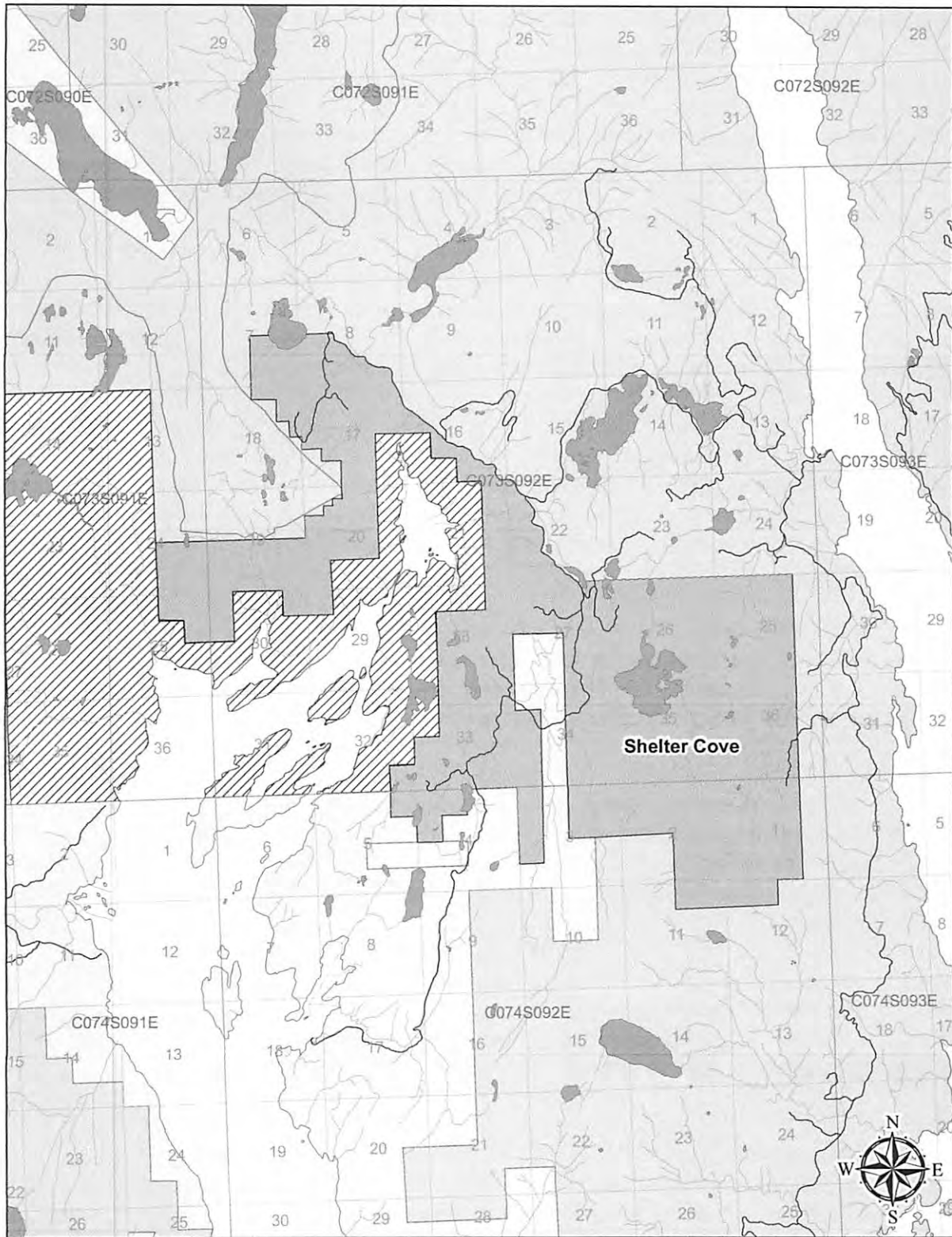
- Federal - USFS
- State of Alaska
- Other








Date Printed: August 29, 2012 V4



This is a representation of the land ownership management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.



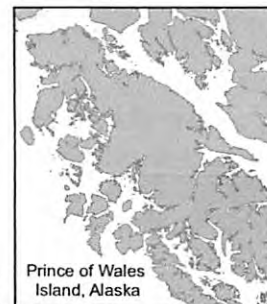
Alaska Mental Health Trust - U.S. Forest Service Proposed Administrative Land Exchange

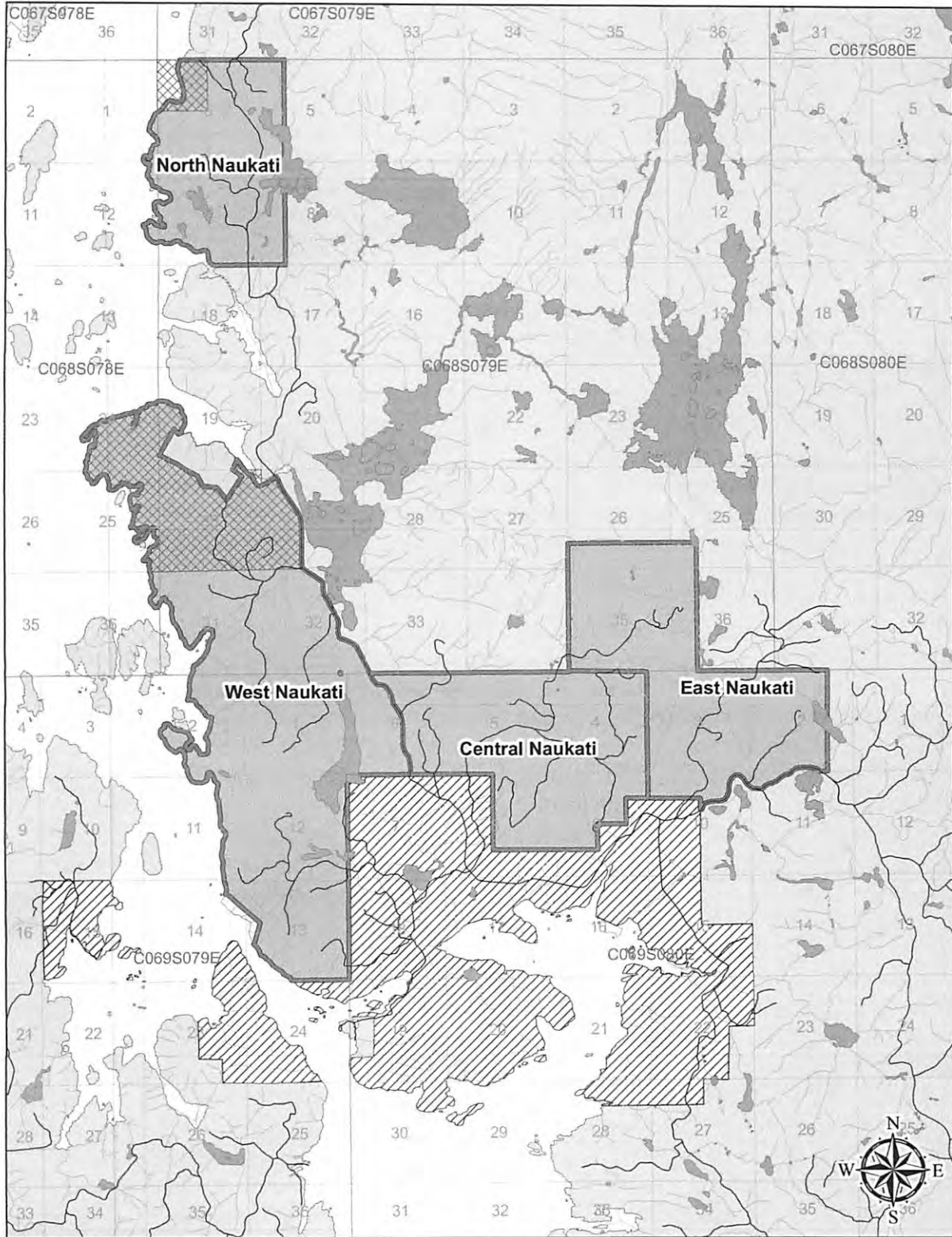
- | | |
|--|---|
|  Mental Health Selected Areas | Land Owner/Manager |
|  Shelter Cove Selection: 8,170 Acres
(Acreage is approximate.) |  Federal Administration USFS |
| |  State of Alaska |
| |  Other |




Date Printed: August 30, 2012 V2

This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.









Alaska Mental Health Trust - U.S. Forest Service Proposed Administrative Land Exchange

 Mental Health Selected Areas

Naukati Selection:
 Central 2,177 Acres
 East 2,084 Acres
 North 1,490 Acres
 West 4,914 Acres
 Total: 10,665 Acres
 (Acreage is approximate.)

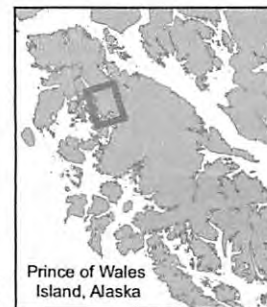
Land Owner/Manager
 Federal Administration USFS
 State of Alaska
 Other

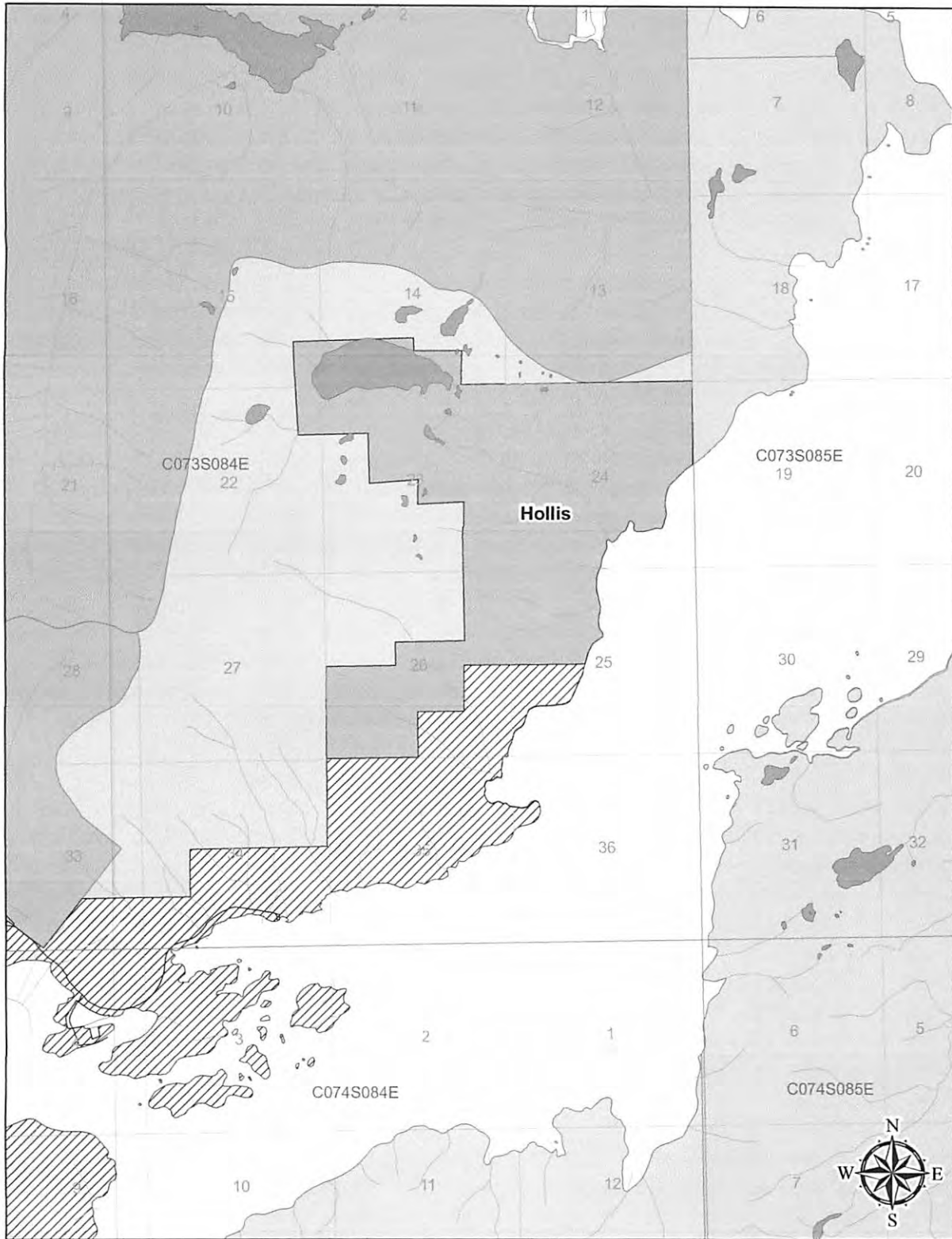
 Tongass Futures Roundtable Special Interest Area

0 0.5 1 1.5 2 Miles






Date Printed: September 18, 2012 V3

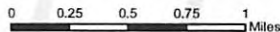
This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.





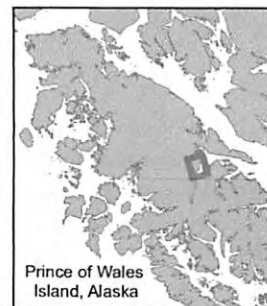
Alaska Mental Health Trust - U.S. Forest Service Proposed Administrative Land Exchange

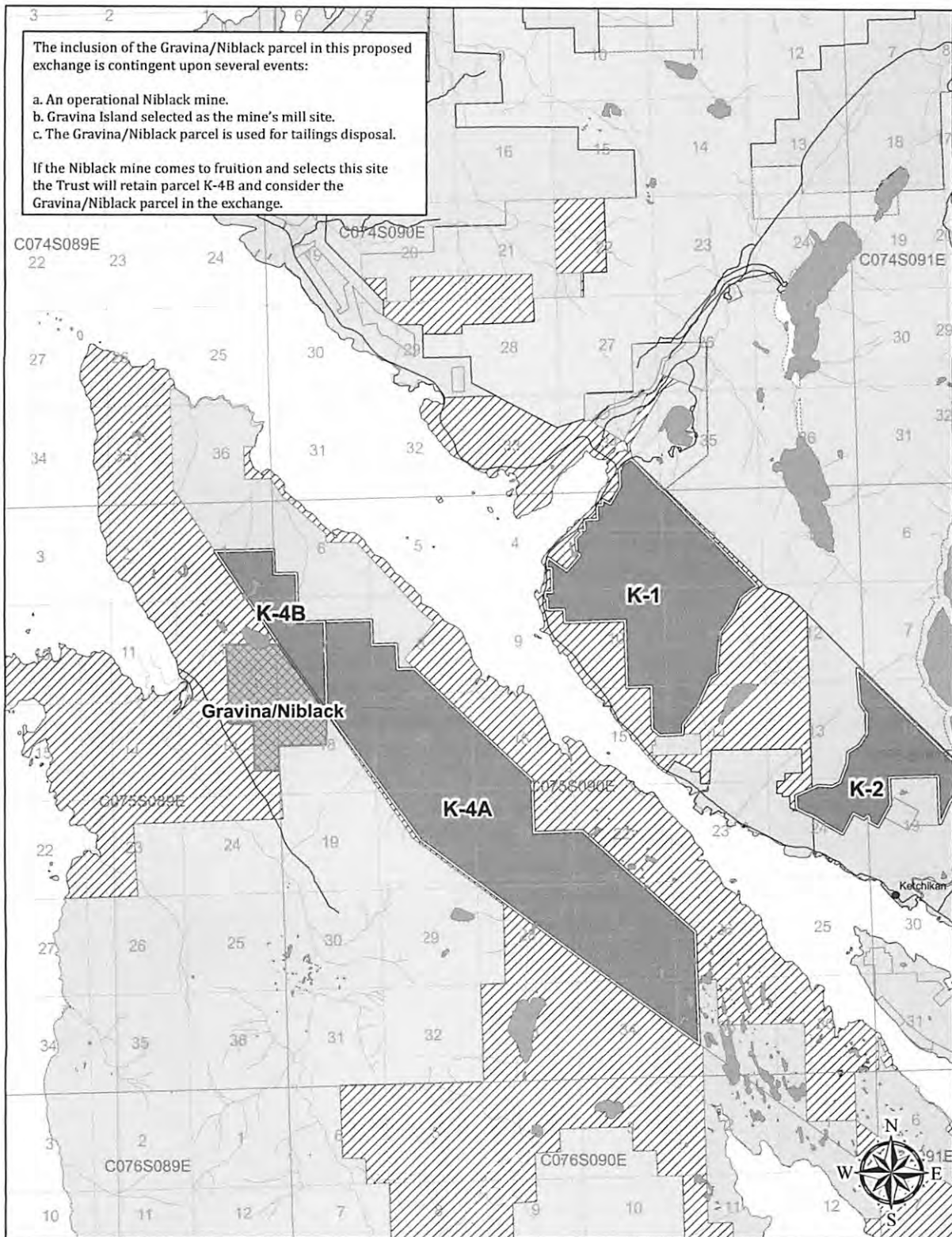
- | | |
|--|--|
|  Mental Health Selected Areas | Land Owner/Manager |
|  Federal Administration USFS |  State of Alaska |
|  Other |  Karta River Wilderness |
- Hollis Selection: 1,544 Acres
(Acreage is approximate.)



Date Printed: August 30, 2012 V3

This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.





Alaska Mental Health Trust - U.S. Forest Service Proposed Administrative Land Exchange

<ul style="list-style-type: none"> Mental Health Selected Areas Mental Health Exchange Areas Tongass Futures Roundtable Special Interest Area <p>Ketchikan Selection: 541 Acres (Acreage is approximate.)</p> <p>Date Printed: September 19, 2012 V2</p>	<p>Land Owner/Manager</p> <ul style="list-style-type: none"> Federal Administration USFS State of Alaska Other <p style="text-align: center;">0 0.5 1 1.5 2 Miles</p> <p style="font-size: small;">This is a representation of the land ownership/management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.</p>
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Southeast Alaska

Agenda Item 14

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

INFORMATION:

ATTORNEY'S FILE – Summary report was provided to the Assembly.

Agenda Item 15

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
September 27, 2016**

Executive Session – None