



CITY & BOROUGH OF WRANGELL PUBLIC HEARING AGENDA

Tuesday, September 27, 2016
6:30 – 7:00 p.m.

Location: Assembly Chambers, City Hall

1. Call to Order
2. Roll Call
3. Public Hearing Items:
 - 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)*
 - a. **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.
4. Written Testimony
5. Oral Testimony
6. Adjournment

Agenda Item 3a

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
PUBLIC HEARING 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**

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

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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 3b

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
PUBLIC HEARING 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**

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 3c

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
PUBLIC HEARING 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

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

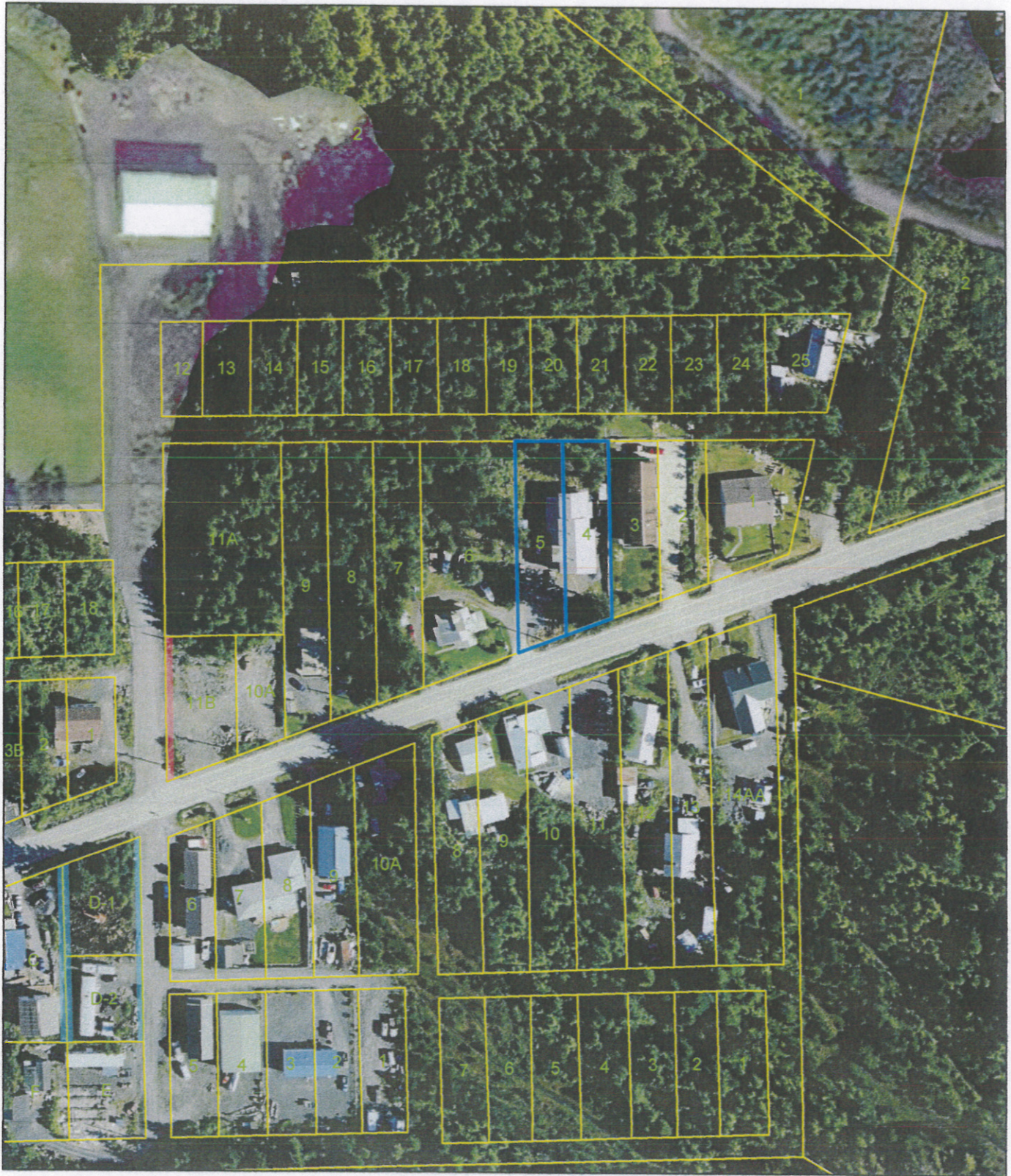
correcting many of the code violations that the structure has.

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.

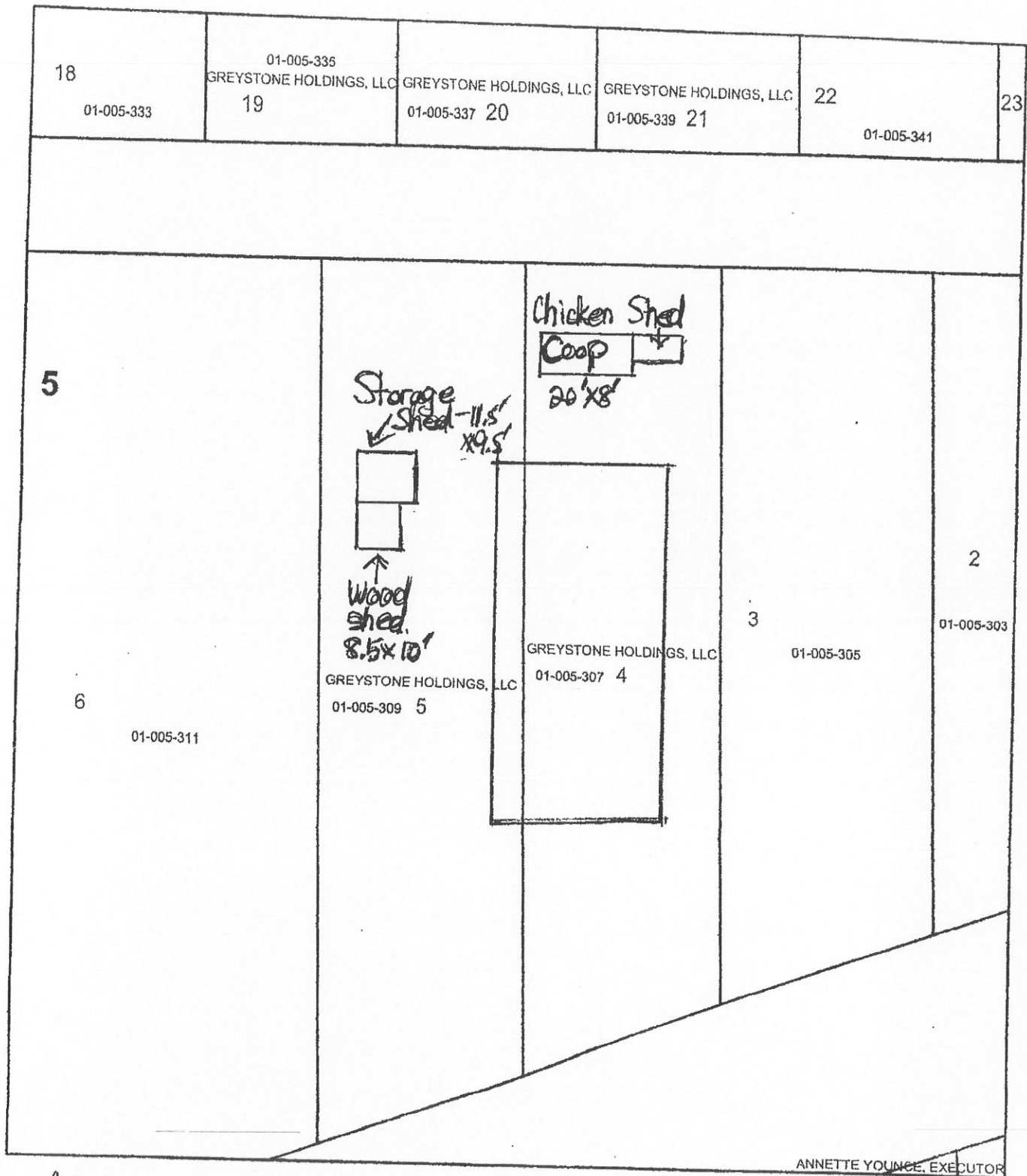
To whom it may concern,

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 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

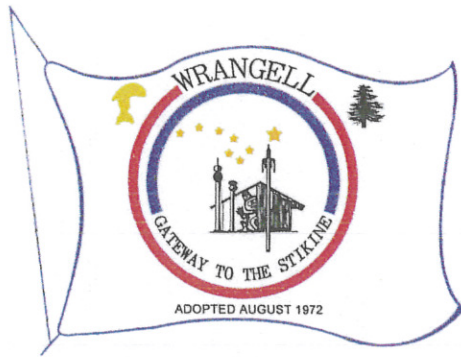


1 inch = 35 feet
Date: 7/5/2016

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

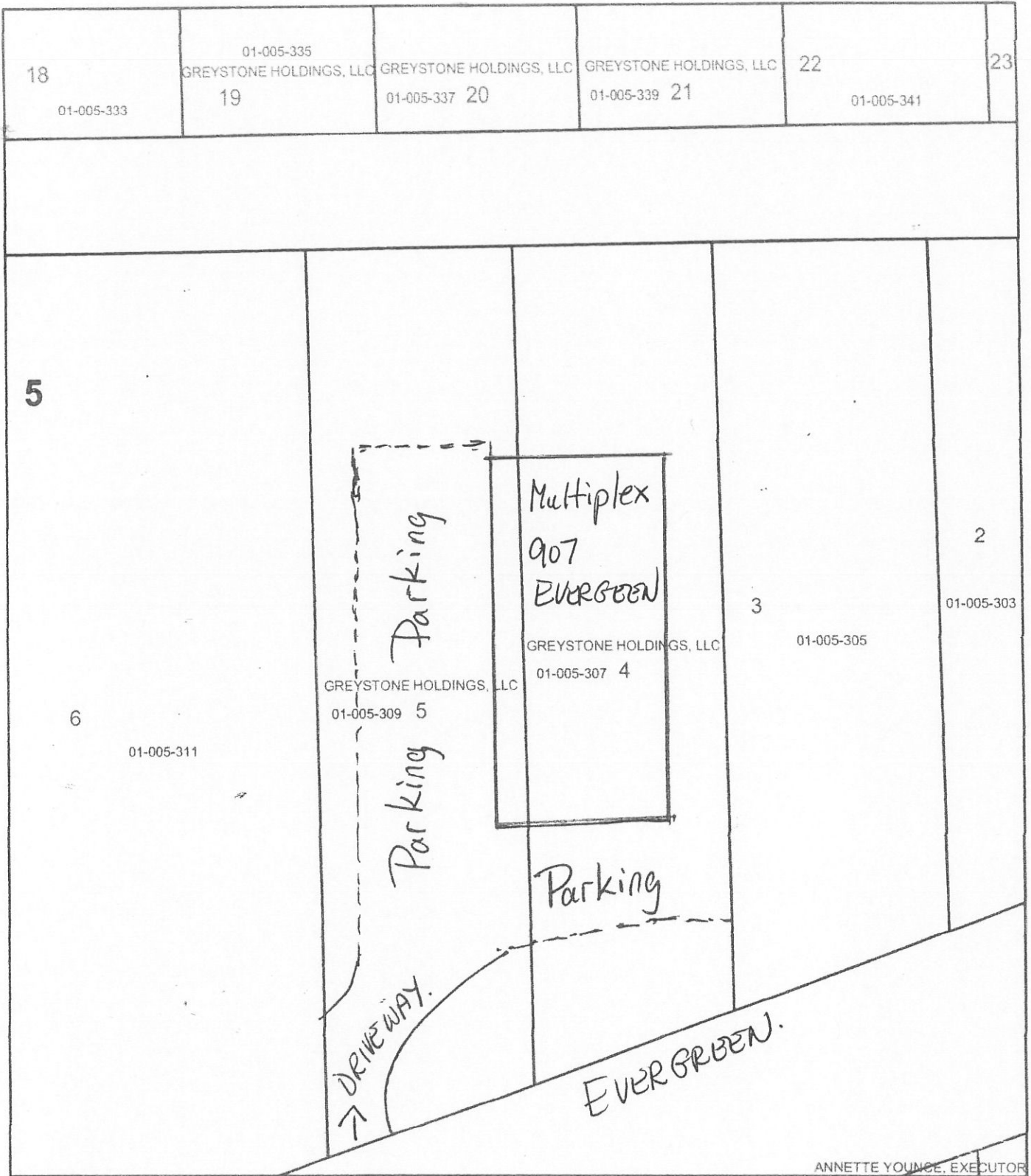
509-499-2142 [c]

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



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 Srengreen 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.

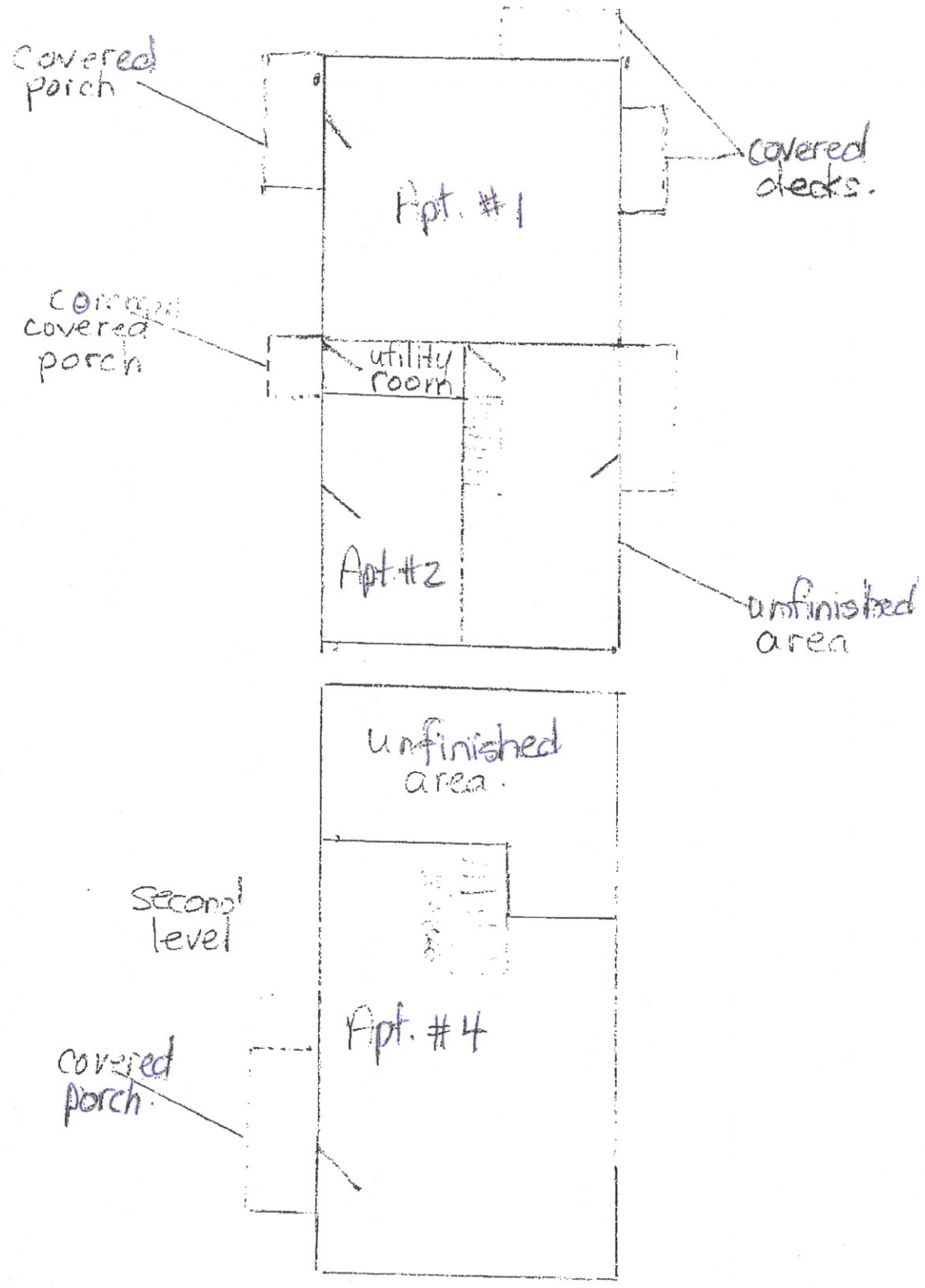
I hope this info. is helpful and contributes to a successful rezoning.

Thank you.
Isobel Buzby
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