

**CITY OF CRAIG
COUNCIL AGENDA
JANUARY 17, 2019
COUNCIL WORKSHOP 6:00 PM
COUNCIL CHAMBERS 7:00 PM**

ROLL CALL

Mayor Tim O'Connor, Dave Creighton, Hannah Bazinet, Jim See, Julie McDonald, Mike Douville,
Jan Trojan

CONSENT AGENDA

Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed and placed on the regular meeting agenda.

- 1) Notice of liquor license renewal application- Zat's Pizza
- 2) Notice of liquor license renewal application- Shelter Cove Lodge
- 3) Introduction and first reading of Ordinance 717, Authorization to negotiate a lease with Petro Marine Services
- 4) Introduction and first reading of Ordinance 718, Authorizing the city administrator to negotiate sale of city property to Richard Trojan.
- 5) Introduction and first reading of Ordinance 719, implementing a road maintenance and improvements fee at Port St. Nicholas.

HEARING FROM THE PUBLIC

- Open for public comment
- Final Reading and Public Hearing of Ordinance 716, Craig Child Care Center Lease Renewal

READING OF CORRESPONDENCE

- 1) Former ADF&G Commissioner to Head Sitka's Silver Bay Seafoods
- 2) Letter to Governor Mike Dunleavy
- 3) Mental Health Trust Finalizes First Phase of SE Land Exchange
- 4) MCB Notice of Proposed Regulation
- 5) Winter Troll Report

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- 1) Resolution 19-02, FY19 Shared Fish Tax
- 2) Ordinance 716, Craig Child Care Center Lease Renewal

UNFINISHED BUSINESS

NEW BUSINESS

- 1) Consider Purchase of Harbor Safety Ladders

ADJOURNMENT



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

December 31, 2018

City of Craig
Attn: Kassi Bateman, City Clerk
Via Email: cityclerk@craigak.com
adminclerk@craigak.com

Re: Notice of 2019/2020 Liquor License Renewal Application

License Type:	Restaurant/Eating Place	License Number:	4253
Licensee:	Zat's Pizza, LLC		
Doing Business As:	Zat's Pizza		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Handwritten signature of Erika McConnell in cursive.

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



January 8, 2019

City of Craig
Attn: Kassi Bateman, City Clerk
Via Email: cityclerk@craigak.com
adminclerk@craigak.com

Re: Notice of 2019/2020 Liquor License Renewal Application

License Type:	Beverage Dispensary – Tourism Seasonal	License Number:	4263
Licensee:	Shelter Cove Enterprises LLC		
Doing Business As:	Shelter Cove Lodge		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Handwritten signature of Erika McConnell in cursive.

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: December 26, 2018
RE: Ordinance 717, Authorization to negotiate a lease with Petro Marine

The city owns the upland and tidelands where Petro Marine currently operates from under a 20 year lease with the city. Petro's lease expires July 1, 2019 and they are interested in having their lease renewed.

The Craig Municipal Code allows for renewal of leases to existing tenants with approval by the council. The municipal code allows for renewed leases to be calculated using a current appraisal; assessed value; or adjusted value based on the Anchorage Consumer Price Index (CPI).

Petro's lease consists of three parts:

1. Fee simple lease of approximately 41,000 square feet of upland
2. Fee simple lease of approximately 10,500 square feet of tideland
3. Partial use lease of the industrial dock for pump equipment, storage, traffic, barge offloading, and transmission pipes

Currently Petro pays \$90,000 per year plus sales tax for their lease.

We have current assessed value for the upland and tideland areas and can use the assessed value as a basis for the land/tideland value. Since the industrial dock is city owned and non-taxable we do not have a current assessed lease. The value that was used for the 1999 lease was based on an appraised value. The current municipal code allows us to adjust lease values based on the change in consumer price index for Anchorage. That method would be appropriate here. The lease will be a market value lease at a minimum of 8% of market value based on the current assessed value of the property and the CPI adjusted value of the industrial dock. Based on use patterns and an the calculated assessment/CPI values the lease will likely increase some, but not significantly.

The council may consider requiring that a new appraisal of the property is prepared, however it is unlikely that an appraisal would change the value (we have not seen a significant increase in marine industrial property in recent assessments). Based on a clause in the current lease the appraisal cost would be at city expense. An appraisal of the property would like cost \$5,000 - \$10,000.

Recommendation: Approve first reading of Ordinance 717 to authorize the city administrator to negotiate with Petro Marine the terms of a renewed lease of city owned property at False Island.

Sponsor: Craig Municipal Code 16.02.020

**CITY OF CRAIG
ORDINANCE No. 717**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH PETRO 49 INC. (DBA PETRO MARINE), THE TERMS OF A LEASE OF CITY OWNED PROPERTY CONSISTING A PORTION OF LOT 1 AND LOT 4, FALSE ISLAND SUBDIVISION

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the lease of approximately 41,032 square feet of city owned upland and 10,585 square feet of city owned tideland consisting of portions of the Lots 1 and 4, False Island Subdivision, Plat 2001-15, Ketchikan Recording District. Final terms of said lease are subject to the approval of the Craig city council.

Passed and approved this 7th day of February 2019.

Tim O'Connor, Mayor

Attest

Kassi Mackie, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 11, 2019
RE: Ordinance No. 718

Attached you will find Ordinance No. 718. The ordinance, once adopted, authorizes staff to negotiate the sale of Lot 9 at the JT Brown Industrial Park to Richard Trojan.

At its June 25, 2018 meeting, the city council passed a motion to proceed with negotiating a sale of Lot 9 to Richard Trojan. That motion requires the consideration of the attached ordinance.

As a reminder to the council, Trojan and Son LLC leases Lot 9 at the industrial park from the City of Craig. The original lease began in 2001, was renewed in 2008, and again in 2018. The original lease and the renewals include an option to purchase the property. The option for the tenant to purchase permits the application of up to 20 percent of the lease payments against the purchase price of the lot.

Among council comments at the June 25 meeting regarding whether to proceed toward the sale of the property were those stressing the need for the applicant to put forward reasons why the city should sell the property, reasons apart from just receiving cash for the sale of the property. I have reminded Mr. Trojan about these comments and encouraged him to think about why selling the property is in the city's interest.

Recommendation

Approve Ordinance No. 718 at first reading.

**CITY OF CRAIG
ORDINANCE No. 718**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH MR. RICHARD TROJAN THE TERMS OF A SALE OF CITY PROPERTY AT LOT 9, PLAT 2002-44, AT THE JT BROWN INDUSTRIAL PARK

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of Lot 9, Plat 2002-44, at the JT Brown Industrial Park to Mr. Richard Trojan. Final terms of said sale are subject to the approval of the Craig city council. This action is enabling only. Neither the City of Craig nor Mr. Trojan is obligated to complete a sale of the subject property.

Passed and approved this ____ day of _____, 2019.

Mayor Tim O'Connor

Attest _____
Kassi Mackie, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 10, 2019
RE: Ordinance No. 719: Port St. Nicholas Road Maintenance Fee

Attached you will find Ordinance No. 719. The ordinance implements a road maintenance fee on lots bordering the Port St. Nicholas Road between the Craig city limits to a point near the city's water treatment plant.

I. Background

In 2016, the council directed staff to consider options available for collecting a fee to offset some of the cost of road maintenance from properties bordering the portion of the road to which the city has a property interest, and along which runs the city's water transmission and distribution mains. The city has a decades-long history of providing maintenance to this portion of the road.

The council is aware of the efforts in recent years to address this matter. Since 2016, city staff has taken specific steps and considered options for implementing the road maintenance fee. Some of those activities are those listed below:

1. City staff met with PSN property owners on the following dates:
 - a. November 10, 2016
 - b. November 30, 2016
 - c. January 10, 2017
 - d. February 21, 2018
2. Staff developed, implemented, and made available results of, an on-line survey seeking input from PSN residents on maintenance and financing or PSN Road maintenance.
3. Staff researched toll road options for the PSN Road.
4. Staff provided documentation to PSN residents regarding estimates of recent PSN Road maintenance costs and future projected costs, PSN Road ownership documentation, a copy of the PSN Road maintenance agreement with the State of Alaska, and handout on low volume toll roads around the United States.
5. PSN residents and property owners have attended many city council meetings to provide comments on the project.
6. Staff has circulated publicly numerous drafts of an ordinance to implement a road maintenance fee, and made many wording changes based on public and council input.
7. Staff has prepared multiple reports updating the council on activities related to the project.

II. Ordinance Implementation

Below is a summary description of how the maintenance and fee process in the ordinance would work, and assuming the work revolves around the city's fiscal year, and not the calendar year.

1. Per 12.10.040.A, city staff prepares the annual maintenance report by September 30. The report details work tasks and expenses to maintain the PSN Road for the prior fiscal year. The report is presented to the city council via a council meeting agenda item.

2. City staff produces the plan of work, (per 12.10.040) documenting the work planned for the PSN Road for the coming fiscal year. This report is due to the council by December 31 via council meeting agenda item.
3. City staff issues billing statements to the PSN property owners, based on the fee set in the ordinance. This may occur in December. A formal appeal process then begins per 12.10.080.
4. The process restarts at step 1.

This process provides for scheduled public comment at steps 1 and 2, and a formal appeal process at step 3.

The ordinance has two enforcement mechanisms. One is to file a lien on a property where the owner has not paid the maintenance fee. This process documents the debt owed based on the ordinance and provides for a mechanism of payment of the amount owed upon sale of the property. The city could also move to foreclose on a delinquent lot, based upon processes outlined in state statute. A second mechanism to assist with collection of the fee is withholding new water service connections to properties delinquent in paying the maintenance fee.

Enforcement mechanisms are rarely popular provisions of laws and ordinances. This ordinance is no exception, as the enforcement provisions have been the subject of much discussion. The enforcement measures included in Ordinance 719 are already available to the city for collection of debts, but are rarely used. While other measures can be considered, some method of implementing this ordinance, and any other, is necessary.

I recommend that the council consider two changes to the ordinance at either first or second reading. The recommended changes are detailed below.

1. Change the proposed maintenance fee to 45 percent of costs, with a \$150.00 cap

At its December 6 meeting, the council directed staff to include in the ordinance an annual per lot maintenance fee of \$150.00. The council took this action in response to requests by some PSN property owners to provide some certainty as to the out of pocket cost of the fee, rather than setting a percentage of maintenance cost recovery. My concern with setting the fee at \$150 is two-fold. First, a \$150 per lot fee is likely to generate about \$27,000 each year. While staff estimates a typical year's maintenance cost at about \$41,000, it is possible that some years the city may spend less than that amount on maintenance, and may spend less than even the \$27,000 collected by the fee. Given that the council does not intend to collect the full cost of road maintenance from the PSN properties subject to the fee, collecting more from the fee than is spent on maintenance, or collecting funds that exceed the intended percentage of cost recovery becomes problematic. Second, there is merit in the city setting a cost recovery goal of less than fifty percent of annual PSN Road maintenance costs. While one source of documentation I have shows that trips by residents on a given road account for between two thirds and three quarters of road traffic, we don't have similar data specific to the PSN Road. While one can make a good case that PSN resident traffic accounts for most of the vehicle volume along the PSN Road, setting a cost recovery goal of less than 50 percent shows the city's intent to offset only a fraction of the actual maintenance costs through the proposed fee, and account for the presence of non-local traffic loads along the road. Setting the fee to a level less than fifty percent of actual costs, and capping the dollar amount at \$150.00 achieves both the council's goal of providing

certainty as to the upper dollar limit of the fee, while ensuring that the fee does not generate more than a set percentage of maintenance costs as a matter of policy.

2. Formally solicit PSN comments on Plan of Work

The city received a request recently from a PSN property owner asking for more formal participation with the city council as to the fee setting process. While the ordinance already contains more than one opportunity for formal public participation in setting the fee, the council can consider adding wording to Section 12.10.040.B of the ordinance in an attempt to formalize PSN property owner participation.

Section 12.10.040.B calls for the preparation of a plan of work and budget for the coming year's expected maintenance work at the PSN Road. As a means to formally consider PSN property owner comments, the council can add the underlined text below.

B. The Public Works Department of the city shall prepare an annual plan of work and budget estimating the work tasks and the capital and operational costs for the Port St. Nicholas Road. The annual plan of work may include road brushing, plowing, sanding, sweeping, striping, surfacing, grading, excavation, maintenance of culverts and drainage structures, repair and maintenance of asphalt and concrete, and all other tasks and costs reasonably related to operation, maintenance, and improvement of the road. The proposed plan of work shall be made available for a 30-day public review and comment period. At the conclusion of the 30-day comment period the City of Craig shall consider all comments received and report the same to the city council. The annual plan shall be presented to the City Council for public comment and consideration of adoption no later than 180 days following the end of the reporting period.

III. Authority

The basis for the proposed PSN road maintenance fee is found at various provisions of Alaska Statutes and the Alaska Constitution, some of which are listed in the ordinance. Some property owners at PSN have voiced doubts about the authority of the City of Craig to assess and collect a road maintenance fee, and have retained the services of an attorney, who has contacted city staff as to the matter. Copies of letters from the attorney are attached. If the council chooses to adopt an ordinance implementing the road maintenance services and fee, it should be prepared to defend the action in court. The outcome of any such litigation, like any court action, is uncertain.

Recommendation

Approve Ordinance 719 at first reading, and adopt the two changes recommended by staff in Section II of this memo.

Attachments: Ordinance 719

Correspondence from Law Office of Guess & Rudd

**CITY OF CRAIG
ORDINANCE NO. 719**

**ADDING CHAPTER 12.10 TO THE CRAIG MUNICIPAL CODE PROVIDING FOR
ROAD MAINTENANCE AND CAPITAL IMPROVEMENTS ALONG THE PORT ST.
NICHOLAS ROAD AND ESTABLISHING A FEE FOR MAINTENANCE AND
IMPROVEMENTS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG, ALASKA:

WHEREAS, the City of Craig exercises general powers per Alaska Statutes 29.35.010 and other enabling statutes, including street and road maintenance powers; and,

WHEREAS, Section 1, Article 10 of the Alaska Constitution provides that a liberal construction shall be given to the powers of local government units; and

WHEREAS, the City of Craig provides maintenance and capital improvements to the Port St. Nicholas Road outside the Craig city limits; and,

WHEREAS, the City of Craig is authorized to provide services, including streets, outside its boundaries per Alaska Statutes 29.35.020, and may regulate the use and operation of streets outside its boundaries to the extent that the jurisdiction in which they are located does not regulate them; and,

WHEREAS, Alaska Statutes 29.71.800 defines streets to include roads; and,

WHEREAS, there is no jurisdictional entity within the Port St. Nicholas Road as defined in this ordinance that provides maintenance to and improvement of the Port St. Nicholas Road in the manner proposed in this ordinance; and,

WHEREAS, the City of Craig has a property interest in the Port St. Nicholas Road consisting of an easement and fee simple title to surface estate conveyed by quitclaim deed; and,

WHEREAS, the Port St. Nicholas Road contains a water main that is the sole means of transmission of potable water between the city's water treatment plant and its water customers, which includes both city residents and many Port St. Nicholas residents, and constitutes vital public infrastructure for city and Port St. Nicholas residents; and,

WHEREAS, ongoing maintenance to the Port St. Nicholas Road benefits the water main by ensuring reasonable access to and functioning of the main; and,

WHEREAS, the City of Craig agreed to provide maintenance to the Port St. Nicholas Road in cooperation with the State of Alaska to meet a state-imposed condition to accept federal funding to upgrade and pave the road; and,

WHEREAS, the City of Craig assumed all the rights of ownership from Shaan Seet contained in the Declaration of Protective Covenants, Restrictions, Easements and Agreements, as recorded August 14, 1984 at Book 124 in the Ketchikan Recording District, including but not limited to determining a reasonable manner to partially reimburse the City of Craig for providing maintenance and improvement to the Port St. Nicholas Road; and

WHEREAS, the maintenance and improvements to the Port St. Nicholas Road by the City of Craig benefit the owners of properties along the Port St. Nicholas Road; and

WHEREAS, the Council finds it to be an unfair burden on the residents of the City of Craig to bear the entire cost for the maintenance and improvement of the Port St. Nicholas Road; and

WHEREAS, Alaska law does not allow the City of Craig to establish the Port St. Nicholas Road as a service area because the service could be provided by annexation of the Port St. Nicholas area to the City of Craig; and

WHEREAS, maintenance, repair, and improvement activities on the Port St. Nicholas Road are a significant cost to the City of Craig; and

WHEREAS, by adoption of this ordinance, the Craig City Council authorizes the delivery, outside of the city's municipal boundaries, of road operation, repair, maintenance, construction, improvements and any other road services and facilities as described in this ordinance; the council further authorizes the exercise of the powers necessary for the provision of those services.

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application 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.

Section 3. Effective Date. This ordinance shall take effect July 1, 2019.

Section 4. Action. This ordinance establishes a new chapter at 12.10 of the Craig Municipal Code.

Chapter 12.10

Port St. Nicholas Road Maintenance and Improvement and Road Maintenance and Improvement Fee - Extraterritorial

Sections:

- 12.10.010 Road Maintenance and Improvement Fee.**
- 12.10.020 Fee Set.**
- 12.10.030 Use of Fee.**
- 12.10.040 Annual Maintenance Report; Plan of Work.**
- 12.10.050 Prohibition Applied to Delinquent Properties.**
- 12.10.060 Notices to Property Owner.**
- 12.10.070 Notices from Property Owner.**
- 12.10.080 Appeal; Judicial Review.**
- 12.10.090 Definition.**

12.10.010 Road Maintenance and Improvement Fee

- A. The owner of record of any lot or property intersecting with the Port St. Nicholas Road, or any lot or tract that lies within 350 feet of the Port St. Nicholas Road, shall pay to the City of Craig a road maintenance and improvement fee.
- B. Road maintenance and improvement fee bills shall be mailed by regular US Mail to property owners of record on a regular basis as established by the City Council.
- C. Each bill rendered shall be due when mailed. All bills not paid within sixty (60) days of the mailing date shall be considered delinquent.
- D. At any time after the account becomes delinquent, a notice of delinquency may be sent to the owner.
- E. Upon delinquency, the city may lien the delinquent property in accordance with Chapter 1.20 of the Craig Municipal Code and provide notice of the lien to the owner of record. The city may seek to recover the delinquent fee and costs of collection, including attorney's fees, by any manner allowable by law.
- F. Chapter 12.10 applies to areas outside the city limits.
- G. Each lot owner shall be responsible for providing the City of Craig with a valid mailing address. The City of Craig shall have no responsibility other than mailing to the last known address as provided by the lot owner.

12.10.020 Fee Set

The annual road maintenance and improvement fee is set at \$150.00 per lot or tract.

12.10.030 Use of Fee

- A. Fees collected under this section shall be held in a special revenue fund, subject to annual audit and reporting in the same manner as other special revenue funds maintained by the city.
- B. Road maintenance and improvement fees collected will be appropriated from time to time by the city council to meet maintenance, repair, capital improvement, and operational costs of the Port St. Nicholas Road. Fees collected under this chapter shall not be used

for the maintenance, repair, capital improvement, or operational costs of the city's water main within the Port St. Nicholas Road.

12.10.040 Annual Maintenance Report; Plan of Work.

- A. The Public Works Department shall prepare an annual maintenance report. The report shall include a description of all capital and maintenance activities performed within the road corridor during the course of the reporting period. The report shall also include an accounting of all fees collected and all expenses incurred during the reporting period. The report shall be provided to the City Council no later than 90 days following the end of the reporting period.
- B. The Public Works Department of the city shall prepare an annual plan of work and budget estimating the work tasks and the capital and operational costs for the Port St. Nicholas Road. The annual plan of work may include road brushing, plowing, sanding, sweeping, striping, surfacing, grading, excavation, maintenance of culverts and drainage structures, repair and maintenance of asphalt and concrete, and all other tasks and costs reasonably related to operation, maintenance, and improvement of the road. The annual plan shall be presented to the City Council for review no later than 180 days following the end of the reporting period.

12.10.050 Prohibition Applied to Delinquent Properties

The City of Craig shall not approve or authorize installation of a new water service connection, where no service previously existed, to any property for which the fees required to be paid by the property owner of record under this chapter are delinquent.

12.10.060 Notices to Owner

Notices from the City of Craig to the owner of record will be given in writing and either mailed to or delivered to the owner's last known address. Where conditions warrant in emergencies, the city may notify the owner verbally by telephone or messenger or by text message or e-mail.

12.10.070 Notices from Owner

Notices from owners to the city shall be in writing and mailed to Craig City Hall or delivered to the office of the city clerk at Craig City Hall.

12.10.080 Appeal; Judicial Review.

- A. An owner of record who receives a billing pursuant to 12.10.010 of this chapter may file a protest in writing to the city administrator within thirty days (30) of the mailing of the bill in accordance with 12.10.010. The protest shall state all of the factual and legal grounds for the protest and submit all supporting documents to be considered by the city administrator in deciding the protest. Any outstanding bill for the road maintenance and improvement fee must be paid in full at the time of the filing of the protest. The failure to submit full payment of any outstanding bill shall result in the city clerk notifying the owner of record that the protest is incomplete and not in compliance with this provision and will not be considered by the city administrator. The decision of the city administrator shall be a final decision and shall be provided to the owner of record by certified mail.

- B. Judicial review by the Superior Court, First Judicial District, at Prince of Wales Island, Alaska, may be had by filing a notice of appeal in accordance with Alaska Rules of Appellate Procedure 602(a)(2) no later than thirty days (30) after the city's receipt of the return of service of the decision of the city administrator to the owner of record.

12.10.090 Definition

Except where otherwise defined in this chapter, "Port St. Nicholas Road" is defined as the 60 foot wide road corridor beginning at the intersection of the City of Craig municipal boundary with the Port St. Nicholas Road, and ending at Station 278+89.57, a point 29.57' bearing S88°32'W of Point of Curvature No. 37 of the Port St. Nicholas Road, as shown on Sheet 11 of 14 of Plat 95-57, Ketchikan Recording District.

GARY A. ZIPKIN
LOUIS R. VEERMAN
JAMES D. LINXWILER
GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
CHRISTINA RANKIN
KRISTINA BRYANT
ADAM D. HARKI

LAW OFFICES OF
Guess & Rudd
P.C.

1029 W. 3RD AVENUE, SUITE 400
ANCHORAGE, ALASKA 99501-1958
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W. EUGENE GUESS 1932-1975
JOSEPH RUDD 1933-1978
FRANCIS E. SMITH, JR. 1941-1991

OF COUNSEL
JAMES D. DEWITT
ROBYN K. LINXWILER
PATRICK N. BERGT

September 19, 2017

RECEIVED
SEP 25 2017

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

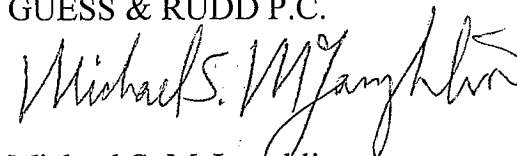
Dear Mr. Bolling:

This office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I understand the City may attempt to assess properties outside the city limits for improvements to and maintenance of the road. Please notify me of any upcoming efforts by the City to do so and provide any legal justification for making such assessment of properties outside the city limits.

Thank you for your attention to this matter.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

GARY A. ZIPKIN
JAMES D. LINXWILER
GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
CHRISTINA RANKIN
KRISTIN E. BRYANT
ADAM D. HARKI

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W. EUGENE GUESS 1932-1975
JOSEPH RUDD 1933-1978
FRANCIS E. SMITH, JR. 1941-1991

OF COUNSEL
JAMES D. DEWITT
ROBYN K. LINXWILER
PATRICK N. BERGT

RECEIVED
APR 16 2018

April 12, 2018

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

VIA Facsimile (907) 826-3278
& First Class Mail

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

Dear Mr. Bolling:

As you know, this office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I have reviewed the draft ordinances contained in the April 5, 2018 City Council packet related to the road and the City's attempts to regulate it.

While the City can, under AS 29.35.020, regulate the use and operation of certain assets located outside the boundaries of the City, there are limits to the City's powers under that statute. The statute specifically refers to regulating the use and operation of the facilities. However, there is nothing giving the City the ability to assess, charge, or levy fees or record liens on properties extraterritorially. We view this as a step too far. While a city in Alaska may, for its own purposes, decide to build infrastructure beyond its boundaries, it may not charge the residents outside the city for maintaining that infrastructure in which they had no voice in deciding to construct. The residents outside the City do not have representation on the City Council, and are not allowed to vote in City elections. While we appreciate your outreach to the PSN community, the City is really attempting to impose fees and liens on people who have no representation in connection with the proposed ordinances.

The City did not build the Port St. Nicholas Road nor took any maintenance responsibility outside the City until it entered into the maintenance agreement with the State of Alaska. Now the City is seeking to impose those ongoing costs of maintaining and improving that infrastructure on others after the fact. We understand that you are trying to collect funds from various sources to help pay the costs of road improvement and maintenance, and that budgets are tight, but since this road was built by someone else

Jon Bolling
April 12, 2018
Page 2

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Please have the City of Craig's attorney contact me about this matter so I can discuss this issue further with him or her and obtain the full legal justification for the proposed fees and liens. We do not believe the legal justification offered in your memorandum in the April 5, 2018 City Council packet is sufficient or correct. The time to resolve this issue is right now, before the City passes and attempts to implement a potentially faulty fee and lien system which could lead to litigation to protect the rights of my clients and others.

Thank you for your immediate attention to this matter and I look forward to hearing from the City's attorney.

Very truly yours,

GUESS & RUDD P.C.

A handwritten signature in black ink, appearing to read "Michael S. McLaughlin", written in a cursive style.

Michael S. McLaughlin

cc: Jessica Pinnick

GEORGE R. LYLE
MICHAEL S. MCLAUGHLIN
CHRISTINA RANKIN
KRISTIN E. CRABB
ADAM D. HARKI
TRACIN. OLIVAS

LAW OFFICES OF
Guess & Rudd
P.C.

1029 W. 3RD AVENUE, SUITE 400
ANCHORAGE, ALASKA 99501-1958
TELEPHONE (907) 793-2200
FACSIMILE (907) 793-2299
www.guessrudd.com

W. EUGENE GUESS 1932-1976
JOSEPH RUDD 1933-1978
FRANCIS E. SMITH, JR. 1941-1991

OF COUNSEL
GARY A. ZIPKIN
JAMES D. LINKWILER
JAMES D. DEWITT
ROBYN K. LINKWILER
PATRICK N. BERGT

December 12, 2018

RECEIVED
DEC 17 2018

Robert P. Blasco, Esq.
Hoffman & Blasco, LLC
9360 Glacier Highway, Suite 202
Juneau, Alaska 99801

Re: City of Craig Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

Dear Bob:

As you know, this office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I have reviewed the most recent draft ordinance provided to the City Council related to the road and the City's attempts to regulate it.

My clients continue to object to the draft ordinance adding Chapter 12.10 to the City of Craig Municipal Code. As you and I discussed earlier this year, my clients and I do not agree that AS 29.35.020 grants the City the ability to assess, charge, or levy fees or record liens on properties extraterritorially. As we have discussed, the residents outside the City do not have representation on the City Council, and are not allowed to vote in City elections. For example, section 12.10.040 provides for the Public Works Department to prepare an annual plan of work and budget for review and, presumably, approval by the City Council. My clients have no voice in this process. This is, in effect, taxation without representation.

It is particularly troublesome in that only a small number of property owners along the road close to town are being charged when none of the other property owners along the road are being included. In addition, I believe that new section 12.10.050 prohibiting delinquent properties from obtaining water service may not be legal in light of the obligations imposed by the City's Certificate of Public Convenience and Necessity No. 1167 issued by the Regulatory Commission of Alaska. Water service and road maintenance are unrelated, particularly in light of section 12.10.030(B)'s prohibition of any of the road fees being used for the water main.

Robert P. Blasco, Esq.
December 12, 2018
Page 2.

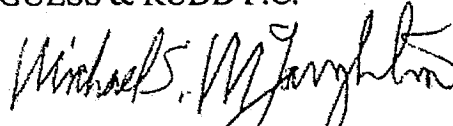
As we have noted before, the City did not build the Port St. Nicholas Road nor took any maintenance responsibility outside the City until it entered into the maintenance agreement with the State of Alaska. Now the City is seeking to impose those ongoing costs of maintaining and improving that infrastructure it voluntarily agreed to assume on my clients after the fact. We certainly understand that the City is trying to collect funds from various sources to help pay the costs of road improvement and maintenance, and that budgets are tight, but since this road was built by someone else and the maintenance was only taken over relatively recently by the City, it should bear the maintenance and improvement costs itself or with the federal money it receives for that purpose.

Please have the City permanently withdraw the proposed ordinance adding Chapter 12.10. The time to resolve this issue is right now, before the City passes and attempts to implement a potentially faulty fee and lien system which will very likely lead to litigation to protect the rights of my clients and others.

Thank you for your immediate attention to this matter and I look forward to hearing from you.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

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OF COUNSEL
JAMES D. DEWITT
ROBYN K. LINXWILER
PATRICK N. BERGT

September 19, 2017

RECEIVED
SEP 25 2017

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

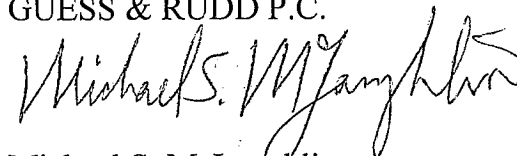
Dear Mr. Bolling:

This office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I understand the City may attempt to assess properties outside the city limits for improvements to and maintenance of the road. Please notify me of any upcoming efforts by the City to do so and provide any legal justification for making such assessment of properties outside the city limits.

Thank you for your attention to this matter.

Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

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RECEIVED
APR 16 2018

April 12, 2018

Jon Bolling
City Administrator, City of Craig
P.O. Box 725
Craig, Alaska 99921

VIA Facsimile (907) 826-3278
& First Class Mail

Re: Potential Assessment on Port St. Nicholas Road
Our File No. 6520.1

Dear Mr. Bolling:

As you know, this office has been retained to represent the interests of certain property owners located outside the City of Craig along the Port St. Nicholas Road. I have reviewed the draft ordinances contained in the April 5, 2018 City Council packet related to the road and the City's attempts to regulate it.

While the City can, under AS 29.35.020, regulate the use and operation of certain assets located outside the boundaries of the City, there are limits to the City's powers under that statute. The statute specifically refers to regulating the use and operation of the facilities. However, there is nothing giving the City the ability to assess, charge, or levy fees or record liens on properties extraterritorially. We view this as a step too far. While a city in Alaska may, for its own purposes, decide to build infrastructure beyond its boundaries, it may not charge the residents outside the city for maintaining that infrastructure in which they had no voice in deciding to construct. The residents outside the City do not have representation on the City Council, and are not allowed to vote in City elections. While we appreciate your outreach to the PSN community, the City is really attempting to impose fees and liens on people who have no representation in connection with the proposed ordinances.

The City did not build the Port St. Nicholas Road nor took any maintenance responsibility outside the City until it entered into the maintenance agreement with the State of Alaska. Now the City is seeking to impose those ongoing costs of maintaining and improving that infrastructure on others after the fact. We understand that you are trying to collect funds from various sources to help pay the costs of road improvement and maintenance, and that budgets are tight, but since this road was built by someone else

Jon Bolling
April 12, 2018
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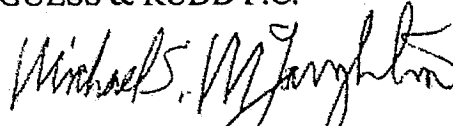
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Very truly yours,

GUESS & RUDD P.C.



Michael S. McLaughlin

cc: Jessica Pinnick

Former ADF&G commissioner to head Sitka's Silver Bay Seafoods

Posted by KCAW News | Jan 3, 2019

Former Alaska Department of Fish & Game Commissioner Cora Campbell has been named CEO of Sitka-based Silver Bay Seafoods, as of January 1, 2019.

Campbell has held the title of chief external affairs officer for Silver Bay since June of 2018. She was commissioner of the Alaska Department of Fish & Game under Governor Sean Parnell from 2010 to 2014.

Former Sitka municipal engineer Rich Riggs has been the CEO of Silver Bay since the company's founding in 2007. According to a news release, Riggs will remain a managing partner overseeing all sales and related activities for the processor.

Silver Bay co-founder and president Troy Denkinger will also take on a managing partner role, focusing on the overall "fisherman experience" throughout the organization.

Denkinger is a seiner, one of 450 fishermen-owners of Silver Bay, which now has 6 processing operations in Alaska, and one in California.

Cora Campbell is from Petersburg, Alaska, and has spent her lifetime in fisheries. Campbell previously served on the North Pacific Fisheries Management Council. At 31, she was one of the youngest people ever to serve in the governor's cabinet. She was named commissioner of Fish & Game only 10 years after earning a Bachelor's degree from Pacific Lutheran University in 2000.

After leaving her state post, Campbell became president and CEO of Siu Alaska Corporation in 2015. Siu Alaska is a for-profit subsidiary of the Norton Sound Economic Development Corporation, with interests in six different commercial fishing ventures in the Bering Sea.



January 4, 2019

Governor Mike Dunleavy
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Dunleavy:

The City of Craig supports exempting the Tongass National Forest from the national Roadless Rule.

The rule changed profoundly the management of public lands on Prince of Wales Island, and in Southeast Alaska. Application of the rule unnecessarily discourages mining, energy development, communications improvements, timber harvest, road construction, and other activities on lands that were previously open to such activities.

Removing application of the rule on the Tongass better supports the region's economy without sacrificing stewardship of public lands. Ample land use guidelines exist wholly apart from Roadless that provide for proper management of the forest. Managed access to the natural resources in the Tongass, including minerals, timber, energy, water, and other resources, is essential for the well-being of the communities in and near the forest.

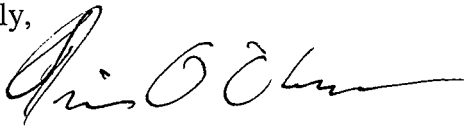
When the acreage set aside by the Tongass Transition Plan and Roadless Rule is combined with the 4.5 million acres of the Tongass National Forest designated as Wilderness by the ANILCA, and the 1.1 million acres of the Tongass National Forest designated as Wilderness and Land Use Designation (LUD) II by the TTRA, resource development is limited or prohibited on approximately 15.2 million acres of the 16.9-million acre Tongass National Forest—approximately 90 percent of the Forest. On Prince of Wales Island, approximately 40 percent of the land base in the Thorne Bay Ranger District, and approximately 60 percent of the Craig Ranger District, are identified as Roadless, not including lands designated as Wilderness. Such withdrawals from the developable land base unreasonably reduce economic opportunities without commensurate community benefits.

As the Forest Service moves to eliminate application of the Roadless Rule from the Tongass, it should also modify its timber sale program. The program should provide volumes of timber from public lands suitable to meet the capacity of existing mills in the region. Sales should carry requirements for domestic, and preferably local, processing with minimal volumes authorized for round log export. If the rule is repealed, lands designated "Outside Islands LUD II Management Area" west of Craig should remain in LUD II status.

Communities are as reliant as ever on reasonable access to national forest lands. Several communities and school districts on Prince of Wales Island, for example, have converted the heating systems of public buildings to low carbon-emitting wood heat. These systems rely on ongoing timber sales from and continued access to National Forest lands. For our part, the City of Craig purchases wood byproducts from the milling process to heat three community buildings. The city also leases to a local sawmill wood drying equipment that the mill uses in its manufacture of sawdust to manufacture compressed sawdust logs for commercial and home use.

Elimination of the Roadless Rule will provide a better opportunity for local decision-making efforts as to management measures on public lands, and eliminate the chilling effect the Rule has historical uses of the forest. At the same time, taking steps to limit round log export of most timber harvested off the forest, providing wood to meet existing milling capacity on the Tongass preserves, and retaining the status of the Outside Islands Management Area provides for our community's economic and natural resource needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim O'Connor", written in a cursive style.

Mayor Tim O'Connor

Cc: Alaska Congressional Delegation

Mental Health Trust finalizes first phase of Southeast land exchange

Friday, January 4th, 2019 3:40pm

Anchorage, Alaska (KINY) - Following more than a decade of planning and public input, the Alaska Mental Health Trust Authority has approved a major land exchange with the United States Forest Service in Southeast Alaska.

The exchange, authorized by both state and federal legislation, includes approximately 18,258 acres of Trust lands for approximately 20,528 acres of USFS lands. The exact size and location of the parcels exchanged will be equalized based upon appraised value.

The first phase of the exchange, which the Trust finalized with board approval on Jan. 3, includes conveyances of about 2,500 acres of Trust lands around Ketchikan for about 2,400 acres of USFS lands near Naukati, on Prince of Wales Island. These parcels are not equal in value, but equalization of land values occurs in Phase 2. Conveyance of the Phase 1 parcels allows the Trust's timber contract with Viking Lumber to proceed with harvest on the Naukati parcel in 2019.

This exchange ensures that Trust can monetize its lands and timber resources providing the greatest return for its beneficiaries, provides timber resources to the Southeast timber industry, and reduces conflicts with Southeast communities who sought to preserve viewsheds and other interests by shielding nearby lands from timber harvest.

The federal Alaska Mental Health Exchange Act of 2017 and its complimentary State of Alaska legislation were the result of collaboration between the Trust, USFS, the timber industry, environmental and conservation organizations, Southeast communities, State of Alaska and other concerned stakeholders.

"I want to thank all of those who worked so hard to address stakeholder concerns and make this exchange happen," said Mike Abbott, CEO of the Trust. "Our overarching mission is to provide financial support for mental health resources for to those who need it most, our beneficiaries. This land exchange will provide a return to the Trust that will help fund beneficiary programs and initiatives for years to come."

Surveys, appraisals, reviews for hazardous materials, threatened and endangered species, cultural and historic resources, and wetlands were completed as a part of the exchange. The Trust will continue to work diligently with the USFS to complete the significant work necessary to complete for Phase 2.



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

January 7, 2019

Local Government Officials,

The Marijuana Control Board recently released for public comment a new proposed regulation that would allow local governments to protest marijuana licenses on a “conditional basis.”

This change would require local governments to indicate whether or not their protest was a conditional protest. Under this regulation, a conditional protest would be defined as a protest based on the applicant not having some local government approval that they are expected to acquire within a reasonable period of time. Examples include conditional use permits, special land use permits, and local marijuana licenses. For applications with conditional protests, the board would be able to approve with delegation rather than denying with an abeyance period. Non-conditional protests would be for all other issues, and the existing language that states that the board must deny an application with a protest unless the board finds the protest arbitrary, capricious and unreasonable would remain.

This distinction will allow applications with conditional protests to move more efficiently through the licensing process, and when a conditional protest is received after a delegated approval by the board, the application would not need to come back before the board.

You may review the regulation and post comments through the online public notice system by following this link: <http://notice.alaska.gov/192569>

Please don't hesitate to contact the Alcohol and Marijuana Control Office if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell
Director, Alcohol and Marijuana Control Office

2019 Winter Troll Chinook Salmon Fishery Summary					4-Jan
Cumulative data thru week 52 (Dec 23-29)					
	Troll Year	Landings	Number	Pounds	Avg Wt.
	2019	716	5,717	67,832	11.9
	2018	1,026	7,393	82,555	11.2
	5-year ave	1,260	15,897	174,778	11.0
	10-year ave	1,160	12,454	144,239	11.6

2019	<u>Current Weekly Totals</u>						
	Week	Permits	Landings	Number	Pounds	Avg Price	Avg Wt.
	41	63	67	421	4,953	\$10.99	11.9
	42	60	79	1,420	16,736	\$11.24	11.8
	43	44	53	591	7,060	\$11.87	12.0
	44	73	106	873	10,177	\$11.64	11.7
	45	50	70	449	5,316	\$11.84	11.8
	46	56	78	525	6,387	\$11.73	12.2
	47	45	52	324	3,919	\$11.93	12.1
	48	53	67	409	4,804	\$11.96	11.7
	49	58	77	503	6,017	\$11.86	12.0
	50	17	22	43	528	\$12.45	12.3
	51	16	24	82	1,007	\$11.69	12.3
	52	17	21	77	929	\$11.57	12.1
	53	4	4	19	229	\$11.75	12.0
Regional Totals:	188	720	5,736	68,061	\$11.61	11.9	

*Confidential data omitted								
2019	Cumulative Catch and Effort by District and Percentage of Regional Catch							
	District	Permits	Landings	Kings	K/permit	K/landing	Avg Wt	% Region
	110	25	63	1,446	58	23	12.1	25%
	113	54	168	917	17	5	12.3	16%
	108	38	98	693	18	7	11.3	12%
	107	18	32	601	33	19	12.5	10%
	101	14	37	500	36	14	10.8	9%
	106	28	118	446	16	4	13.0	8%
	183	18	97	429	24	4	10.6	7%
	109	10	44	332	33	8	12.6	6%
	102	9	19	219	24	12	10.9	4%
	112	7	12	60	9	5	12.2	1%
	103	8	12	49	6	4	11.9	1%
	114	4	14	24	6	2	16.0	<1%
	111	3	9	16	5	2	12.9	<1%
Regional Totals:	188	720	5,736	31	8	11.9		

Note: Data are preliminary and based on fish tickets received.



Date: January 10, 2019

To: Mayor & City Council

From: Joyce Mason

Re: FY19 Shared Fisheries Business Tax

Resolution 19-02 requests the Alternative Allocation Method for the FY19 Shared Fisheries Business Tax payment from the Department of Commerce. The allocation method allocates 50% of the fish tax on an even distribution and 50% of the fish tax to be prorated by population. The total estimate for the FY19 tax was provided by the Department of Commerce. The second page of the resolution lists the estimate for the communities of Prince of Wales Island. The Department of Commerce has estimated the City of Craig will receive \$3,310.39.

This resolution is presented to the Council each year.

Recommendation:

Approve Resolution 19-02, Adopting the Alternative Allocation Method for the FY19 Shared Fisheries Business Tax for the Southern Southeast Fisheries Management Area.

**CITY OF CRAIG
RESOLUTION 19-02**

**A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE
FY19 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT
THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF
SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 19:
SOUTHERN SOUTHEAST**

WHEREAS, AS29.60.450 requires that for a municipality to participate in the FY19 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce that the municipality suffered significant effects during calendar year 2016 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development; of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The City of Craig proposes to use an alternative allocation method for allocation of FY19 funding available within the FMA 19: Southern Southeast Area in agreement with all other municipalities in this area participating in the FY17 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The City of Craig by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effect during 2017 of fisheries business activity in the Southern Southeast Fisheries Management Area.

All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.

Ketchikan Gateway Borough population is reduced bit the population of the City of Ketchikan and Saxman.

Estimated FY19 Fish Tax Payments

FMA 19: Southern Southeast Area

	Total		
Alternative Method*	Allocation	50% Divided	50% per capita
	\$ 34,781.30	\$ 17,390.65	\$ 17,390.65

Community	Population	50% divided share	50% per capita share	Calculated Allocation
Craig	1,089	\$ 2,795.78	\$ 1,136.56	\$ 3,932.34
Hydaburg	374	\$ 2,795.78	\$ 390.33	\$ 3,186.11
Kasaan	80	\$ 2,795.78	\$ 83.49	\$ 2,879.27
Ketchikan Borough	5,185	\$ 2,795.78	\$ 5,411.42	\$ 8,207.20
Ketchikan	8,125	\$ 2,795.78	\$ 8,479.81	\$ 11,275.59
Klawock	833	\$ 2,795.78	\$ 869.38	\$ 3,665.16
Saxman	444	\$ 2,795.78	\$ 463.39	\$ 3,259.17
Thorne Bay	533	\$ 2,795.78	\$ 556.28	\$ 3,352.06
Totals	16,663		\$ 17,390.65	\$ 39,756.89
Community Count	8			

*All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.
 Ketchikan Borough Population = Total Borough less Cities of Ketchikan and Saxman populations.

PASSED and Approved by a duty constituted quorum of the City of Craig this 17th day of January, 2019.

ATTEST

 Mayor Tim O'Connor

 Kassie Mackie, Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 11, 2019
RE: Ordinance No. 716

Attached you will find Ordinance No. 716. The ordinance, once adopted, authorizes staff to negotiate the renewal of the lease of the Craig Child Care Center building to the Craig Child Care Center, Inc.

A brief explanation of the need for the ordinance from the first reading meeting packet is attached.

Recommendation

Approve Ordinance No. 716 at second reading.

**CITY OF CRAIG
ORDINANCE No. 716**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH THE CRAIG CHILD CARE CENTER THE TERMS OF A LEASE RENEWAL OF CITY-OWNED PROPERTY AT THE CITY-OWNED CRAIG CHILD CARE BUILDING

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application 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.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate a below market value lease of city-owned property to the Craig Child Care Center Inc. for the purpose of providing child care services to the public. The property considered for the lease is limited to the facility commonly known as the child care center building at Block 15, USS 1430. Final terms of the lease are subject to the approval of the Craig city council.

The City Administrator is under no obligation to negotiate amendments to the lease of the property described above, and the City Council is under no obligation to approve any lease negotiated by the City Administrator with Community Connections.

Passed and approved on _____, 2019.

Mayor Tim O'Connor

Attest _____
Kassi Mackie, City Clerk

LEASE AGREEMENT

THIS INDENTURE, entered in to this 11 day of November, 2013 by and between the **CITY OF CRAIG, ALASKA** whose address is PO Box 725, Craig, AK 99921, herein after called the Lessor and **CRAIG CHILD CARE CENTER**, whose address is PO Box 296, Craig, AK 99921, herein called the Lessee:

WITNESSETH:

- A. That the Lessor does hereby demise and let unto the Lessee the following described premises, to wit: The Day Care Building constructed July, 1987, situated on USS 1430, Block 15, "School Reserve" as shown on the plat of USS 1430 dated May 20, 1922, to hold the same, with all appurtenances unto the Lessee for the term **beginning on the 1st day of July, 2008 and ending on the 30th day of June 2018**, provided, however, that the Lessee agrees that the Lessor may void this lease anytime after January 1, 2008 if, in the Lessor's sole judgment, the Lessee has failed to provide adequate child care services. The lease payment for the premises shall be \$1.00 (One Dollar) per year payable on the first day of the lease year at the office of the Lessor whose address is P.O. Box 725, Craig, AK 99921, or in advance at the option of the Lessee.

COVENANTS OF THE LEASE:

1. The Lessee does hereby covenant and agree with the Lessor that Lessee will:
 - a. Pay said rent at the times and place in the manner aforesaid;
 - b. Use and occupy said premises in a careful and proper manner;
 - c. Not use or occupy said premises for unlawful purpose;
 - d. Not assign this lease, not underlet said premises, nor any part therefore; without written consent of the Lessor except as provided in item "e" below;
 - e. Make available to the general public use of the kitchen within the Day Care Building under the following terms:
 - i. public users of the kitchen shall deposit with the Lessee a sum of \$200, refundable under the terms of kitchen use established by the Lessee;

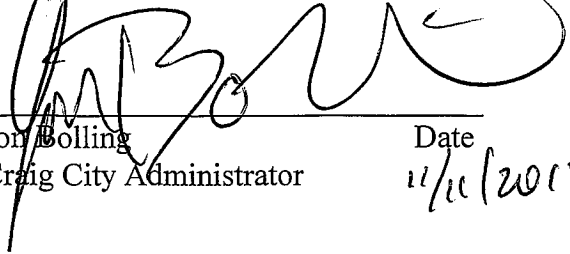
- ii. public users of the kitchen shall pay a non-refundable fee of \$50 for non-profit organizations or \$100 for for-profit organizations to the Lessee. This deposit and fee schedule may be changed by the Lessee if Lessor grants its written approval to the change.
 - f. Not use said premises or permit the same to be used or occupied, for any purpose or business deemed extra hazardous on account of fire or otherwise;
 - g. Make alterations in or to said premises only with the consent of the City of Craig;
 - h. Leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof, in as good condition as received.
 - i. Permit the Lessor to enter upon said premises at all reasonable times to examine the conditions of the same;
 - j. Maintain the demised premises in good repair and tenantable condition during the continuation of this lease; the Lessee agrees to perform maintenance and repairs as may be required by the City to offset wear and tear on the building.
 - k. Indemnification: The Lessee shall hold and save the Lessor, building, its officers, agents, and employees, harmless from liability of any nature or kind, including costs and expenses for or on account of any and all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act performed by the Lessee or the Lessee's agents and employees pursuant to the lease; the Lessee shall also assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the tenure of this lease, excepting only sole negligence of the Lessor;
 - l. Furnish for the total building, heat, electricity, and janitorial services and liability and fire insurance at the level required by the Lessor, without additional costs to the Lessor.
2. It is mutually agreed by and between the Lessor and Lessee that:
- a. All terms and conditions of the preceding covenants of both Lessee and Lessor are agreeable and accepted in their entirety, except as herein noted;
 - b. Lessor will provide municipal water, sewer, and garbage collection services at no cost to Lessee. Lessor is responsible for ensuring that the following building systems are in good working order:
 - i. building heat and hot and cold water supply;

- ii. floor and sub-floor, roof, exterior faces of outside walls;
 - iii. weatherproofing and sealing of exterior windows;
 - iv. all other building maintenance and repair of items not assigned to Lessor, including but not limited to: opening clogged drains and toilets; replacing light bulbs, fixtures and components; and other day-to-day type maintenance needs.
- c. That Section 16.02.140, paragraphs A through V of the Craig Municipal Code apply to this lease.
- d. If the Lessee shall pay the rent as herein provided, and shall keep, observe, and perform all the covenants of this lease by it to be kept, performed and observed, the Lessee shall and may, peaceably and quietly, have, hold and enjoy the said premises for the term aforesaid;
- e. This lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto:
- f. Termination: The Lessor or the Lessee may upon mutual agreement terminate this lease by giving (30) days notice in writing;
- g. The playground and gym are not subject to this lease. Both facilities are retained by the City for public use;
- h. This lease is subject to all applicable laws of the State of Alaska and/or the City of Craig;
- i. Lessor may, from time to time, as it deems necessary, replace appliances that were originally installed in the kitchen when those appliances are no longer operable;
- j. This lease is written as a result of negotiations between Lessor and Lessee;

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

LESSOR: CITY OF CRAIG

LESSEE: CRAIG CHILD CARE CENTER

BY: 
 Jon Bolling
 Craig City Administrator
 Date 11/11/2013

BY: 
 Capital Day
 Craig Child Care Center
 Date 11/11/13

Notary Acknowledgment by Lessee

STATE OF ALASKA)
)
FIRST JUDICIAL DISTRICT) ss.

THIS IS TO CERTIFY that on this 11 day of November, ²⁰¹³~~2008~~, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Crystal Day, the Board President of the Craig Child Care Center, to me known and known to be the person who represents the Craig Child Care Center to be the same identical person who executed the above and foregoing instrument on behalf of said corporation and who acknowledged to me that she had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.



Lisa Moore
Notary Public; State of Alaska
My commission expires: 11/6/16

Notary Acknowledgment City of Craig

STATE OF ALASKA)
)
FIRST JUDICIAL DISTRICT) ss.

THIS IS TO CERTIFY that on this 11 day of November, ²⁰¹³~~2008~~, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jon Bolling, the City Administrator of the City of Craig, known to me to be the person who represents the City of Craig to be the same identical person who executed the above and foregoing instrument on behalf of the City of Craig and who acknowledged to me that he had full power and authority to and did execute the above and foregoing in his official capacity as City Administrator of the City of Craig, and for the purposes stated therein.

WITNESS my hand and official seal the day, month and year herein first above written.



Lisa Moore
Notary Public; State of Alaska
My commission expires: 11/6/16

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 10, 2019
RE: Consider Purchase of Harbor Safety Ladders

Given recent deaths at harbors in Ketchikan, staff was asked to research purchase and installation of retractable ladders at city harbors.

In response, Harbormaster Hans Hjort has brought for council consideration information on Up-N-Out brand marine ladders. The ladders are bull rail-mounted, retractable devices that store up out of the water, and are designed for deployment by an individual from the water. The units are twelve-inch wide, 48” long (when deployed) four step ladders. They install using two lag bolts. A flyer providing some detail on the unit (model no. SW 1224) is attached.

Reviews from harbors in Homer and Petersburg on this style of ladder are mostly positive. After an initial purchase of ladders from a vendor, Petersburg apparently elected to have a local welder fabricate similar ladders. Craig harbor staff is following up on the cost and functionality of those.

Staff estimates an initial order of 28 ladders would provide good, though not complete, coverage at North Cove, South Cove, and the boat launch float. Some harbors add bright, tall sign or flag to mark each ladder location, to make the ladders more visible from the water.

Mayor O’Connor has asked that the council consider appropriating funds to purchase the ladders this fiscal year. A cost estimate for the ladders and related items is below.

Quantity	Price	Item	Total
28	\$175.20	Ladder	\$4,905.60
28	\$47.50	Safety Flag	\$1,330.00
		Hardware	\$150.00
		Freight	\$500.00
		Total	\$6,885.60

Recommendation

That the council discuss the purchase of safety ladders for the Harbor Department. If the council favors moving ahead with the project, it should appropriate funding via motion, in an amount not to exceed \$7,000.

UP-N-OUT[®]

ULTIMATE MARINE LADDERS *By Scandia Marine Products*

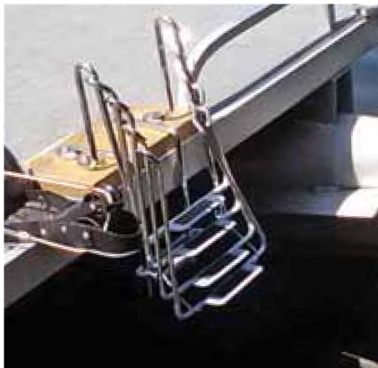
COLD WATER KILLS! SAVE LIVES WITH DOCK SAFETY LADDERS

Installing Marina Safety Ladders Can Help Save Lives. Whether you have a fixed or floating dock, it's virtually impossible for an accidental swimmer to climb out of the water without help. Up-N-Out Marina Safety Ladders were invented to help almost anyone climb out of the water quickly and unassisted. If there is a possibility of people falling into the water off your docks, you should install an Up-N-Out Safety Ladder before it's too late.



SW 1224
12 Inch Wide
Universal Direct Mount

- Quickly Self-Deployed by Victim
- Stores Retracted Out of the Water
- Extends Rigid at Least 24" into Water
- Easily Visible Instructions
- Mounts in 5 Minutes
- For Docks 12" to 64" Above Water
- Electro Polished 304 Stainless Steel



SP5 – Cabin Dock or
Pontoon Boat

Two Mounting Plates



SL – Sign/Mounting Plate - Stainless



Optional SW – Sign Plate –
Cost Effective Aluminum



 100% American Made

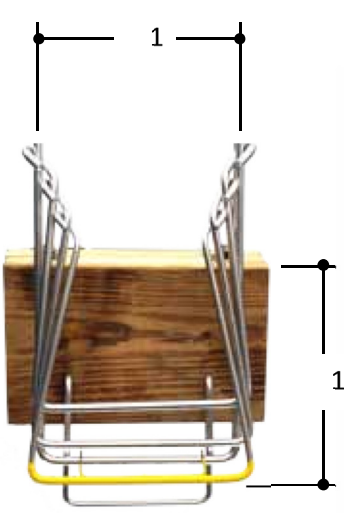
www.scandiamarineproducts.com
or call: 218-722-7837

AVAILABLE MODELS

UP-N-OUT®

MARINA SAFETY LADDER

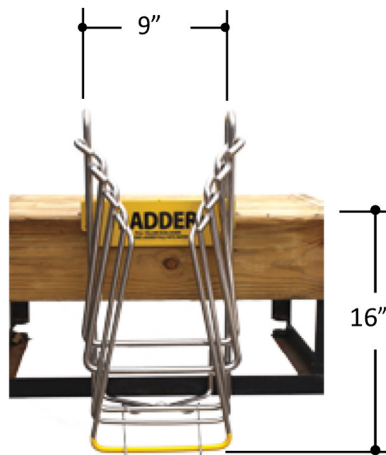
SW 1224 – Direct Mount
Low Floating Dock



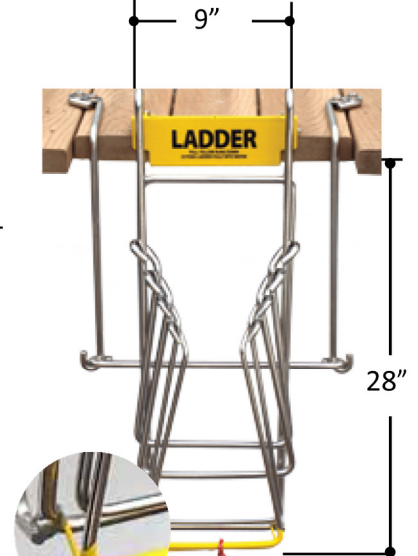
SW 2056
Sea Walls



SL 1640 – Plate Mount
High Floating Dock



SL 2852 – Plate Mount
Pier Dock



NEW:
Automatic
Retaining Clip

Plate Mounted – 9" Wide Models

Model	Application	Steps	Dock Ht.	Extended	Retracted	Sidebearing	MSRP	Marina/Club
SL1224	Low float dock	4	12"-24"	48"	12"	6"-9"	\$219	\$175.20
SL1628	Med float dock	4	16"-28"	52"	16"	10"-13"	\$219	\$175.20
SL1640	High float dock	5	16"-40"	64"	16"	10"-13"	\$256	\$204.80
SL2852	Pier dock	6	28"-52"	76"	28"	Top mount	\$329	\$263.20
SL2864	Pier dock	7	28"-64"	88"	28"	Top mount	\$364	\$292

Direct Mount – 12" Wide Models

Model	Application	Steps	Dock Ht.	Extended	Retracted	Sidebearing	MSRP	Marina/Club
SW1224	Low float dock	4	12"-24"	48"	12"	6"-14"	\$219	\$175.20
SW1336	Med float dock	5	13"-36"	60"	13"	6"-14"	\$249	\$199.20
SW1448	High float dock	6	14"-48"	72"	14"	6"-14"	\$279	\$223.20
SW2056	Sea Walls	6	20"-56"	80"	20"	20"	\$279	\$223.20
SP4	Cabin dock/Pontoon	4	12"-24"	48"	12"	Top mount	\$259	\$207.20
SP5	Cabin dock/Pontoon	5	13"-36"	60"	13"	Top mount	\$299	\$239.20

Accessories	MSRP	With Ladder	Marina/Club
SL Plate	\$55	N/A	\$44
SW Plate	\$29	\$18	\$23.20



www.scandiamarineproducts.com

or call: 218-722-7837