

CITY OF CRAIG MEMORANDUM

To: Craig Planning Commission
From: Brian Templin, City Planner
Date: February 17, 2017
RE: Craig Comprehensive Plan – Section 1 (Goals) Revision and Update

Thanks again to the commission for their work at the work session on January 26th and February 9th to the finish land use goals and to edit the community facilities and transportation goals and strategies. I have made the edits that we discussed at the February 9th meeting and am including a copy of the edited Sections 1-2, Community Facility Issues, Goals and Strategies and 1-3, Transportation Issues Goal and Strategies for the commission's review and recommendation. Most of the edits were made directly based on the discussion from that meeting. I also added a short description of community facilities to clear up that section based on our discussion.

Section 1-1, Land Use Issues, Goals and Strategies was reviewed and adopted by the Craig City Council on February 16th. Below is a list of where we are at on each section of the comprehensive plan update (**Bold** items are complete, *Italic* items are being considered at this meeting):

Craig Comprehensive Plan – 2017 Update – Progress Schedule

Section 1 – Issues, Goals and Strategies

1-1 Land Use (Final, Adopted by Craig City Council 2/16/17)

1-2 Community Facilities (PC Review Draft – PC Adoption 2/23/17)

1-3 Transportation (PC Review Draft – PC Adoption 2/23/17)

1-4 Economic Development (Initial Draft – PC Discussion and Edit 2/23/17)

1-5 Recreation (Initial Draft – PC Discussion and Edit 2/28/17)

1-6 Environmental (Initial Draft – PC Discussion and Edit 2/28/17)

Section 2 – Background Information (PC Review Draft – PC Review and Adoption 3/9/17)

Section 3 – Appendices

Appendix A – Land Use Maps (Initial Draft – PC Review TBD)

Appendix B – Community Survey Results (Final – Adopted by City Council 12/1/16)

I have included initial drafts of Section 1-4 (Economic) for review and discussion at the February 23rd workshop. I have edited the introduction/issues section and I have also made some edits to the goals and strategies for discussion. I have also attached an excerpt from Appendix B, Community Survey Results for this goal area for reference.

Attached to this memo you should find the following documents for the February 23rd meeting:

1. Initial Draft of Section 1-4, Economic Issues, Goals, and Strategies for discussion and editing during the workshop portion of the February 23rd meeting.

2. Planning Commission Review Draft of Section 1-2, Community Facilities Issues, Goals and Strategies for discussion and adoption during the formal meeting portion of the Feb 23rd meeting.
3. Planning Commission Review Draft of Section 1-3, Transportation Issues, Goals and Strategies for discussion and adoption during the formal meeting portion of the Feb 23rd meeting.
4. 2016 Community Survey results and other comments for the Economic Goals.

Thanks again for your hard work on this plan. Please feel free to call, email or stop by if you have any questions or comments.

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2.0 Community Facilities

Issues

The development and expansion of community facilities, especially sewer and water, is important to the citizens of Craig. In order for community expansion to occur in a logical, planned manner, adequate infrastructure is essential. The entire community is currently served by city water. In addition, the entire community, with the exception of eight lots in Port St. Nicholas Subdivision #3, is served by city sewer. The sewer and water services are owned, operated, and maintained by the city. This situation is unusual for most small towns in Alaska — much of rural Alaska is still struggling with providing adequate water and sewer.

Residential neighborhoods that are safe for all ages and that are located near important community facilities such as schools, parks, youth centers, government services, and the commercial areas are desired by Craig citizens. Many community services are provided by the city, state, and federal governments as well as private and non-profit organizations. Coordinating service provision to ensure cost-effective and efficient delivery will be important as public dollars continue to decline. Opportunities for combining services or otherwise improving efficiency, cost-effectiveness, and quality should be identified, explored, and implemented by the appropriate providers. The provision of quality, locally controlled educational opportunities for elementary, middle, and secondary students is the responsibility of the Craig City School District and the City of Craig. Where feasible, educational facilities should be located in areas with safe pedestrian access to neighborhoods, access to city sewer and water services, and access to city fire and police protection.

The City of Craig owns and maintains a number of community buildings and facilities. These buildings are used for municipal services, office space, customer service, recreation, transportation and other services to the public. The city also owns and maintains, or shares maintenance with other for profit and non-profit entities under lease arrangements. Some of these buildings are used for economic purposes (i.e. seafood processing plant and web loft) and are leased or rented to users. Other city owned buildings are used for a variety of non-profit or government services (i.e. POWER, HOPE, Prince of Wales Healthcare Center, Child Care Center, etc.) through lease arrangements with the city. All lease or rental arrangements spell out maintenance, insurance and other requirements for the city and the facility users.

It is important to note that the term “community facility” as used in this section denotes infrastructure (such as water and sewer), buildings (including public access buildings like the city gym and city use buildings like the public works shop), and recreation facilities (such as parks, trails and greenspace).

Community facility issues facing Craig include:

- How can Craig support the development and maintenance of community facilities such as schools, community center, convention center, cultural center, youth center, and health care center?

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- How can the city fund maintenance and upgrades of the water and wastewater utilities as outlined in the appropriate water and sewer master plans?
- How can existing Craig policies and regulations be used to address cost-effective maintenance, upgrade, and extension of utilities?
- How does expansion of community facilities affect emergency services and insurance ratings?
- How do environmental changes, economic changes, community growth, or other factors affect the use and value of city owned buildings and facilities?

Community Facility Goal Statements (CF)

- Goal CF1.1** Develop and expand when necessary to accommodate community expansion. Maintain community facilities for the long term benefit of the community. Community facilities include sewer, water, solid waste, storm water drainage, and roads.
- Goal CF1.2** Satisfy the recreational needs of Craig citizens by providing and maintaining recreational facilities such as gym, parks, ball fields, trails, Aquatic Center, Recreation Center, and playgrounds.
- Goal CF1.3** Retain, to the extent feasible, publicly owned areas for public uses such as educational, recreational facilities, and green space.
- Goal CF1.4** Maintain and upgrade public facilities such as library, city hall, recreation center, harbor buildings, ice house, and cemetery as necessary for the maximum benefit of public use, public safety, professional appearance, and cost efficiencies.
- Goal CF1.5** Maintain and upgrade city facilities for efficient operations and cost effective upkeep of buildings and city owned equipment.
- Goal CF1.6** Continue maintenance and financial support of city owned buildings in partnership with non-profit groups to provide important community services.

Community Facility Strategies (CF)

- Strategy CF1** Public infrastructure (roads, sewer, water, and fire hydrants) shall be placed in conjunction with future development.
- Strategy CF2** City departments shall coordinate the sequential development of vacant lands to ensure that adequate capacity and extensions of services will meet development needs.
- Strategy CF3** The city's capital improvement program will be used to coordinate the development of public facilities and utilities.
- Strategy CF4** Develop partnerships with community and non-profit groups to assist with maintenance and beautification of outdoor public facilities including playgrounds, trails, parks, landscaping around city buildings, and roadside areas.

Notes: Community expansion and growth can be managed using a variety of techniques. The City can control and influence the rate, amount, or geographic pattern of growth within the city limits. The means for control or influence do not, however, have to rely entirely upon regulation. In fact, administrative devices such as the sewer and water expansion approach adopted in the

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2015 Water System and Sewer System Master Plans, and other planning approaches, can be used to guide and influence growth through the logical, planned extension of public facilities.

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3.0 Transportation

Issues

A safe, affordable, accessible, and efficient road, trail, marine, and aviation transportation system is essential for community development and expansion. The local road system plays an important role in the growth and expansion of residential, commercial and industrial development in Craig. The location of future roads and trails necessary to meet the demand of residents and commercial developers will be important to minimize maintenance costs to the city. Further, remote subdivision development may overload the existing road maintenance program.

Generally the local road system in Craig is adequate and has greatly improved with the addition of pavement throughout the city. Lack of lighting and shoulders on some roads, especially roads within and connecting neighborhoods, creates a safety problem for pedestrians. Trails, parks, and bike paths have been identified by Craig residents as important to quality of life and important to enhanced pedestrian safety. The 2016 Community Survey responses consistently showed trails and pedestrian improvements to be important for recreation, transportation and general quality of life issues in Craig. In the long term, additional sidewalks and separated pedestrian/bike paths may be necessary. Public parking in Old Craig has improved greatly with the acquisition and partial development of the Craig Cannery site but could impact future development or renovation of that area in the future. Future local and collector streets are designated on the land use maps.

In 1996, the city adopted Ordinance No. 95-411, which outlines road improvement priorities for Old Craig and East Craig as well as pedestrian needs. These priorities were incorporated by reference into the 2000 comprehensive plan. With the completion of much of the work outlined in the 1996 City Transportation Plan the city should update its transportation plan.

The long-term land use requirements to promote efficient operation of air and marine transportation industries continue to be met. The seaplane facility has poor vehicle access and road access needs improvement. Ordinance No. 95-411 identifies as a priority the construction of a collector street north of the State Highway at either Sixth, Seventh, or Eighth Streets to access both Tract B and the seaplane facility. In addition to improved access the seaplane facility does not have adequate parking. Craig is a participating member of the Inter-Island Ferry Authority. Ferry service to Prince of Wales has improved significantly since the 2002 start date of the IFA's Hollis-Ketchikan daily runs.

Transportation Goal Statements (T)

- Goal T1.1** Maintain a well-designed and safe transportation system, both within Craig, and linking Craig with surrounding communities.
- Goal T1.2** Support access improvements to and within Craig for various modes of travel including automobiles, non-motorized vehicles, pedestrians, aircraft, marine ferries, and small boats.
- Goal T1.3** Provide for efficient access to arrival and departure areas for persons, cargo, and emergency services travelling by air or by water.

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Goal T1.4 Develop, maintain, and promote a permanent trail network distributed throughout the city to accommodate all trail users.

Goal T1.5 Develop and maintain a system of neighborhood parks and trails that are safe, attractive, and accessible to residential areas and business areas.

Goal T1.6 Promote vehicle and pedestrian safety and reduce congestion.

Transportation Strategies (T)

Strategy T1 All new subdivision development proposals shall include a street plan that shows the pattern of future streets consistent with the future functional classification for streets in Craig.

Strategies T2 As residential developments are planned, the subdivider shall provide for adequate right-of-way for sidewalks and trails that would connect to the existing or officially planned system.

Strategy T3 All planning, design, and construction of roads will be required to minimize adverse impacts, and to minimize safety hazards and traffic-related problems.

Strategy T4 Bikeways and trails shall be integrated with ongoing major arterial and collector street improvements.

Strategy T5 City road construction standards shall require the developer to submit an engineered design for asphalt surfacing, sidewalks, and buried storm drain.

Strategy T6 Pedestrian crosswalks will be provided at regular intervals, especially in commercial centers, in residential neighborhoods and near schools.

Strategy T7 Trails should follow any existing greenways and available rights-of-way in the city and where feasible connect with other significant trail systems on the Island.

Strategy T8 The following sites have been identified for marine transportation-related purposes:

- North Cove – the deep-water marine to serve the commercial fishing fleet needs.
- South Cove – the location for commercial/recreational moorage.
- False Island – the location for a marine reserve terminal for industrial development and island-wide transportation purposes.
- From and including the Shaan-Seet, Inc. barge ramp at 1.25 miles of Port Saint Nicholas Road east to the Craig city limits.
- Crab Bay – marine related development near the public works yard.
- Cannery Site – new harbor for commercial/recreational moorage and associated water dependent and water related development.

Strategy T9 Update and maintain the City Transportation Plan to establish priorities for vehicle and pedestrian improvements. Priorities should be periodically adopted by the Craig City Council by resolution and included by reference as part of the city's comprehensive plan. As future priorities are established when the Transportation Plan is amended, they too will be incorporated into the comprehensive plan transportation goals and strategies.

Strategy T10 Ensure that development of a new harbor and the uplands at the Craig Cannery Site include adequate parking and traffic flow.

Strategy T11 Improve access and parking for air and water transportation nodes.

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Strategy T12 Coordinate transportation issues with state transportation agencies, federal transportation agencies, and private land owners.

2016 Comp Plan Update Section 1-4, Initial DRAFT

4.0 Economy

Issues

Craig supports moderate economic development. Most existing infrastructure adequately serves the existing and future needs of businesses — especially with regards to sewer, telephone, electricity, and roads. With the addition of Silver Bay Seafoods in 2009 the city is near maximum capacity for water treatment and distribution, especially in the summer months. Increasing water capacity should be considered as economic development proceeds in Craig. Projects like the False Island development, JT Brown Industrial Park, and currently, the Craig Cannery site are important economic development efforts supported by the community. These developments help diversify the local economy, create long-term, year-round jobs and open up more lands for mixed uses in Craig.

Craig's economy took a sharp downturn with the collapse of the timber industry, cancellation of long term timber contracts and the closing of a regional pulp mill in the late 1990's. Since 2001 the economy has been fairly stable with some recovered growth. Capitalizing on its place as a center of government and economic activity on Prince of Wales Island to ensure that it remains stable, while continuing to grow a diversified economy, will be the focus during the next 20 years. Craig has seen an increase to value added processing in the fishing industry and growth in the tourism industry. The tourism industry is generally viewed as desirable provided it is compatible with the local lifestyle and does not negatively impact the quality of life valued by Craig residents. Supporting the continued growth of existing businesses will also be important; newer is not always better. Many of the existing local businesses have great opportunity to expand and contribute to Craig's economy. Supporting their growth could be as important as seeking new developments.

Economy Goal Statements (E)

- Goal E1.1** Encourage a diverse economy that provides long-term, year-round employment for local residents compatible with the local lifestyle.
- Goal E1.2** Keep the cost of doing (private and public) business low by concentrating on reliable and efficient marine and air transport access and facilities, efficient local traffic circulation and delivery of goods, and keeping energy and utilities costs as low as possible.
- Goal E1.3** Promote private and governmental cooperation and coordination in developing small businesses and enterprises and in attracting and locating new industry that benefits Craig.
- Goal E1.4** Encourage development that capitalizes on Craig's ~~growing~~ economy and strategic location on Prince of Wales Island and in Southeast Alaska.
- Goal E1.5** Encourage development of value-added industries.

Economic Strategies (E)

2016 Comp Plan Update Section 1-4, Initial DRAFT

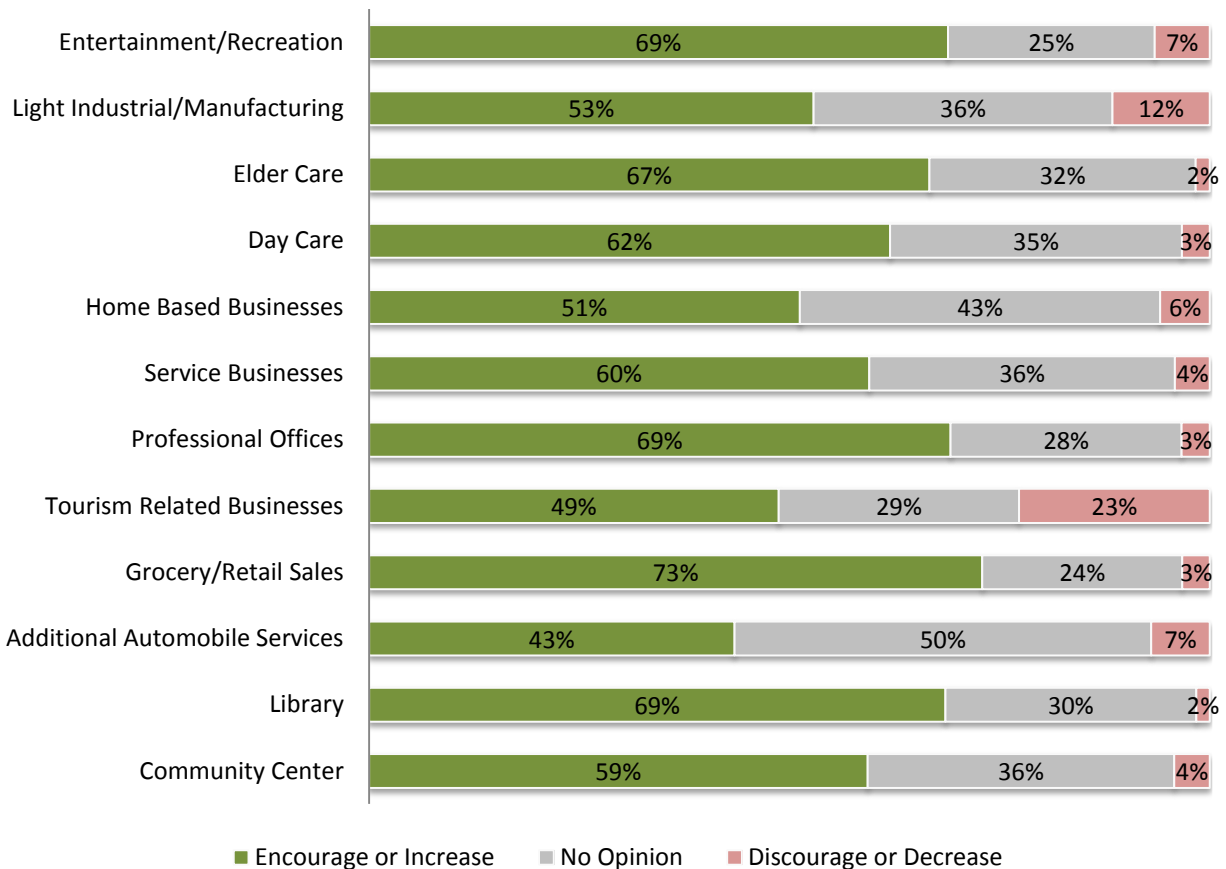
- Strategy E1** Use the land use codes and plan policies to protect existing and planned commercial and industrial areas from intrusion by incompatible land uses.
- Strategy E2** The city shall support economic development planning efforts by ~~existing groups~~supporting community economic development planning such as the ~~OEDP committee which meet the employment and occupational needs of all city residents.~~Community Economic Development Strategy (CEDS) Committee. This committee should meet at least annually and provide a report to the city council. The CEDS report shall outline priority projects and strategies that shall be incorporated into the comprehensive plan by reference.
- Strategy E3** The city shall support educational and occupational training programs and when appropriate, make city resources available to for these programs.
- Strategy E4** The city will provide adequate industrially zoned upland and tideland at North Cove, False Island, and ~~Columbia Ward Fisheries~~Craig Cannery site, Craig Fisheries, and on the western and southwestern shore of Crab Bay to allow for expansion of ~~the fishing industry~~marine related industries.
- Strategy E5** Tidelands seaward of commercial and industrial uplands shall be zoned to allow for commercial and industrial uses, except where otherwise noted in this plan.
- ~~**Strategy E6** The city will work to locate a laboratory to test for paralytic shellfish poisoning.~~

Economic Development

The survey asked a number of questions related to the type of development and the role of city government.

Question 20 asked respondents to indicate the types of development that they wanted to encourage (increase) or discourage (decrease) in Craig. Respondents generally supported increased development in most areas.

Q20: What kind of business or municipal development would you like to encourage or discourage in Craig?



Respondents were also given the opportunity to indicate “other” types of business or comments. Specific comments were:

- Restaurants, cultural - arts center, renovate the cannery
- Facilities for the boat yard - Encourage or Increase
- That by motivated individuals with no city involvement
- Swimming Pool - Increase or Encourage
- Small hospital
- We need to draw folks to Craig statistically we are declining. I think a snazzy alternative health care would be awesome.
- Marijuana sales - Discourage or decrease
- Restaurant - Encourage or Increase
- Marijuana Store - Encourage or Increase
- agriculture, industry and manufacturing
- Current community center too crowded. We need a stronger economy.
- Forestry Related - Encourage or Increase
- Marine repair/maintenance - encourage or increase

- Buy the Thibodeau building and move the library there! Look for ways to improve - stimulate the economy.
- Advertise and support new ideas
- Advertise and support NEW ideas
- Making Craig an attractive, desirable place to live and provide incentives for people to invest
- Make an attitude change from maintaining the city's business and facilities from a dirty little town where there might be opportunities to a well maintained community that is positive, welcoming, and not only concerned about the first impressions of newcomers to town, but the wellbeing of its residents.
- Keep sales tax lower than other areas, provide infrastructure and maintenance. Example - ice machines and boat haulout trailer working and not being serviced during peak haul out times and expand yard to support mechanics and trade workers.
- Providing better services for business such as keeping up on maintenance of major & minor equipment and structures used by local businesses or that would be used if in better condition, this would also bring in more business
- Work with the native corps to allow land expansion for business
- Not too many rules
- Keep business regulation to a minimum or don't over regulate businesses
- Always back the businesses you have. Logging fishing tourism schools
- None. It'll mean more taxes for residents.
- Stay out of it
- Employing locals
- Providing and supporting solid infrastructure
- Tourism
- Fair treatment to all
- Enabling existing businesses to expand and attracting new businesses
- Engage citizens more
- Keeping taxes low
- Make the regulations as simple and user friendly as possible
- Taxes on business - tax consumer - cost business
- Signs (fish) on street to show different businesses
- Encourage, enable, small business
- Encourage them
- An educated workforce
- Fork out a little dough and praise businesses!!!!
- Control their own desire to grow and increase the need for more revenue
- Unsure; encouraging businesses that contribute to quality of life
- Be easy to work with, taxes, space for development
- Promoting the city and its assets
- Tax incentives, land leases
- Infrastructure
- We voted for it - encourage and support marijuana stores
- Upkeep of facilities, roads etc...
- Envisioning industry. Once we see it, and want it to happen, we can then seek people, companies and investors to bring it to life.
- Support development & jobs/strong school district
- Encourage the support of existing business (espec by city employees)
- Clean the town up and make it hard to rent a dumpy rotten house trailer or other property that would be condemned anywhere else. This would over time, free up some property in town for new development.
- incentives and support
- Support housing development
- Promoting Craig as a recreational destination, in concert with other towns in SE Alaska
- Communication
- Improve public infrastructure, advocate for access to public resources.
- Fewer regulations, zone laws. And a low tax base.
- Equal treatment
- Keep city taxes and regulation very low. Otherwise, stay out of businesses' business
- Providing dependable services, a safe environment, taxes as low as possible
- Keep there greedy hands out of City project Kick backs
- I'd have to say entertainment. More variety. There is very little to do here in Craig. Our restaurant selection is poor. How about a fast food chain moving here? This would also provide opportunities for High Schoolers to work after school and gain employment experience.
- The city needs to find a way to encourage 21st Century growth in business in Craig. Right now our next generation has very few job opportunities of interest and of adequate pay that would keep them here or bring them back.
- Making the community appealing to businesses by keeping it clean, friendly, welcoming, and KID FRIENDLY such as daycare options and friendly parks.
- Encouraging growth and balance, and maintaining an atmosphere that is friendly to business and other community interests.
- Let the business do it not to overregulation

Q23 – If you are a business owner, how can the city better support your local business?

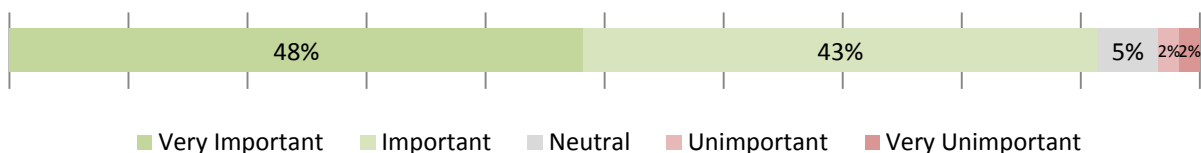
- Not be a competitor
- I could really use meeting rooms with advanced technology to do seminars.
- Maintenance on broken equipment big and small is mainly what affects my business and the business' of my peers
- Maintain the harbors
- Things like the sales tax cap. Encourage AP&T give a power break or the city giving a water break to an economic developer that's a go getter. AP&T needs to give power breaks like Wrangell - unfortunately our city doesn't own the power source.. Outside sources need to better support the city like bed taxes from PSN or Philips Cold Storage paying some kind of tax other than Ketch. Getting all the fish tax, charter outfits.
- Maintain the harbors. We pay for a service that we hardly receive. I no longer troll out of Craig. I spent my 5 months out of Sitka. As the ice house is not trust worthy. The one time I tried to come back this last summer it broke for the 4 time in 2 years. The city cranes are a joke/ unsafe leak oil into the harbor. There a hole in the city dock/SPC that has gone unfixed for 2.5-3 years. I have had multiple meetings with the city the last of which I was told i would be contacted by week's end with a solution. Never received any call and crane still leaks oil the ice house crane has leaked oil for two years from the same spot!!! FIX IT!
- Less catering to charter fisherman. In that I mean with the airlines
- Hands off
- Advertisement
- Praise businesses, I do the sales tax and honestly we report to the IRS, tracking our non tax business costs us! I don't think Hillary does as much as we do in reporting income.
- Support fishermen & industry. Help or encourage local processing and labels of Craig caught fish and fishermen.
- Enforce illegal business on Beach Road
- Stop bad mouthing businesses because of one or two employees. I feel the city is against our business and will not support projects we go after.
- Patronize the local businesses of West Wind Plaza
- Reduce sales tax.
- Low taxes. Good services
- Take benefits away from city council members. Keep taxes low. Quit buying new vehicles/equipment ever couple years
- I am not a business owner, but I run one of the larger businesses in the City. You do a great job of supporting the school district and we appreciate that. In many ways, I'm afraid residents don't realize how lucky we are to have the City and the services and people you have that support what we do in so many ways.
- Don't overtax or over regulate
- Try to keep property taxes and utility costs as low as possible , including monitoring and objecting to rate increases by AP&T
- Improve marine facilities
- Just sold business. City did well.
- The city does a great job already supporting my B&B.
- Stop lying
- Stay out of the way when new innovation evolves.

- First goal is State and Private. Second goal is state. Third and fourth goals are private.
- Buses
- We don't have a problem with traffic congestion. We already have an established system of neighborhood parks and trails.
- Provide for efficient transfer of passengers...Why would it be the city's responsibility to do this?
- Establish a system of safe neighborhood parks...We have that.
- This is a rural area, not urban.
- Provide for the efficient transport... - not city business - Private enterprise does this. People's Republic of Craig?
- Stay out of the business of transportation beyond basic road maintenance.
- Reduce number of police so people aren't constantly worried about petty traffic stops and police harassment. Also saves lots of \$\$!
- Establish a well designed and safe transportation system... - The ferry system is going to cost us a fortune in benefits. Run the ferry 4 days a week and make all jobs part time
- City not responsible for cargo handling/airlines responsibility.
- Pave existing trails in town, extend bike /waling path past CHS.
- Develop a community-funded animal shelter
- We have what we need
- Transportation system - Why can't this be done privately? Not cost effective?-then do not do this. Rural is rural and urban amenities such as bus transportation is not applicable unless done privately. (Unless people can hop on school buses - Coffman Cove to Craig?)
- Efficient transport and transfer - let the businesses pay for these costs.
- Expand and develop permanent trail - use volunteers & donations to do this work/trail maintenance. Create community esprit de corps.
- Never give up on getting scheduled jet service to Klawock!
- More bike and scooter spaces - important
- You are just trying to justify taxation, fees and poor growth ideas.
- Promote Jet service or more affordable air transport to and from the island. The current cost of a ticket between POW and KTN is more than a flight to SEA. Keep ferry costs reasonable. Possibly consider early booking discounts.

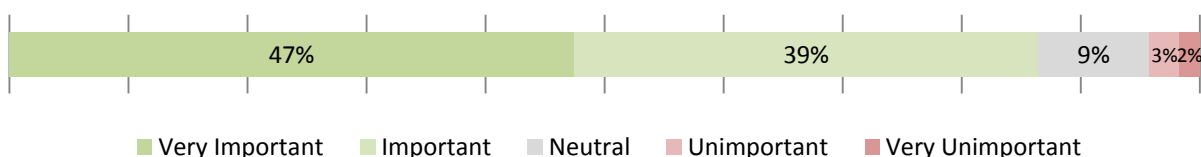
Economic Goals

Question 39 contained feedback on the five economic goals found in the 2000 Comprehensive Plan. This section of the survey also included an opportunity for additional comments or suggested goals.

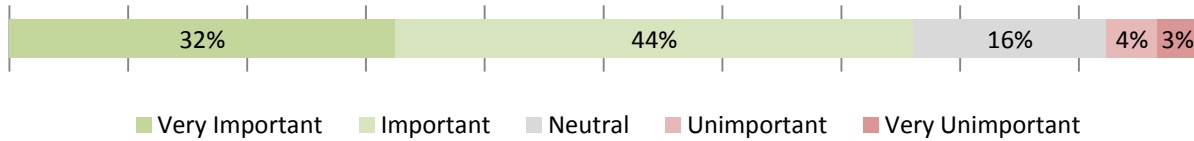
Goal E1.1 Encourage a diverse economy that provides long term, year round employment for local residents compatible with the local lifestyle.



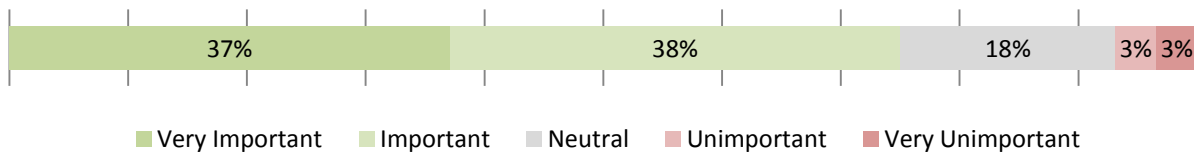
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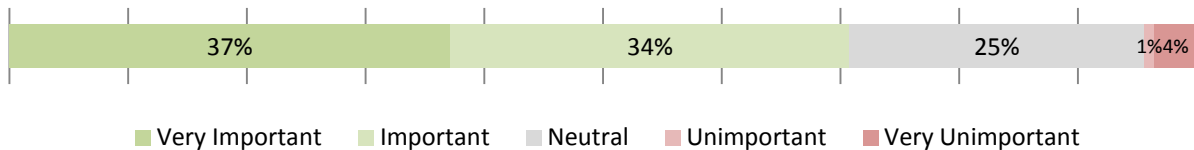
Goal E1.3 Promote private and governmental cooperation and coordination in developing small businesses and enterprises and in attracting and locating new industry that benefits Craig.



Goal E1.4 Encourage development that capitalizes on Craig's growing economy and strategic location on Prince of Wales Island and in Southeast Alaska.



Goal E1.5 Encourage development of value added industries.



Other economic goals comments and suggested goals included:

- Look for ways to keep visitor dollars in Craig/POW - a recent study shows most visitor dollars end up in Ketchikan.
- Restore/renovate the cannery - a brewery would be awesome!
- Seek to promote Craig as the service center of the island.
- Would be good to work with local business and governmental enterprises
- Do not intervene and by so doing create a replica of the lower 48, when most of us prefer life here. That is why we are here. Craig will lose much of its appeal if it has shopping malls and increased population and a stress level equal to the rest of the US its lack of development is its selling point.
- How do we encourage a diverse economy?
- We need new industry
- You bring in the set of the walking dead, they could use all the Craig meth heads, drunks and druggies that stagger around as the zombies.
- Keep up the public support of both the commercial fishing and timber industries.
- Do not attempt to centrally plan the economy by picking winners and losers. City government should remain NEUTRAL on economic growth/development. Some people (many people) DO NOT WANT more growth/development. Some do want growth. The city best represents all by remaining NEUTRAL. Also, planned economies inevitably fail in the long run. Best left to the individual to come up with ideas and develop them sustainably.
- This area is a unique environment it can only be manipulated so far. The ferry system as an example. The backers of the present system

should be hanged and the managements. They are criminals feeding off the port

- We like it the way it is.
- Stay out of economic development. Keep taxes and regulations low and the "natural" beauty and resources of the area will grow on its own. Gov't is a poor central planner in business and social

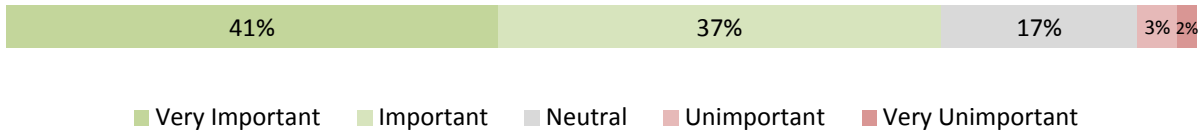
activity. Stay small and neutral. Let growth or non-growth happen organically w/a self-sustainable future. Do not subsidize growth that is unsustainable w/out the subsidy.

- Keeping jobs for locals - very important
- Not qualified. In over your bureaucratic heads...

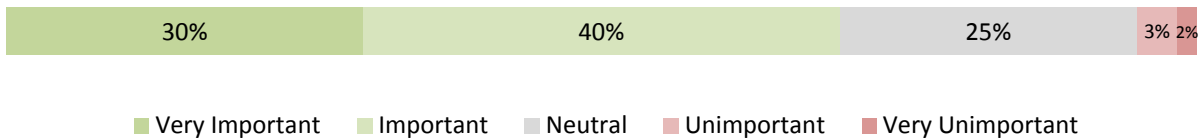
Recreation Goals

Question 40 contained feedback on the three recreation goals found in the 2000 Comprehensive Plan. This section of the survey also included an opportunity for additional comments or suggested goals.

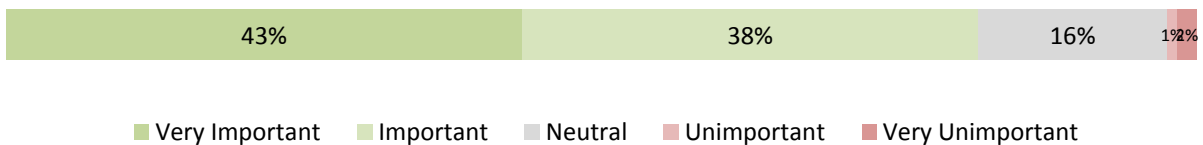
Goal RC1.1 Encourage recreational opportunities in Craig to improve the quality of life in the community.



Goal RC1.2 Provide for the future community recreational needs.



Goal RC1.3 Retain areas in public use which have traditionally been used by the community for recreation.



Other recreation goals comments and suggested goals include:

- Kayaking - other water sports.
- Consider ecotourism as a revenue opportunity.
- City should not be selling public land for private use.
- Yearly maintenance of picnic areas, parks, city gym, ballpark and Craig Recreation Center should be done by providing clean atmosphere or new facilities
- There are plenty already
- The importance of recreational opportunities can't be over emphasized. Healthy recreation is vital to Craig's quality of life - Very Important
- Kayak or boat rentals - Very Important
- How many parks do you have? We need some areas that bring revenue. I have to admit Victoria

does a good job but we need more community volunteerism.

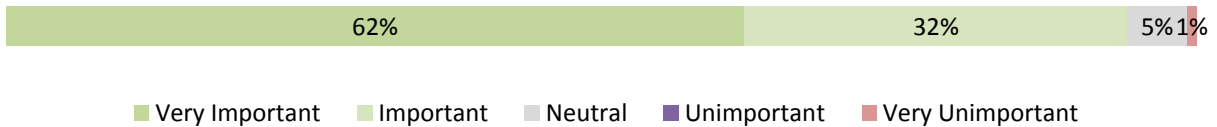
- Provide payment and training to encourage rec. classes for residents; aqua aerobics, other fitness classes. Cooking classes, senior fitness classes, senior water classes, other classes of interest to adults.
- Walking & biking trails Craig > Klw - Very important
- Develop downtown Craig/cannery area with small boat harbor/ transient boat harbor and launch. This would focus more of the summer activity toward downtown. Bring in some cultured activities in the summer like live music or art shows.
- Ok to substitute new public use areas with like features for existing ones, should existing areas be closed to the public.

- Recreation abounds around Craig without the city spending taxpayer's money on recreational activities sought by a few well - connected or very vocal people (special interest). Also, eliminate the Parks and Rec. position by phase-out or severance offer. Taxpayers should not pay for a city party organizer.
- This whole area is a recreational opportunity. No need to manage it. Be a "good neighbor" to all corporations/communities to keep recreational access open (i.e. Klawock Heenya). Keep communications open.
- Expand and promote recreational opportunities as a selling point for growth.
- More outdoor spaces

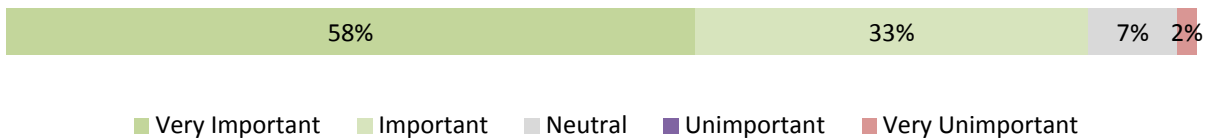
Environmental Goals

Question 41 contained feedback on the four environmental goals found in the 2000 Comprehensive Plan. This section of the survey also included an opportunity for additional comments or suggested goals.

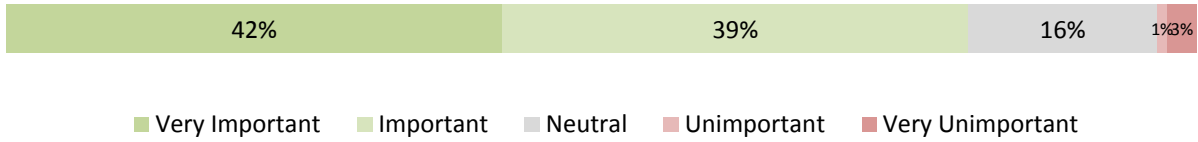
Goal N1.1 Maintain and protect the quality of the water, land and biological resources within the city to provide for sustainable use of those resources for current and future generations.



Goal N1.2 Safeguard the ability of city residents to use the land and waters in and near the city for traditional subsistence and commercial uses.

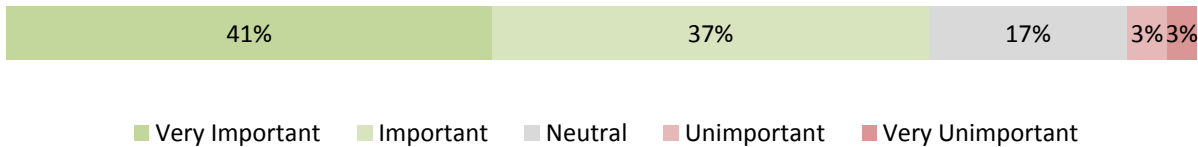


Goal N1.3 Protect sensitive areas when designing new subdivisions, new roads, or other intensive land uses.



■ Very Important ■ Important ■ Neutral ■ Unimportant ■ Very Unimportant

Goal N1.4 Guide development to areas where soils, geology, drainage, and natural hazards pose the fewest limitations.



■ Very Important ■ Important ■ Neutral ■ Unimportant ■ Very Unimportant

Other environmental goals comments and suggested goals included:

- I sure wish there was a cost effective way to address recycling on the island.
- Work to recycle on the island and reduce solid waste. Clean up and fence wood burning area so hazardous and other non-burnable do not enter. Improve harbor clean up of diesel spills & bilges. More awareness of coastal zones and what is being dumped into them.
- Good to keep track but not interfere
- Slanted question we need to ask about renewable resources and recycling
- The above goals have only minimal cost to the city budget but require planning, regulation and oversight.
- Actual recycling program for glass & plastic, not just landfill - neutral
- Remove cable TV lines - unimportant
- Have an oil spill plan in place for harbors - Very Important
- Enlarge recycling program so less waste ends up in landfills or incinerated
- We like it the way it is.
- Goal to encourage local business to be responsible for debris brought in to be recycled in effort to reduce waste - very important

City of Craig

Craig Community Economic Development Strategy (CEDS)

2012 Annual Report

May 2012



Craig Overall Economic Development Committee City of Craig

Committee Members:

Kevin Barry, Silver Bay Seafoods

Michael Kampnich, the Nature Conservancy

Gary Lawton, US Forest Service

Joyce Moore, Southeast Alaska Regional Health Consortium (SEARHC)

Bill Russell, Craig Planning Commission

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Martha Wood, Craig Tribal Association

Staff:

Jon Bolling, City Administrator

Victoria Merritt, Craig Recreation

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Brian Templin, City Planner

The Craig City Council adopted the 2012 CEDS Annual Report on _____, 2012.

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Development Strategies and Accomplishments

Following is a priority list of strategies developed by the Craig Economic Development Strategy Committee as a part of the Overall Economic Development Plan. Each item contains a brief description of the project and its impacts and details any activities that have taken place in the last 12 months.

Local Strategies

1. Street Improvements

Project Description: The city has been working to upgrade utilities and pave city streets for the past several years. The addition of sidewalks and asphalt surfacing will define property lines, provide safe places for pedestrians to walk, and lower street maintenance costs. In addition, reducing dust generated by traffic on dirt roads keeps adjacent homes and businesses cleaner, and improves air quality for those with asthma and other diseases that are exacerbated by ambient air particulates. Maintenance and upgrade of existing roads and intersections are major concerns.

Activity over the Last 12 Months: All work for Phases 1 and 2 of the project are complete. The city has been working to complete bid documents for construction of Phase 3 and survey, engineering and design of Phase 4.

Current Activity: The city recently awarded the contract to pave Phase 3 to AIC. Work will begin this summer. This phase of construction will substantially complete utility upgrades and street paving in West Craig (and will also include Sunnyside Drive in East Craig). RPKA has been selected and awarded the contract to complete design work for the remainder of the unpaved streets in Craig for future construction. The city will determine how much money remains and will work on bidding out additional paving over the winter.

2. Utility Improvements

Project Description: Upgrades to Craig's water treatment/distribution and sewer systems are very important to maintaining health and safety. Due to the age of parts of the system and changing needs, the city needs to continually look at maintenance, repair and upgrade of Craig utilities. The water distribution system has had a high rate of water loss due to broken pipes in the system. A major leak caused water rationing during 2010 and a number of line breaks in the main along the Craig Klawock Highway caused potential shortages in 2011.

Activity over the Last 12 Months: City staff has spent a great deal of the last year making emergency repairs to existing waterlines. Due to the multiple failures in the 10" main along the highway the city has been working with ANTHC on the design and bid documents to replace approximately 3,800' of the existing ductile iron pipe with HDPE. The city has continued to work on making the repairs and improvements identified by staff and in long range planning documents. The city has exhausted almost all planned maintenance, upgrade and improvements identified in the current water and wastewater system master plans and is actively seeking funding to complete cleaning of sewer lines, television inspection of lines

and updated master planning. The city is looking at some lift station replacements over the next several years.

Current Activity: A contract has been awarded for replacement of the 3,800' of ductile iron pipe that is in danger of further failures along the highway. This construction should be complete by the end of July 2012. The city was also awarded \$250,000 in the state capital budget (pending Governor's signature) for updated water and wastewater cleaning, inspection and master planning. The city has also met with a number of other communities to work toward securing a vacuum truck which will be shared between the communities and used to clean and maintain sewer lines.

3. Harbor Improvements

Project Description: This project includes the development of a new harbor at the Ward Cove Cannery Site; upgrades to existing city harbor and boat launch facilities; and, potential development of a city wharf at North Cove. Increased and improved harbor facilities will help relieve the crowded conditions and attract pleasure boats traveling through the area. Projected improvements include parking, additional harbor space, current harbor upgrades and improved navigation (i.e. breakwaters). In addition to the design and construction of a new harbor the city also works to constantly upgrade safety, access, efficiency and usability of existing harbors.

Activity over the Last 12 Months: The US Army Corps of Engineers has continued to be slow in moving this process along. The city recently was appropriated \$400,000 in the state capital budget (pending Governor's signature) toward the study and work at the site. The city has completed maintenance and upgrades in South Cove and other harbors in town.

Current Activity: The city will continue to work with the Corps of Engineers to move the study forward and for ultimate design and construction of breakwaters and harbor space at the site. The Craig Harbor Department will look at feasibility of a potential wharf and upland support facilities near the Craig Seaplane Facility.

4. Craig Public Safety Building

Current Situation: Existing public safety facilities in Craig are no longer satisfactory to provide adequate service to the community of Craig. The Craig Volunteer Fire Department (CVFD) recently purchased a new vehicle to replace a 28 year old apparatus. Craig's Emergency Medical Services (EMS) squad has two ambulances and has only parking facilities for one. The second ambulance is parked in an out-of-the-way location resulting in delayed response time for calls requiring a second ambulance. The current facility also does not allow for adequate storage of other equipment or supplies for either service. The Craig Police Department (CPD) provides public safety services and provides the State of Alaska with jail services and DMV services in a space only designed for the Craig Police Department.

Project Description: This project would result in the construction of a new Public Safety Building which may include space for CPD, EMS, and CVFD. The building would include office space for Police Chief, Fire Chief, EMS Captain, police sergeant, a dispatch center, DMV office, classroom/conference room, temporary quarters with kitchen facilities, police

interview rooms, and a jail. The aforementioned would be located on the second floor above a five- or six-bay garage for fire trucks and ambulances, and equipment storage areas for police, fire, and EMS.

Activity over the Last 12 Months: The city completed the land trade with Shaan-Seet for additional land behind the existing fire hall. Staff determined that it was a good time to work toward the new hall rather than a temporary solution behind the existing building. The city has been appropriated \$100,000 in the state capital budget (pending Governor's signature) for design, engineering and land acquisition for a new building.

Current Activity: The scoping group will continue to work on a concept plan for a new facility, will identify the facility site and will solicit bids for design/engineering services.

5. Heavy Equipment Replacement

Project Description: This project consists of purchase of heavy equipment to replace aging and failing machinery. Craig maintains approximately 19 miles of roads, water treatment/distribution system, sewer collection/treatment, parks, facilities, parking lots, garbage collection and other municipal services. To accomplish these tasks the public works department maintains a small fleet of heavy equipment which includes garbage trucks, dump trucks, a bulldozer, a small backhoe/front end loader, sander, and plow. All equipment was originally purchased used and had significant wear when they were acquired. City maintenance personnel work to keep all of the equipment operational but many of the vehicles are reaching the end of their useful life and some, such as the bulldozer and backhoe/front end loader are near complete failure. In addition to routine tasks the front end loader and bulldozer have been used to clear landslides and road failures to the city's water treatment and water source in emergencies. In addition to current services the city will also need to purchase equipment to maintain the additional paved streets in town.

Activity over the Last 12 Months: The city has been working hard to maintain existing equipment. The city was appropriated \$600,000 in the state capital budget for the project.

Current Activity: Staff will look at replacement priorities for the current funding. One of the first priorities will be for a new garbage truck. The city will also include another appropriation request in the next fiscal year state capital budget.

6. Behavioral Health Services

Project Description: With a long-term view to replacing and expanding the services previously conducted by COHO, several agencies and the Prince of Wales Health Network are working to provide mental health and substance abuse programs (behavioral health) and services on the island. At the moment there are no concrete projects formed but the City of Craig will work to support other agencies working to provide these services.

Activity over the Last 12 Months: Most services previously done by COHO have been assumed by SEARHC, Community Connections and other healthcare providers and the

Prince of Wales Health Network has been gathering information to complete a behavioral health needs assessment to further identify needs.

Current Activity: The city will continue to work with the Prince of Wales Health Network and area providers to meet the behavioral health needs of the city's residents.

7. Fish Enhancement/Community Drinking Water – Water Source Improvement

Project Description: Water source improvements will benefit the king salmon enhancement project and the community drinking water capacity. This project includes improvements and raising the dam at North Fork Lake, which is the municipal water source for Craig. Raising the water level will result in increased water flow to the king salmon hatchery located at Port St. Nicholas and will result in higher capacity for stored raw water for treatment and use by the City of Craig. Improving stocks of high value king salmon has benefits for all categories of fish users.

Increased populations of these fish will mean greater opportunities for commercial, subsistence, charter, and sport fishermen. Working in cooperation with the Prince of Wales Hatchery Association, king salmon stocks can be increased locally. By enhancing king salmon stocks, all fishermen will have access to more high value fish. In addition, those king salmon will not be counted toward the Southeast Alaska King Salmon Harvest under the Pacific Salmon Treaty, resulting in a net gain of available king salmon. The local charter and sport fishing sectors will benefit by increasing the number of popular king salmon available to charter customers and sport fishermen.

Activity over the Last 12 Months: The hatchery has been operating successfully now rearing king salmon for Port St. Nicholas and Coffman Cove. Silver Bay Seafoods has operated successfully for several seasons and have increased the overall water demand substantially. The project was awarded \$275,000 from the USFS and an additional \$100,000 in the state capital budget. The city contracted R&M Engineering to complete a feasibility study which looked at the potential raise of the dam level.

Current Activity: The city will continue to work with the USFS on the permitting issues and will work to complete all permitting, design, engineering and award of a construction contract by September 30, 2012 when the USFS funding ends.

8. Expand Biomass Heat Capacity and Distribution

Project Description: With the completion and startup of the wood fired boiler in 2008 the city is continuing to look for ways to make it operate more efficiently and to use excess capacity generated by the facility. Options include heating additional buildings and electrical co-generation. The city should continue to look for ways to maximize the use of the existing facility and look for other alternative energy sources such as development of a micro-hydro turbine at the water treatment plant to supplement traditional energy sources.

Activity over the Past 12 Months: The city has been working with Viking Lumber to install drying and storage capacity for fuel that is delivered to the plant. Ultimately this dry fuel could also be used for other biomass projects in the region.

Current Activity: The city will continue to make adjustments to the system to operate at full potential. The city will also continue to look at adding facilities or developing other uses for excess capacity.

9. Borough Discussion (Pros and Cons)

Project Description: From time to time discussions surface as to the merits of forming an island borough. However, a lack of understanding of the consequences of borough formation results in action on the issue ending at the initial discussion level. As discussions go on at an island wide level it is important for the City of Craig to look at effects of borough formation on the city itself.

Activity over the Last 12 Months: POWCAC and the Prince of Wales Chamber of Commerce have conducted a number of discussions regarding formation of a borough. The city was appropriated (on behalf of POWCAC) \$30,000 in the state capital budget to hire a contractor to conduct a borough study for the island.

Current Activity: Craig staff will work with POWCAC to develop a request for proposals and contract for professional services to provide a borough study for the island.

10. Community College/Community Center/Vocational Training

Project Description: Establishing a community college program locally could provide a wide array of vocational, arts, and academic classes for residents. An associate degree program could allow local high school graduates the option of staying home for two years of a four-year program, reducing the cost of postsecondary education substantially. The Craig Community Foundation has completed a scope of work and a draft site plan for development of a community center at Crab Creek. The foundation envisions many of the projects on this list, including a library, museum, a visitor center and college classes at the facility. A focus added during the 2008 CEDS process adds vocational training as a part of this project.

Activity over the Last 12 Months: Local school district superintendents worked very hard last year to secure significant funding from the state for development of a Career and Technical Education (CTE) Center. An advisory committee has been formed representing communities, school districts and agencies from around the island. The committee has been meeting regularly to work on both building design and operations. The City of Craig has a representative on the committee.

Current Activity: The city will continue to participate in the advisory committee and will work to help complete design and go to bid for sitework and construction. The committee currently has draft schematic drawings for the new building which will be located in Klawock.

11. Residential Land Availability

Project Description: Due to community growth and the land-locked nature of the City of Craig there is limited residential land available for development. In addition to small undeveloped areas in Craig there are two large undeveloped tracts and a small city

subdivision which are currently zoned for residential development. The western half of Cemetery Island is owned by Shaan-Seet and is zoned residential. This tract may be developed into numerous prime residential lots in an area that is currently undeveloped. Tract 18 of USS 2611 in East Craig is owned by the Craig Tribal Association and may yield as many as eleven residential lots in the middle of a residential neighborhood. The city owns seven undeveloped lots that make up the Salmonberry Subdivision on the Port St. Nicholas Road

Activity over the Last 12 Months: The city has been working to design utility installation for the Salmonberry Subdivision.

Current Activity: The city will continue to work on the Salmonberry Subdivision and additional lots in the Crab Cove Heights Subdivision.

12. Recycling and Solid Waste Management Program (Cleaner and Greener Community)

Project Description: Due to increasing costs of solid waste disposal and renewed interest in recycling, the 2008 CEDS committee added this project to the list. This project is in the conceptual stages and will be further formed over the next twelve months.

Activity over the Last 12 Months: No action has been taken on this project in the past twelve months.

Current Activity: The City of Craig is working with the Craig Community Association and other communities to look at some recycling options. The city is also looking at ways to reduce the amount of sold waste in the current waste stream to reduce solid waste costs.

13. Development of Cannery Site Uplands

Project Description: Development of this five acre upland parcel will greatly enhance the traffic flow, parking, appearance and commercial attraction to the downtown area. Primary development will probably include commercial and marine related development that supports the harbor development and downtown parking. Throughout the planning process for the site discussions included the potential of adding museum, visitor center, community center, or other public facilities as well as commercial development.

Activity over the Last 12 Months: There has been some cleanup of buildings on the site over the past year, primarily due to some fires in a few of the buildings on the site.

Current Activity: The city will also continue to gather input and move forward with the park/seaman's memorial at the west end of the property. The city will also move forward with demolition and cleanup of one of the bunkhouses that partially burned last year.

14. Fishing Industry Value Added Input and Support

Project Description: Reestablishing fish processing capability in Craig has been an important development step. The employment, fish processing tax, and selling point for commercial fishing boats all generate new income for the local private and public sector. That revenue increases payroll, and in turn the net amount of dollars circulating within the community.

The net increase in raw fish tax receipts provides a revenue stream for maintenance and upgrade of the community's harbors that is now absent. In order to increase the infrastructure, add value to the area fisheries, provide economic flexibility to the local fleet and add local jobs to the community it is crucial that we upgrade fishing, fish processing and storage capabilities in Craig. Commercially available ice, fish processing capability and cold storage space are critical to increasing this industry in Craig.

Activity over the Past 12 Months: The city provided dock space at the Cannery industrial dock to Seafood Producers Co-op (SPC) out of Sitka to land fish here. Silver Bay Seafoods continues to process significant amounts of seine caught salmon in their facility. Silver Bay once again employed over 150 people at the peak of the season under the long term lease agreement with the city. The city also worked to add a second ice drum at the ice plant to increase ice capacity.

Current Activity: The city will continue to work with both SPC and Silver Bay to utilize city owned property to process fish in the 2012 season. The city will also work to continue to increase the quality and capacity of ice at the city's ice plant with the recent upgrades. The Craig Harbor Department will begin to look at the feasibility and benefit of development of a wharf and upland support facilities near North Cove.

15. Sunnahae Mountain Trail

Project Description: The Sunnahae Trail ownership was transferred to the US Forest Service. The Sunnahae Trail was constructed over twenty years ago on extremely steep ground. The condition of the trail has deteriorated significantly over this time and is now in a state of disrepair that can be dangerous to hikers. The Forest Service is committed to reconstructing the Sunnahae Trail as soon as funding is available. It is estimated that complete reconstruction of the Sunnahae Trail will cost between \$700,000 to \$1 million. The Sunnahae Trail is approximately ¾-mile long and climbs over 2000 feet to an exquisite open muskeg system, with excellent views of the City of Craig, its surrounding waters and the Prince of Wales Outer Islands. Accessible by foot from the City of Craig, the Sunnahae Trail supports Prince of Wales Island tourism by providing a high value recreation opportunity and a nearby place for local residents to hike, get exercise and spend some time in the natural environment. Seeking grant funds and partnership funding would be a strategy the Forest Service would employ.

Activity over the Last 12 Months: The city and Forest Service have been working to secure funding to bring the trail up to USFS standards.

Current Activity: The city and Forest Service will continue to work to secure trail redesign and reconstruction funding.

16. Prince of Wales Emergency Resources (POWER) Facility

Project Description: POWER, a non-profit group in Craig runs a thrift store, food bank and assistance clearing house in Craig. POWER is currently located in an old city owned building that is in need of major upgrade or replacement. This project would upgrade the

current facility, construct a new facility or move POWER into a different facility. Immediate needs include repairing the roof and upgrading the heating system in the existing building.

Activity over the Last 12 Months: None.

Current Activity: This project is still in the conceptual stages.

17. School District Capital Projects

Project Description: The Craig City School District supports P-12 and alternative education on three separate campuses. The school district is active in maintaining and expanding their facilities to enhance education in Craig. While the school district goes through a capital project list within the district it is important to provide municipal support to those projects.

Activity over the Last 12 Months: This project was added new during the 2011 CEDS meetings.

Current Activity: A copy of the current School District Capital Project list will be added as an attachment to this report.

18. Port St. Nicholas Road Upgrade

Project Description: This project consists of survey, design, engineering and construction of road improvements along the current Port St. Nicholas Road corridor from the Craig-Klawock Highway to 5.5 mile on the Port St. Nicholas Road. Improvement of this road will reduce long term maintenance of roads and will improve driving conditions for residents of Port St. Nicholas.

Activity over the Past 12 Months: The Craig Tribal Association (CTA) has continued to work this project. The CTA has been working on the road reconstruction and realignment by force account. CTA has continued to work to secure additional funding to complete the project. The city worked with the CTA to replace 900' of water and sewer line along the road corridor as part of their upgrades.

Current Activity: CTA will continue to work the funding issues to try to ensure that the current 5 ½ mile project is fully funded and completed.

19. Library Expansion

Project Description: The current library space is full with no room for much needed expansion. As the city develops property related to other projects relocation of the library to another facility or construction of a new library needs to be considered.

Activity over the Last 12 Months: The library staff continues to analyze user data and services.

Current Activity: The library staff and board will continue looking at alternatives for renovation or new construction to meet current and future needs.

20. Indoor/Outdoor Recreation Facilities

Project Description: The city provides recreational and fitness activities to the area residents at the aquatic center, city gym and other facilities in town. This value is a strong part of the quality of life of Craig residents and staff is always looking to expand the available services and opportunities to area residents. Among the proposed expansions is a racquetball court and expanded physical fitness facilities at the Aquatic Center, skate park and others.

Activity over the Last 12 Months: The community garden has now been operating for seven years. City staff continues to add opportunities within existing facilities such as the aquatic center, gym, and youth/recreation center.

Current Activity: City staff will continue to look for potential funding for expansion of the aquatic center and will move forward as funding becomes available. Staff will also look at other recreational opportunities as they present themselves.

21. Community Quota Entity

Project Description: The project is the purchase of halibut quota shares by the Prince of Wales Island Community Holding Corporation (POWICHC), a non-profit corporation representing the City of Craig in the Community Quota Entity program. The Community Quota Entity program was enacted by Amendment 66 to the National Marine Fisheries Service rules. Craig quickly took the lead in the state in participation in this program. The city completed formation and approval of the POWICHC as a Community Quota Entity under amendment 66. As the charter fleet has moved to a Charter Halibut Permit (CP) system the CQE will also work under any new rules to incorporate Catch Sharing Plan (CSP) to include Charter businesses into the CQE system.

Activity over the Last 12 Months: Staff has continued to look for funding sources for the CQE program.

Current Activity: Recently the Gulf of Alaska Coastal Community Coalition (GOAC3) have been working with state legislators to establish a workable loan or grant program to allow for quota purchase by CQEs. Staff will continue to monitor these opportunities and will work with state legislators and staff if a program is approved.

22. Float Plane Terminal Access and Parking

Project Description: The State of Alaska has turned over ownership and operation of the float plane terminal property in Craig to the city. Reopening this facility has improved the appearance of the float plane terminal, has been a benefit to travelers, and has allowed local air carriers to operate more efficiently. Continued work on this project would include improvement of parking at the facility and continuing to analyze the feasibility of access along the Eighth Street corridor.

Activity over the Last 12 Months: Operations of the float plane facility are going well. Both tenants appear to be satisfied with the facilities and utility bills are under control. The city

included environmental permitting for the access road and parking lot in the street improvement project. In addition to Promech and Pacific Airways the city recently approved an access permit to Taquaan Air to use the old mechanical room as a staging area for their local staff and freight.

Current Activity: At this time the access road and parking lot are low on the priority list, but as funds allow, they may get paved as part of ongoing street improvement projects. The City will continue to look at possibly expanding the parking area as part of a proposed wharf project by the Craig Harbor Department.

23. Craig – Klawock Separated Bike Trail

Project Description: This project includes the construction of a separated trail along the Craig – Klawock Highway. The trail would start at the Craig High School and run parallel to the highway approximately seven miles into Klawock. The trail would be used by bicycles, runners and hikers.

Activity over the Past 12 Months: A group of community representatives began meeting in 2010 to move this project forward.

Current Activity: This project is still in the conceptual stages.

Regional Strategies

1. Solid Waste Facility/Recycling Program

Project Description: The local landfill transships solid waste to a landfill in eastern Oregon. Initially, the landfill, operated by the City of Klawock, and used primarily by the cities of Craig and Klawock, anticipated changing their disposal method from landfill to incineration. However, Klawock has moved away from incineration after hearing reports of unsatisfactory results in other southeast communities. There is some interest in the region in developing a SE Alaska solid waste site to serve the area's communities, almost all of whom now transship their municipal solid waste to points in Washington and Oregon. The effort to find a regional solid waste facility should continue through feasibility and site studies. In 2008 the CEDS committee added a recycling program component to this project to encourage regional recycling efforts in relation to solid waste disposal.

Activity over the Last 12 Months: Communities and Southeast Conference have continued to look at alternative methods of dealing with municipal wastes. During the 2009 Municipal Elections the residents of Craig recommended creation of a regional solid waste authority to deal with this problem. The city council adopted a resolution forming the Southeast Alaska Solid Waste Authority (SEASWA). Petersburg, Thorne Bay and Wrangell conducted similar public advisory votes and adopted similar resolutions. These four communities have appointed representatives and currently make up the membership of the authority.

Current Activity: SEASWA is currently doing mostly formative work and initial planning. Ultimately the authority will work to resolve regional solid waste disposal issues.

2. Island-Wide Economic Development Planning

Project Description: With a wide array of common economic and social issues facing all the communities on Prince of Wales Island, a coordinated, Island-wide effort to address these issues is merited. The obvious place to begin is with an update of the 1992 Prince of Wales Economic Development Strategy produced by C.L. Cheshire and funded by a grant from the U.S. Forest Service. Economic development planning is a critical part of long term, comprehensive development on Prince of Wales. Recent cuts to commercial halibut quota, changes to the charter industry, severely curtailed logging activities, higher costs of doing business on Prince of Wales and the overall downturn in the economy make good, solid, comprehensive economic development planning critical for the island. Part of economic development planning on Prince of Wales should include some small business planning assistance or information clearinghouse.

Activity over the Last 12 Months: The City of Craig has deferred to the Prince of Wales Community Advisory Council as lead organization on this project. Over the last 12 months POWCAC invited various people to speak on economic development issues but has not yet begun to develop a comprehensive economic plan for the Island.

Current Activity: City staff will look at the feasibility of conducting an island wide economic summit in the next couple of years. Staff will also look for funding to have a new economic development plan written.

3. Alternative Energy Sources

Project Description: With the high and increasing cost of fuel there has been a major impact in gas, home heating, electricity, transportation and purchase of consumer goods. Biomass, wind, hydro and other alternative fuel and power sources are becoming more and more feasible and prudent given the high cost of fuel. The CEDS Committee would like to see some exploration of alternative energy and fuel sources. One of the focuses for alternative energy should be a wind power feasibility study of likely areas on the island.

Activity over the Last 12 Months: The City of Craig has continued to operate the wood fired boiler system in Craig. This boiler uses wood waste to heat the municipal pool, elementary school and middle school and has significantly reduced fossil fuel use for these facilities.

Current Activity: POWCAC and communities will continue to look at various alternative energy sources.

4. Island-Wide Electrical Intertie

Project Description: The Alaska Energy Authority, with the Denali Commission, is considering an on-island intertie between the existing electric grid serving (Craig, Klawock and Thorne Bay), and the communities on the north end of the island. Doing so will reduce kilowatt hour costs in the north end communities by about one half, resulting in significant cost savings for north end rate payers. Connecting the Island's electric grid to the east side communities of Coffman Cove and Whale Pass also provides two additional connection points for an eventual tie into a region-wide intertie in Southeast Alaska. This project also includes connection to the proposed Reynolds Creek Hydro site.

Activity over the Last 12 Months: AP&T has continued to extend lines on the island. Work also continues on finding funding and completing design and permitting for the proposed Reynolds Creek Hydro project near Hydaburg.

Current Activity: The City of Craig continues to work with Southeast Conference and other communities on the electrical intertie project. Recently AP&T has been working to complete permits and start adding poles and lines to connect Naukati and Coffman Cove to the Black Bear Hydro Grid.

5. Vocational Training Center

Project Description: Post-high school education is important to our area. The ability for local graduates, industry workers looking to enhance their skills and marketability and displaced workers in the timber and fishing industries to receive vocational training is important. This project is to encourage development of vocational training in the area for these target populations.

Activity over the Last 12 Months: Local school district superintendents worked very hard last year to secure significant funding from the state for development of a Career and Technical Education (CTE) Center.

Current Activity: The City of Craig has appointed a representative to the CTE working group which has planning and development for the project and will work to complete design and contract for construction of the building in the next 18 months.

6. Borough Study (Pros and Cons)

Project Description: Prince of Wales Island is in Alaska's unorganized borough. Put another way, no borough-level government exists on the island. From time to time discussions surface as to the merits of forming an island borough. However, a lack of understanding of the consequences of borough formation results in action on the issue ending at the discussion level. A comprehensive analysis of the changes brought about by the formation of a Prince of Wales Island Borough is necessary to give island residents a complete look at what borough formation would mean, and whether or not it is in the island's best interest to organize in that manner.

Activity over the Last 12 Months: Communities on Prince of Wales Island have continued to discuss the pros and cons of borough formation through POWCAC and the Prince of Wales Chamber of Commerce. The city recently was appropriated funds (on behalf of POWCAC) to complete the study.

Current Activity: Craig city will work with POWCAC to develop an RFP for services to complete a study that will weigh the benefits and drawbacks of borough formation.

7. Emergency Planning

Project Description: Preparedness for emergencies and response to them has critical economic impact. The local emergency planning committee has been charged with the

responsibility of preparing draft emergency response plans for area communities. Adoption and implementation of plans are completely at the discretion of each individual community.

Activity over the Last 12 Months: The Southern Southeast Local Emergency Planning Committee (SSLEPC) has continued to meet and work on community emergency response plans.

Current Activity: The SSLEPC continues to work on draft emergency plans for communities to consider adopting. The committee is working with the city to develop a large disaster drill as a follow up to the airport drill last April.

8. Timber and Value Added Processing Input and Support

Project Description: With the overall decline of the timber industry it becomes more and more critical for municipalities to support a marketable level of timber harvest and development of added value industries.

Activity over the Last 12 Months: The City of Craig has been very active in timber related issues over the past year. There have been significant discussions on the Sealaska land exchange bill, initial briefings on the Alaska Mental Health Trust proposal to exchange land for timber land on Prince of Wales Island and on environmental litigation against current timber sales and other issues within the US Forest Service.

Current Activity: Craig city staff will continue to monitor timber sale availability relative to local demand and will seek ways to develop or enhance the value added timber industry in Craig. Staff will also work with the USFS to seek ways to diversify the use of local timber.

9. Peratrovich Airport Improvements

Project Description: The State of Alaska-owned airport near Klawock, formally called the Frank Peratrovich Airport, is a critical piece of island infrastructure. The facility's 5,000 foot long paved runway can accommodate many classes of passenger and freight aircraft. Regular air freight service from the airport to markets in the continental U.S. or on to the east via Anchorage can increase the price paid to local fishermen by selling their product on the fresh market, rather than selling to cold storage buyers for eventual sale in the frozen or processed markets.

In addition, scheduled air passenger service to and from the island would eliminate the expensive, unpredictable and all-too-often unpleasant travel required to board the jet in Ketchikan.

The airport runway is already long enough for jet cargo and passenger service. The State of Alaska last year contracted for the installation of a security fence along the airport perimeter. The presence of a perimeter fence and the installation of an instrument approach provide two important prerequisites for introduction of jet passenger service to the island. Other physical improvements, as well as promotion of the airport, are necessary to bring regular jet service to the island.

Activity over the Last 12 Months: The airport has continued to fill areas for expansion and is

continuing planning for additional improvements based on the completed update to the Klawock Airport Master Plan.

Current Activity: Analysis, funding and improvements will continue this year. Potential improvements include resurfacing the runway and continuing to fill expansion areas.

10. Island-Wide Transportation System

Project Description: With the advent of daily ferry service by the Inter Island Ferry Authority (IFA) and with great growth potential at the Island's airport, an effort to organize and plan for passenger and freight transportation needs is needed. An integrated system will allow for orderly growth and ideally encourage on-island businesses to meet anticipated needs. Additionally, the document will qualify the Island for mass transit and other grant programs geared toward moving people and freight between the various transportation modes.

Activity over the Last 12 Months: The State of Alaska has designated highways on Prince of Wales Island as Scenic Byways and a corridor management plan is being written and approved to manage projects and opportunities under this designation.

Current Activity: Several of the tribes have been working to conduct a comprehensive needs assessment for the island.

11. Paralytic Shellfish Poisoning Testing Laboratory

Project Description: Prince of Wales area waters contain commercial quantities of shellfish. In addition, a number of shellfish farms exist that culture product for commercial markets. Prior to their sale to retail markets, all of these species must be tested for paralytic shellfish poisoning (PSP). PSP occurs periodically and unpredictably in both wild and cultured shellfish stocks. The only PSP laboratory in Alaska is in Palmer. Shipping product to Palmer can take several days depending upon weather conditions. These several days delay the shipping of the harvested shellfish to market. Having a PSP laboratory in Southeast Alaska will reduce the time between when shellfish is harvested and when it can be tested for PSP. This will get the fresh product to market sooner, and ultimately fetch a higher price for shellfish producers.

Activity over the Last 12 Months: No activity has taken place on this item in the past twelve months. The community of Naukati continues to develop infrastructure for aquatic farming (primarily oysters and clams) but no PSP testing facility is available on Prince of Wales.

Current Activity: This project is still in the developmental stages.

12. Bicycle and Pedestrian Paths

Project Description: With the improved ferry service to the island, additional interest in a tourist industry that caters to the independent traveler, and the focus in recent years on improving Prince of Wales Island's road system, there is merit in including in road designs bicycle and pedestrian paths along the island's main roads. Such improvements are useful not only to seasonal tourists and to the annual POW marathon, but also to local residents.

The paths would increase transportation alternatives and may help facilitate new businesses.

Activity over the Last 12 Months: No local activity has taken place on this project in the past twelve months.

Current Activity: Area residents continue to seek bicycle and pedestrian paths in and around Craig. The city will continue to work with the State of Alaska and the Federal Highway Administration to extend the existing bike path.

13. Island Wide Recreational Facilities

Project Description: With the island roads being upgraded, existing ferry availability to Hollis there should be an increase in self directed tourism on the island. In order to meet this increase in traffic the establishment of RV facilities, campgrounds and recreational opportunities on the island is necessary. The U.S. Forest Service has property at El Capitan and at Labouchere Bay, either one of which could be developed into prime campground sites. A north end campground facility would provide a destination for independent travelers on the island. Recreational opportunities could include ATV trails, a shooting range, and a kayak/skiff rout along the west coast of Prince of Wales Island. The committee supports private and public development of such sites.

Activity over the Last 12 Months: None

Current Activity: None.

Economic Climate

Staff has looked at some economic factors to develop a quick, rough set of economic trends for the City of Craig over the last several years. We used five factors to look at the economic trends of the city. Those factors were: population, school enrollment, sales tax, building permits, and property assessment trends. Although these are not enough to provide detailed analysis, they are enough to get a quick idea of the trends.

Economic Factors Analyzed:

Factor 1: Population figures used by the State of Alaska and the US Census are as follows (2010 figure is US Census Data):

2002	1,227
2003	1,174
2004	1,127
2005	1,102
2006	1,105
2007	1,054
2008	1,117
2009	1,101
2010 (Census Data)	1,201
2011	1,240

Factor 2: School Enrollment. Total enrollment of local students (excluding correspondence and cyber students) in the Craig City School District is as follows:

2002	391
2003	382
2004	367
2005	356
2006	369
2007	341
2008	332
2009	315
2010	312
2011	341

Factor 3: The city assesses 5% sales tax for goods and services and 6% sales tax on liquor in the City of Craig. Annual sales tax revenues are as follows:

2002	\$1.272 million
2003	\$1.262 million
2004	\$1.290 million
2005	\$1.414 million
2006	\$1.449 million
2007	\$1.490 million
2008	\$1.614 million
2009	\$1.556 million
2010	\$1.381 million
2011	\$1.478 million

Factor 4: Building Permits issued over the past several years are as follows:

Year	New Homes	Commercial Permits	All Others	Total
2003	1	5	29	35
2004	8	7	30	45
2005	1	6	26	33
2006	4	10	34	48
2007	4	6	31	41
2008	3	7	32	42
2009	1	7	40	48
2010	1	6	22	29
2011	3	4	28	35

Factor 5: Property Assessment Trends. Trend adjustments assigned by the city assessors are generally broken into five categories which include; trailers, residential land, residential improvements, commercial land and commercial improvements. Trend adjustments are shown as an increase/decrease from the previous year's value. Assessments have shown general trend adjustments as follows:

Year	Res. Land	Res. Imp.	Comm. Land	Comm. Imp.	Trailers
2004	0%	0%	0%	0%	-25%
2005	0%	0%	0%	0%	0%
2006	0%	0%	0%	0%	0%
2007	+10%	+10%	0%	0%	0%
2008	0%	0%	0%	0%	0%
2009	+10%	+10%	0%	0%	0%
2010	0%	0%	+10%	+10%	-10%
2011	0%	0%	0%	0%	0%

Attachment A
Craig City School District
Capital Projects List – FY2012-2017

CRAIG CITY SCHOOL DISTRICT SIX YEAR CAPITAL IMPROVEMENT PLAN

DISTRICT PRIORITY

1. Alternative Wood Heat Project
2. Elementary School Floor Replacement
3. Elementary and Middle School HVAC control replacement
4. Middle School and Middle School Gym Siding Replacement and Paint
5. Elementary and Middle School Exterior and Interior Doors
6. Elementary, Cafeteria and Middle School Windows
7. Middle School Gym Overhaul: Locker Rooms, Floor, Lighting, Wiring, Bleachers and Wall Covering
8. Security System Upgrade: Phones and Cameras
9. Middle School Commons Area
10. Elementary and Middle School Fire Alarm, Detection and Suppression Improvements
11. Elementary and Middle School Lighting
12. Elementary and Middle School Carpet Replacement
13. School Kitchen Replacement, Including Freezers and Coolers
14. High School Gym Floor Refinish
15. High School Shop Expansion
16. High School Wood Heat Pump System
17. Replace Modular Classrooms w/Middle School Gym Overhaul