



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, August 21, 2023

6:00 PM

Assembly Chambers

You are invited to a Zoom webinar.
When: August 21, 2023 at 06:00 PM
Topic: 8/21/2023 Borough Assembly Meeting

Please click the link below to join the webinar:

[https://petersburgak-
gov.zoom.us/j/86707946071?pwd=OUxRWjk1ZThjOUZUbGlyWVZLb3ZzUT09](https://petersburgak.gov.zoom.us/j/86707946071?pwd=OUxRWjk1ZThjOUZUbGlyWVZLb3ZzUT09)

Passcode: 127905

Or Telephone:

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1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**
 - A. **August 7, 2023 Assembly Meeting Minutes**
4. **Amendment and Approval of Meeting Agenda**
5. **Public Hearings**
 - A. **Public Hearing for Ordinance #2023-12: An Ordinance Amending Chapter 4.08 of the Former City of Petersburg Code to Account for Borough Formation**

Any public testimony regarding Ordinance #2023-12 should be given during this public hearing. A copy of Ordinance #2023-12 may be found under agenda item 14A.
 - B. **Public Hearing for an Application to Purchase Borough Owned Tidelands - Wikan Enterprises, Inc.**

John and Sheri Wikan, doing business as Wikan Enterprises, Inc., have filed an application to purchase the Borough owned lot they currently lease, located at 103A Dock Street (parcel ID #01-010-037).

Any public testimony regarding this tidelands purchase application should be given during this public hearing. A copy of the application may be found under agenda item 15B.

Borough Code Section 16.16.070, Sale of Tidelands, requires that at the public hearing, the applicant clearly demonstrate the benefits of sale of the subject tideland that could not be realized through leasing and that outright sale of a tideland, as contrasted with lease of the tideland, is in the Borough's best interest.

A. Wikan Enterprises, Inc.

Wikan Enterprises, Inc. shall present their reasons for applying to purchase the tidelands they currently lease from the Borough.

B. Public Testimony

Members of the public may provide their testimony regarding the Wikan Enterprises, Inc. application of purchase Borough-owned tidelands they currently lease.

6. Bid Awards

7. Persons to be Heard Related to Agenda

Persons wishing to share their views on any item on today's agenda may do so at this time.

8. Persons to be Heard Unrelated to Agenda

Persons with views on subjects not on today's agenda may share those views at this time.

9. Boards, Commission and Committee Reports

10. Consent Agenda

A. Island Ventures, LLC Land Lease Renewal

Island Ventures wishes to renew their land lease with the Borough for the period of August 15, 2023 through August 14, 2028 at the rate of \$1,950 per year.

11. Report of Other Officers

12. Mayor's Report

A. August 21, 2023 Mayor's Report

13. Manager's Report

14. Unfinished Business

A. Ordinance #2023-12: An Ordinance Amending Chapter 4.08 of the Former City of Petersburg Code to Account for Borough Formation - Second Reading

If approved in three readings, Ordinance #2023-12 will update Chapter 4.08 to Borough Code. Ordinance #2023-12 was unanimously approved in its first reading.

B. Resolution #2023-10 (Option A): A Resolution Authorizing the Public Sale of Borough Owned Property Located at 10 N. 12th Street (Parcel #01-006-431) by [Sealed Competitive Bid or Outcry Auction] or (Option B): A Resolution Approving the Disposal of Borough Owned Property Located at 10 N. 12th Street (Parcel #01-006-431) by Direct Sale to the Petersburg Indian Association

At the August 7, 2023 meeting, the Assembly voted to move PIA's land purchase application forward in the process, but postponed action on how the sale would be conducted to the August 21st meeting. The Assembly shall decide whether the land will be sold via public auction (either sealed competitive bid or outcry) or by direct sale to PIA.

In the attached letter from PIA's Tribal Administrator, Chad Wright, PIA requests the Assembly authorize Manager Giesbrecht to engage in direct negotiations with the tribe for the property sale.

15. New Business

A. Ordinance #2023-13: An Ordinance Adjusting the FY 2024 Budget for Known Changes

Ordinance #2023-13 will update the FY 2024 Budget as follows: 1) to increase the Community Center Sewer Line project budget by \$84,115 as approved with Resolution #2023-08 on June 3, 2023; 2) to accept a \$23,000 grant to the Library from the Rasmuson Foundation; 3) to accept a \$75,120 grant to conduct an energy efficiency audit at the Community Center; 4) to use up to \$100,000 of the Property Development Fund to provide utility connection stubs to residentially zoned Borough property lines to prepare lots for future sale as approved with Resolution #2023-09 on July 17, 2023; 5) to use \$14,640 of Elderly Housing reserves for design development to remedy structural issues due to rot and deterioration of the wood on the building's main entrance ramp and cover; 6) to increase the Fire Department's communications budget by \$5,000 and the small tools budget by \$1,000; and 7) to increase payroll and benefits by a total of \$186,225 to cover the wage increases approved by the Assembly for PMEA covered employees and Department Heads.

B. Wikan Enterprises, Inc. Application to Purchase Borough-Owned Tidelands Located at 103A Dock Street

Wikan Enterprises has filed an application to purchase Borough-owned tidelands located at 103A Dock Street, which they are currently leasing from the Borough. The Planning Commission recommends the Assembly approve the sale of the leased tidelands. The Harbor Advisory Board recommends the Assembly approve the sale with restrictions.

Borough Code Section 16.12.005, Leasing Preference, states, "The orderly development of the borough with due consideration toward ocean resource harvesting, economic development, public recreation and public service centers, combined with

dwindling municipal revenues and limited land available for public purposes, supports a strong preference toward leasing land versus outright sale of land."

Borough Code Section 16.16.070, Sale of Tidelands, states:

- 1) In isolated and necessary instances, the Assembly may sell tracts of tide and submerged lands which are not needed for public purposes; and
- 2) Sales of tide and submerged land shall not be made for consideration less than the assessed full and true value as established by the borough assessor; and
- 3) The Assembly shall hold a public hearing to consider the disposal of the tidelands; and
- 4) At the hearing, the benefits of sale of the subject tideland that could not be realized through leasing must be clearly demonstrated; and
- 5) An applicant for purchase of tidelands must conclusively demonstrate that outright sale of a tideland, as contrasted with lease of the tideland, is in the Borough's best interests.

The Petersburg Comprehensive Plan Waterfront Master Plan, adopted by the Assembly in 2016, suggests Petersburg change zoning policies to be more strategic about the use of waterfront land for water-dependent uses, and the adopted Land Use Maps suggest the tidelands being considered for sale be designated as "Waterfront A - Water Dependent Commercial or Industrial" with the intended use prioritized for water dependent commercial or industrial uses.

Per Borough Code Section 16.12.080E, the Assembly shall:

- 1) Determine whether the application shall move forward in the application process or be denied.
- 2) If it is to move forward, the Assembly shall exempt the application from public sale and proceed by direct negotiations. The Assembly may authorize the Borough Manager to commence negotiations for disposal, the final terms of which are subject to approval by the Assembly. (Note: This tideland lot may not be offered for sale by public auction unless the lease with Wikan Enterprises, Inc., which currently continues for 24 more years, is first terminated.)

For the purpose of this agenda item, the Assembly shall satisfy the requirements of Step 1) above. Step 2), if applicable, will be satisfied by resolution in agenda item 15C.

C. Resolution #2023-11: A Resolution Approving the Disposal of Borough Owned Property Located at 103A Dock Street (Parcel #01-010-037) by Direct Sale to Wikan Enterprises, Inc.

If adopted by the Assembly, Resolution #2023-11 will authorize the Borough Manager to commence direct negotiations with Wikan Enterprises, Inc. for disposal of the property, the final terms of which are subject to Assembly approval.

D. New Hospital Project - Dawson Construction Guaranteed Maximum Price (GMP) Contract Amendment

As outlined in Resolution #2023-04 and approved by the Borough Assembly on April 17, 2023, Petersburg Medical Center requests approval to execute a GMP Amendment to the Dawson Construction contract for sitework.

E. Housing Needs Assessment Work Session

Assembly Member and Housing Task Force Chair Kensinger requests an Assembly work session to receive the preliminary results of the Housing Needs Assessment recently performed by Agnew::Beck and the Housing Task Force. The work session will provide the Assembly an opportunity to ask questions and provide input regarding the assessment which could help fine-tune and clarify the information gathered prior to finalizing the assessment results. The Housing Task Force held a work session for this purpose on August 16, 2023.

16. Communications

A. Correspondence Received Since August 3, 2023

17. Assembly Discussion Items

A. Minimum Age to Operate Borough Vehicles

Assembly Member Kensinger wishes to discuss implementation of a minimum age for Borough employees to be eligible to operate Borough vehicles without a Commercial Driver's License or a Chauffeur License.

B. Assembly Member Comments

C. Recognitions

18. Adjourn