



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, April 20, 2026

6:00 PM

Assembly Chambers

Zoom Information

When: April 20, 2026 06:00 PM Alaska

<https://petersburgak.gov.zoom.us/j/88265520161?pwd=jkN5FvaKcEXflNeK01KsUY3UyG6MHI.1>

Passcode:099834

Join via audio: (720) 707-2699 or (253) 215-8782

Webinar ID: 882 6552 0161

Passcode: 099834

1. Call To Order/Roll Call

2. Voluntary Pledge of Allegiance

3. Approval of Minutes

The minutes for the April 13, 2026, meeting will be included in the May 4, 2026, meeting packet for approval.

4. Amendment and Approval of Meeting Agenda

5. Public Hearings

A. Ordinance #2026-05 Supplemental Budget: An Ordinance of the Petersburg Borough Adjusting the FY 2026 Budget for Known Changes

Any public testimony regarding Ordinance #2026-05 should be given during this public hearing. A copy of Ordinance #2026-05 may be found under agenda item 14A.

B. Resolution #2026-11 Approving the Lease of Borough Tidelands: A Resolution Approving the Lease of a Parcel of Borough Tidelands to American Cruise Lines, Inc.

Any public testimony regarding Resolution #2026-11 should be given during this public hearing. A copy of Resolution #2026-11 may be found under agenda item 15A.

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

11. Report of Other Officers

A. Utility Director Report on Potential Data Center Development

Utility Director Hagerman will apprise the Assembly of a potential data center project and its benefits to the community. Andrew Mazzella, of Mazzella Alaska LLC, and Sam Enoka, CEO of Greensparc, will also be available to answer Assembly questions regarding the property or the data center.

12. Mayor's Report

A. April 20, 2026 Mayor's Report

13. Manager's Report: No manager's report for this meeting.

14. Unfinished Business

A. Ordinance #2026-05: An Ordinance of the Petersburg Borough Adjusting the FY 2026 Budget for Known Changes - Second Reading

If approved in three readings, this ordinance would make changes to the following funds:

Secure Rural Schools Revenue: The federal government approved the Secure Rural Schools Reauthorization Act of 2025 on December 18, 2025. The Borough received its FY24 payment on March 23, 2026, in the amount of \$722,484 for Title I Schools and Roads. A letter from the State of Alaska is attached.

Elderly Housing – Fund 470: Funds are proposed for replacement of Elderly Housing's 44- year- old dry sprinkler system valve and air compressor, which have exceeded their useful life. Details are included in the attached memorandum.

Fire Department: To complete the funding of new SCBA tanks and masks to replace expiring equipment. This expenditure was authorized by Resolution 2026- 05, approved March 16, 2026. The resolution is attached.

Waste Water Outfall Repair Project – Fund 764: This adds \$275,000 in loan funding from the Alaska Department of Environmental Conservation (ADEC) as well as a \$275,000 expense for the project.

Ordinance #2026-05 was unanimously approved in its first reading.

15. New Business

A. Resolution #2026-11: A Resolution Approving the Lease of a Parcel of Borough Tidelands to American Cruise Lines, Inc

If approved, this resolution will authorize the lease of Borough tidelands at the end of Dock Street to American Cruise Lines, Inc. for construction and use of a mooring float and gangway to support cruise vessel operations.

B. Joint Resolution Supporting Responsible Economic Development and Coordinated Utilization of Tye Lake Hydroelectric Resources

Petersburg Borough Resolution No. 2026-12 and Borough and City of Wrangell Resolution No. 05-26-2046

This joint resolution affirms Petersburg's and Wrangell's shared commitment to responsible economic development, coordinated use of Tye Lake hydropower, and open communication regarding large new electrical loads. It establishes expectations for collaboration, equitable use of firm power capacity, and local responsibility for supplemental generation, ensuring affordable, reliable power while supporting sustainable regional growth.

A memo from Utility Director Hagerman is attached.

C. Consideration of Fuel Adjustment Charge for Annual SEAPA Maintenance Shutdown (May - June 2026)

The Utility Department requests Assembly approval of a fuel adjustment charge for all kilowatt- hours billed between May 27 and June 27, 2026, related to increased diesel generation during the annual SEAPA maintenance shutdown. Pursuant to PMC 14.16.720, the adjustment would be calculated using a base diesel fuel cost of \$3.87 per gallon, consistent with the FY2026 budget, to recover unanticipated fuel costs while lessening the impact to customers. A memo from Director Harbour with more information is attached.

16. Communications

A. Correspondence Received Since 4.9.2026

17. Assembly Discussion Items

A. Community Preparedness for Spring Bear Activity

This discussion item requested by Member Meucci

Discussion of coordination and public awareness planning for increased bear activity this spring.

B. Assembly Member Comments

C. Recognitions

18. Adjourn



Community Information Sheet - Data Center Opportunity

Stated Opportunity: A small-scale, edge AI Data Center may rent space in the former Ocean Beauty cannery from the current owner and utilize existing and unused electrical service infrastructure to energize up to 1-2 MW of data center server capacity.

Project Benefits:

- **Private Enterprise Benefits:** To utilize vacant commercial space and an unused, existing electrical service to support a small-scale data center in Petersburg. Project to start at smaller levels of power (1 MW) to “prove out” business model and utility benefits. Expand capacity of servers up to 2MW at a future date.
- **Local Utility Benefits:** To reduce electrical rate pressure on existing PMPL customers by supporting a customer that will provide a consistent demand of power from the utility’s available distribution capacity, while also accepting curtailment or diesel generation surcharge conditions required by the utility.
- **Regional Grid Benefits:** To utilize a greater portion of hydroelectric capacity available from SEAPA (Tye Lake) to power global AI servers on a local level.

What is an "edge" Data Center?

Unlike massive "hyperscale" data centers (the size of several football fields), an **edge data center** is a small-scale facility—roughly the size of a small retail shop or a modular shipping container. Its purpose is to process data for clients around the globe. By making AI available in all geographic areas around the world, there is preparation for the next generation of AI enhanced services and consumer demands.

Economic Benefits to Petersburg

- **System Reliability:** These facilities do not increase resident utility rates. In fact, their high-value power needs often lead to distribution system improvements that increase electrical reliability for the whole town.
- **Electric Rate Stabilization:** The addition of a large-scale customer to Petersburg’s limited population and utility customer base will inject additional revenues (**up to \$2.1 million/yr**) into the PMPL budget and spread the utility’s fixed costs out over more kwh sold. These benefits will exert **downward pressure** on electrical rates in future years and stabilize all PMPL customers’ billings.

- **Example:** Through our rate study software, and without additional customers, a residential customer with a \$300 monthly energy bill today will likely see that bill increase to over \$427 in 10 years. If a 2MW data center becomes a Petersburg customer, their injection of revenue into the utility could reduce prospective rate increases over that 10-year period and that same customer's monthly bill would be \$362, a savings of \$65 per month or \$780 per year.
- **Job Creation:** While they require few on-site staff (typically 1-2), they create local jobs for maintenance support, building contractors for building modifications, electricians and HVAC technicians. The company desires to focus on local-hire policies to provide long-term employment without exerting pressure on limited local housing options.

Quiet & Discreet Operations

Edge data center owners understand that noise control is a top priority for residents. Edge facilities are designed to be "silent neighbors" through:

- **Acoustic Barriers:** Servers will be inside of an existing structure which limits sound escapement.
- **Silent Cooling:** Greensparc's edge facilities use closed-loop liquid cooling systems or silent fans, eliminating the loud "hum" associated with older industrial customers or large-scale data centers.
- **Industrial zoning:** Installed in areas where noise from industrial customers is common and accepted by the community and surrounding neighbors, in Petersburg's case at a former fish cannery.

Resource Efficiency

Small-scale edge data centers do not monopolize local utilities.

- **Power Usage:** Edge data centers will access "stranded" power in Petersburg by utilizing a pre-existing, large capacity electrical service that formerly served the Ocean Beauty cannery but is presently unused. In 2025, SEAPA spilled the equivalent of 48,000 Megawatt-hours that they could not sell, a portion of which could have been sold to customers through this unused service.
- **Water Usage:** Edge data center's small-scale design uses **closed-loop water cooling** if needed above standard air cooling, so that they consume virtually no water once initial systems are filled. This means no adverse draw on local potable water resources.

Safety & Security

- **Health:** These small centers emit **no harmful radiation** or odors. They are simply a room of high-end computers that use high-speed internet (fiber optic connections) to provide service.
- **Security:** Facilities are monitored **24/7/365** with high-tech surveillance, providing a secure and professional presence in the area.

Winter Peak Shaving Considerations?

- **Mitigating System Peaks:** Higher year-round electrical loads would mean additional diesel generation could be needed during single-digit weather, however, agreements with the data center could lead to curtailment of their service during these colder days or payments for the additional diesel fuel needed to maintain adequate power delivery to the community. The data center company has expressed their willingness to discuss these options to minimize any impact on existing customers.
- **Ample Power Under Normal Conditions:** For the majority of the calendar year, Petersburg has ample power to serve the needs of existing customers while also meeting the needs of a small-scale data center.
- **Tyee Lake Third Turbine:** Once SEAPA completes the third turbine at Tyee Lake in 2027, their system capacity will provide ample power even during the coldest days of the year and eliminate the need to run diesel generators for peak shaving.

Petersburg Municipal Power and Light supports this project and the benefits it will bring to all of our customers.

Past vs. Present Opportunity At-A-Glance

| Business | Data Center | Seafood Cannery |
|-----------------------------------|--|--|
| Truck Traffic | Near Zero | High / Constant during season |
| Noise Level | Controlled (Like a quiet HVAC) | High (compressors, motors, equipment, steam boilers) |
| School Impact | Moderate learning opportunities and benefits to school data needs | Limited direct alignment with local educational programs |
| Electric Utility Revenue | 24/7/365 controlled power usage creates dependable, year around utility revenues Revenue for 1MW = \$1.05M/yr Revenue for 2MW = \$2.1M/yr | High utility revenues during processing season only |
| Water/Sewer Needs | Less than a small retail shop. | High seasonal water demand. Discharge of processing water to the Narrows. Domestic wastewater flows high in summer only. |
| Jobs | 1-2 local-hire employees annually, but opportunities for support services such as HVAC, IT, electricians, carpenters/contractors | High seasonal jobs in production, maintenance and management; local jobs available but often utilizing migrant workers for production jobs |
| General Community Benefits | A small-scale data center operates in the background all year long with no outward demands or hazards to the community. Electric rate stabilization. | Job creation is high, but seasonal. Supports local fishing fleet. Increased container traffic. Raw fish taxes from landings. |

Mayor's Report April 20, 2026 Assembly Meeting

1. **National Safe Boating Week Proclamation:** The Borough Assembly received a request from the U.S. Coast Guard Auxiliary, Flotilla 17-01-04, to issue a proclamation recognizing National Safe Boating Week, May 16 through 22, 2026. The request underscores the importance of boating safety in Petersburg's maritime community and notes that most recreational boating accidents result from human error, including alcohol use, operator inattention, and lack of education.

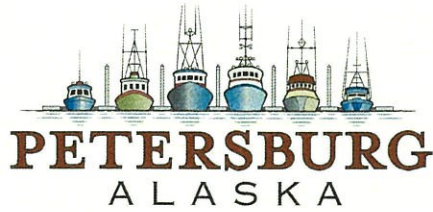
The attached proclamation promotes life jacket use, boating education, adherence to navigation rules, and engine cut-off switches to reduce accidents and save lives. Thank you to Jim Floyd, the Flotilla Commander for Petersburg, for bringing this proclamation forward. The proclamation is attached to this agenda item.

2. **Legislative Visit to Juneau:** During the week of March 16th, I traveled to Juneau to meet with all Southeast legislators as well as the head of the Southeast Region Department of Transportation. These meetings provided an important opportunity to advocate for a wide range of Petersburg Borough priorities, including housing needs and barriers to development, school deferred maintenance, the South Mitkof subdivision, rural health transformation funding, delays in senior benefits, harbor maintenance funding, sea otter management, and restoration of the \$2 million appropriation for the Tyee third turbine. I also raised the issue of completing remaining land transfers under the municipal entitlement program.

While in Juneau, I also held conference calls with the Director of Alaska Industrial Development and Export Authority (AIDEA) and the Alaska Housing Finance Corporation (AHFC) to discuss potential grants and loan programs that could support local housing infrastructure. I received useful guidance and several actionable suggestions that will require continued work and follow-up in the coming weeks.

3. **Budget Work Session:** I would like to remind the Assembly and the public that a Budget Work Session has been scheduled for April 29th at noon. The purpose of this work session is for the Assembly to review and discuss the proposed FY2027 budget with borough staff. Although a quorum of the Assembly will be present, no formal action will be taken.

4. **Planning Commission Vacancy:** The Borough is accepting letters of interest from qualified citizens to serve on the Planning Commission through the October 2026 municipal election. Applicants must be registered Borough voters and residents for at least one year. Letters may be submitted to the Clerk's Office in person, by mail, or by email at bregula@petersburgak.gov. For more information, contact the Borough Clerk at (907) 772-5405.



**PROCLAMATION
of the Mayor of the Petersburg Borough, Alaska
National Safe Boating Week - May 16 - 22, 2026**

WHEREAS, the Petersburg Borough is a maritime community where residents and visitors regularly engage in boating, fishing, and other recreational activities on navigable waters around Petersburg; and

WHEREAS, these activities involve a wide range of recreational vessels, including open power boats, cabin power boats, personal watercraft, and paddle craft such as kayaks, canoes, and paddleboards; and

WHEREAS, according to the United States Coast Guard, in calendar year 2024 there were 3,887 verified recreational boating incidents nationwide resulting in 556 deaths, 2,170 injuries, and approximately \$88 million in property damage; and

WHEREAS, the majority of boating accidents are caused by human error or poor judgment rather than by vessel defects or environmental conditions; and

WHEREAS, alcohol use, operator inattention, inexperience, and violations of navigation rules remain leading contributing factors in serious and fatal boating accidents; and

WHEREAS, the United States Coast Guard reports that 87 percent of boating accident victims who drowned in 2024 were not wearing a life jacket, and many lives could have been saved through proper safety practices; and

WHEREAS, boating safety education, vessel safety checks, and public awareness campaigns are proven to reduce accidents and save lives on the water; and

WHEREAS, National Safe Boating Week provides an opportunity for communities to promote safe boating practices and encourage responsible behavior on the water throughout the year;

NOW, THEREFORE, I, Robert Lynn, Mayor of the Petersburg Borough, Alaska do hereby proclaim May 16 through May 22, 2026, as National Safe Boating Week and the start of a year-round effort to promote safe boating in the Petersburg Borough.

Proclaimed this 20th day of April 2026

Robert Lynn, Mayor



**PETERSBURG BOROUGH
ORDINANCE #2026-05**

**AN ORDINANCE OF THE PETERSBURG BOROUGH ADJUSTING
THE FY 2026 BUDGET FOR KNOWN CHANGES**

Section 1. Classification: This ordinance is not of a permanent nature and shall not be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to adjust the FY 2026 budget for known changes.

Section 3. Substantive Provisions: In accordance with Section 11.09(a) of the Charter of the Petersburg Borough, the budget for the fiscal period beginning July 1, 2025 and ending June 30, 2026 is adjusted as follows:

Explanation: Necessary revisions in the FY 2026 budget identified after adoption of the Budget.

| <u>Account Number</u> | <u>Account</u> | <u>Original Budget</u> | <u>Increase (Decrease)</u> | <u>Amended Budget</u> |
|---|-----------------------------|------------------------|----------------------------|-----------------------|
| <u>FISCAL YEAR 2026 REVENUE / EXPENSE BUDGET ADJUSTMENTS</u> | | | | |
| Secure Rural Schools (SR) Revenue | | | | |
| 240.000.410290 | Title I Revenue - Schools | \$0 | \$614,111. | \$614,111. |
| 250.000.410290 | Title I Revenue - Roads | \$0 | \$108,373. | \$108,373. |
| The federal government approved the Secure Rural School Reauthorization Act of 2025 on December 18, 2025. The Borough's portion for FY24 that was received by the Borough on March 23, 2026 was \$722,484 for Title I Schools and Roads. 85% is being allocated to the School Special Revenue Fund and 15% to the Road Special Revenue Fund. (Letter from the State of Alaska is attached.) | | | | |
| Elderly Housing – Fund 470 | | | | |
| 470.000.506532 | Sprinkler System | \$0 | \$25,000. | \$25,000. |
| Replacement of the 44 year old dry sprinkler system valve and air compressor. (See attached memo.) | | | | |
| Fire Department – Self Contained Breathing Apparatus Replacement | | | | |
| 110.525.506519 | Machine & Equipment Expense | \$28,850. | \$76,328. | \$105,178. |
| To complete funding of the new SCBA tanks and masks that will replace the expiring equipment on hand. Resolution 2026-05 approved this expenditure on March 16, 2026. (Resolution Attached) | | | | |
| Waste Water Outfall Repair Project – Fund 764 | | | | |
| 764.000.402271 | ADEC Loan Proceeds | \$0 | \$275,000. | \$275,000. |
| 764.000.501450 | Outfall Repair Expenses | \$0 | (\$275,000.) | (\$275,000.) |

**PETERSBURG BOROUGH
ORDINANCE #2026-05**

The Outfall repair project would include the following work; replacing the broken section of discharge pipe with approximately 64.5 linear feet of high density polyethylene pipe, concrete anchors and flapper gate. Reserves will be used for initial expense and reimbursed with loan proceeds.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

Section 5. Effective Date: This ordinance shall become effective immediately after the date of its passage.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 6th day of May, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Published:
Effective:



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Anchorage Office

550 West Seventh Avenue, Suite 1640
Anchorage, Alaska 99501
Main: 907.269.4581
Fax: 907.269.4539

March 26, 2026

Petersburg Borough
Jody Tow, Finance Director
PO Box 329
Petersburg, AK 99833

Dear Ms. Tow:

We are pleased to inform you that the Retroactive Secure Rural Schools (SRS) payment for Federal FY2024 has been awarded following enactment of the Secure Rural Schools Reauthorization Act of 2025 (Public Law 119-58) on December 18, 2025.

The municipality's payment of \$722,483.96 is for Title I Schools and Roads. This payment must be used for schools and/or roads at the discretion of the borough. A report will be required for next fiscal year documenting the expenditure on the funds received.

If you have questions regarding your SFY25 NFR/SRS payment, please feel free to contact me at 907-269-0376 or by email at amy.marshall@alaska.gov.

Sincerely,

Signed by:
Amy Marshall
0E45688290A7452...
Amy Marshall
Grants Administrator 3



Mountain View Manor – Elderly Housing

PO Box 1530, 16 N 12th St, Petersburg, AK 99833

Phone: (907) 772-3445 opt 1 Fax: (907) 772-4217

Memorandum

To: MAYOR LYNN AND BOROUGH ASSEMBLY

From: MICHELLE LOPEZ, ASSISTED LIVING AND ELDERLY HOUSING DIRECTOR

Date: 03/02/2026

Cc: STEPHEN GIESBRECHT, BOROUGH MANAGER

Subject: ELDERLY HOUSING SPRINKLER SYSTEM REPAIR AND REPLACEMENT

On December 31, 2025 the Elderly Housing sprinkler system went into alarm status. It was discovered that a air leak in the dry system had developed, significant enough to warrant shutting down the system until a technician could come to Petersburg to troubleshoot the issue. After multiple phone calls, Ketchikan Mechanical had the earliest availability to travel to Petersburg and address the issue.

After working extensively on the problem, it was determined that the practical solution was to replace the aging sprinkler system valve as well as the compressor that is currently working overtime to keep the system from losing too much air pressure.

This new expense is to fix the air leak in the Elderly Housing dry sprinkler system. Emergency repairs to leaking sections of corroded pipe, including travel and per diem costs for Ketchikan Mechanical, have been incurred in the amount of \$10,615.01 to date. Additional parts and labor are estimated to be \$13,121.67 for replacement of the entire 44+ year old dry sprinkler system valve and corresponding air compressor. \$25,000.00 will give an approximately 5% buffer of known and estimated costs.

Petersburg Elderly Housing

470.000.506532

Repair and Replacement costs for the 44+ year old sprinkler system valve and air compressor

Original budget: \$0.00

Increase to budget: \$25,000.00

Amended budget: \$25,000.00

Requested funding: Elderly Housing Reserves Account

**PETERSBURG BOROUGH
RESOLUTION # 2026-05**

**A RESOLUTION APPROVING THE SOLE-SOURCE PROCUREMENT OF
SELF-CONTAINED BREATHING APPARATUS (SCBA) AIR TANKS AND FACE
MASKS IN THE AMOUNT OF \$301,327 FROM MUNICIPAL EMERGENCY
SERVICES (MES), AND AUTHORIZING THE BOROUGH MANAGER TO EXECUTE
ALL NECESSARY PURCHASE DOCUMENTS**

WHEREAS, the Petersburg Volunteer Fire Department relies on Self-Contained Breathing Apparatus (SCBA) equipment to ensure firefighter safety during emergency and hazardous operations; and

WHEREAS, the total amount of the quote from Municipal Emergency Services (MES) is \$301,327 for 30 SCBA packs 70 tanks, and 46 masks; and

WHEREAS, \$225,000 of the expense will be paid for by Congressionally Directed Spending (CDS) grant funds and \$76,327 are currently unbudgeted for; and

WHEREAS, the Department's existing SCBA tanks reach their end-of-service life and expire in February 2027; and

WHEREAS, the Department's existing SCBA system, including air packs, air cylinders, and compatible face masks is distributed exclusively through Municipal Emergency Services (MES), the authorized regional provider; and

WHEREAS, MES is an approved supplier under Sourcewell cooperative purchasing contracts, including Contract #011824 MES for SCBA systems, which allows Petersburg Borough to use these competitively bid agreements; and

WHEREAS, compatibility with the existing SCBA system is essential for firefighter safety, operational continuity, and compliance with NFPA standards governing respiratory protection; and

WHEREAS, procuring SCBA air tanks and masks from alternative vendors would lead to equipment incompatibility, require full system replacement, and significantly increase total costs; and

WHEREAS, Section 4.04.040 (Exceptions to Bidding), Section G of the Petersburg Borough Code states:

"When it is advantageous to the borough to enter into a contract with a bidder for the same supplies or services such bidder is providing another Alaskan local government,

**PETERSBURG BOROUGH
RESOLUTION # 2026-05**

the state of Alaska, a cooperative purchasing association composed of government agencies, or the United States, where such supplies, equipment or services are being provided to the other governmental unit or association on the basis of competitive bids submitted; and where the borough contract is on substantially the same terms as those bid; or to contract with or through such other governmental unit or association so that the benefit of the responsible bid accrues to the borough;"

WHEREAS, MES's competitively awarded Sourcewell contracts meet the requirements of Section 4.04.040(G), making it advantageous and compliant for the Borough to procure SCBA equipment through Sourcewell's competitively bid purchasing program;

WHEREAS, if the Assembly so chooses, there are funds available in General Fund reserves to cover the remaining purchase of \$76,327; and

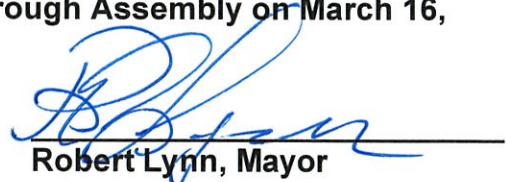
NOW, THEREFORE, BE IT RESOLVED by the Petersburg Borough Assembly as follows:


Section 1. The Assembly hereby approves the sole-source procurement of SCBA air tanks and face masks from Municipal Emergency Services (MES) in the amount of \$301,327 being paid for by a CDS grant and general fund reserves.

Section 2. The Borough Manager is authorized to execute all contracts, purchase agreements, and associated documents required to complete this procurement.

Section 3. Funding for this purchase shall be drawn from the appropriate Fire/EMS equipment budget or grant source, subject to supplemental appropriation through the Borough's budgeting process.

PASSED AND APPROVED by the Petersburg Borough Assembly on March 16, 2026.


Robert Lynn, Mayor

ATTEST: 
Rebecca Regula, Borough Clerk

**PETERSBURG BOROUGH
RESOLUTION #2026-11**

**A RESOLUTION APPROVING THE LEASE OF A PARCEL OF BOROUGH
TIDELANDS TO AMERICAN CRUISE LINES, INC.**

WHEREAS, the Petersburg Borough owns tidelands immediately adjacent to and at the terminus of the Borough Port Facility Dock, more specifically described as follows:

Commencing at corner 4 of the U.S. Coast Guard Float Lease, said corner shown on City of Petersburg Coast Guard Float Lease Plat #89-4 by Rick Braun L.S. #5485, which shall also be designated as corner 1 and the Point of Beginning of the ACL Lease Parcel, thence S 57°40'00" W a distance of 300.00' to corner 2, of the ACL Lease Parcel, thence N 32°20'00" W a distance of 75.00' to corner 3 of the ACL Lease Parcel, thence N 57°40'00" E a distance of 300.00' to corner 4 of the ACL Lease Parcel, thence S 32°20'00" E a distance of 75.00' to corner 1 of the ACL Lease Parcel and the Point of Beginning,

as shown on Plat No. 2026-6, recorded in the Petersburg Recording District on April 13, 2026, a copy of which is attached hereto as Exhibit A ("the parcel"); and

WHEREAS, on April 18, 2025, application was made by American Cruise Lines, Inc. (ACL) to lease borough tidelands for purposes of constructing a mooring float and gangway to utilize for docking its marine passenger vessels and loading and unloading passengers and supplies; and

WHEREAS, on May 5, 2025, the application was presented to the Borough Assembly and the Assembly, after considering the nature and extent of the intended use and development and the value of that use and development to the Petersburg's economy, determined the application should proceed; and

WHEREAS, the application was then referred to the Borough Planning Commission and to the Borough Harbor Board; and

WHEREAS, on June 10, 2025, a duly noticed public hearing was held by the Planning Commission on the application; and

WHEREAS, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments, and made recommendation to the Assembly to lease the parcel; and

WHEREAS, the Harbor Board met on November 26, 2025, considered the application, and recommended that the application be approved; and

WHEREAS, ACL has made the required deposit of costs estimated to be incurred in the application process, pursuant to Petersburg Municipal Code (PMC) 16.16.075A(3); and

WHEREAS, on March 2, 2026, the Borough received an appraisal of the parcel from Ramsey Appraisal Resource, establishing a market value of the parcel of \$95,500; and

WHEREAS, following receipt of the reports of the Planning Commission and Harbor Board, the Borough Assembly held a duly noticed public hearing on April 20, 2026 to consider the application; and

WHEREAS, the Assembly determined that the parcel is not required for municipal purposes, the application should move forward, and that disposal shall be by direct negotiation between the Borough and ACL, rather than by public sale; and

WHEREAS, the Assembly has determined that an exemption from public sale is in the best interests of the Borough; and

WHEREAS, the Assembly has determined that the lease of the parcel shall be made upon the terms and conditions set forth in attached Exhibit B; and

WHEREAS, the parcel has now been rezoned for its intended use, under Assembly Ordinance #2026-04; and

WHEREAS, PMC 16.16.045C provides that the disposal of borough tidelands by lease shall be by resolution.

THEREFORE, BE IT RESOLVED by the Assembly of the Petersburg Borough, as follows:

Section 1. The Petersburg Borough Assembly hereby approves of disposal by lease of the parcel described in Exhibit A and authorizes and ratifies direct negotiations between the Borough and American Cruise Lines, Inc. for the disposal.

Section 2. The minimum essential terms and conditions for the lease are set forth in the Lease Agreement attached hereto as Exhibit B. The initial annual lease rate shall equal ten percent (10%) of the appraised value of the parcel, with periodic adjustments over time as set out in the Lease Agreement.

Section 3. The Borough Manager is hereby authorized to execute the Lease Agreement on behalf of the Borough.

PASSED and APPROVED by the Assembly of the Petersburg Borough, Alaska this 20th day of April, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Exhibit A

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT THE PETERSBURG BOROUGH IS THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKWAYS, EASEMENTS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

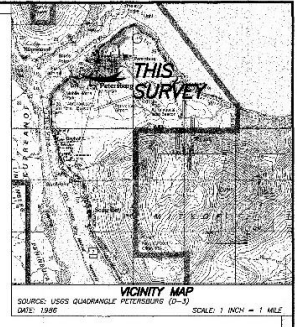
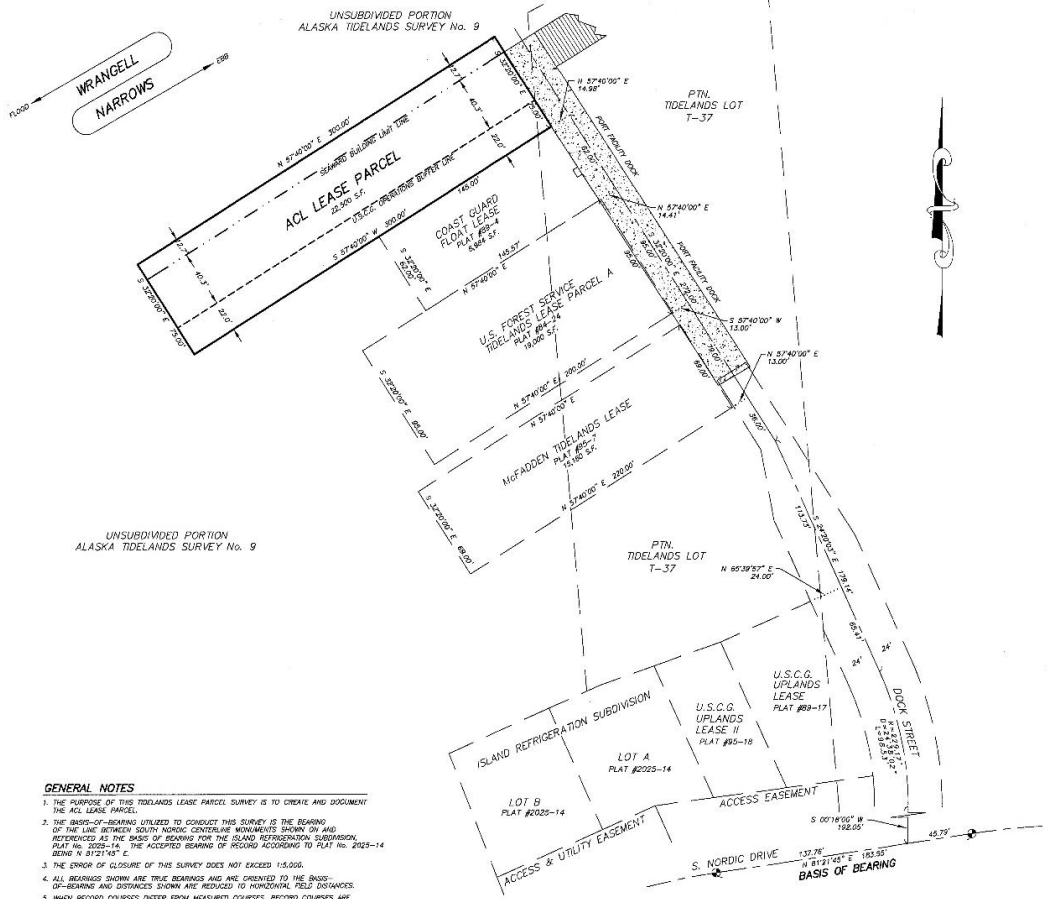
4/13/2022
PETERSBURG BOROUGH MANAGER

NOTARY'S ACKNOWLEDGMENT

STATE OF ALASKA
PETERSBURG BOROUGH
THIS IS TO CERTIFY THAT ON THIS 13th DAY OF April 2022, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC, IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SHOWN, PERSONALLY APPEARED Stephen Girsbrecht TO ME KNOWN TO BE THE CENTRAL INDIVIDUAL MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND HE ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA
MY COMMISSION EXPIRES: 7/21/2029



LAND SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DATA ARE CORRECT.

4/13/2022
LAND SURVEYOR'S CERTIFICATE
REGISTERED LAND SURVEYOR No. 10390



CERTIFICATE OF APPROVAL BY THE PLATTING BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO CONFORM WITH THE SUBDIVISION REGULATIONS OF THE PETERSBURG BOROUGH AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT CLERK OF THE RECORDS, PETERSBURG, ALASKA.

4/13/2022
Petersburg Planning Board

GENERAL NOTES

1. THE PURPOSE OF THIS TIDELANDS LEASE PARCEL SURVEY IS TO CREATE AND DOCUMENT THE ACL LEASE PARCEL.
2. THE BEARINGS AND DISTANCES UTILIZED TO CONDUCT THIS SURVEY IS THE BEARING OF THE LINE BETWEEN SOUTH NORDIC CENTERLINE MONUMENTS SHOWN ON AND REFERENCED AS THE BASIS OF BEARING FOR THE ISLAND REFRIGERATION SUBDIVISION, PLAT NO. 2023-14. THE ACCEPTED BEARING OF RECORD ACCORDING TO PLAT NO. 2023-14 BEING N 81°21'43" E.
3. THE ERROR OF CLOSURE OF THIS SURVEY DOES NOT EXCEED 1:5,000.
4. ALL BEARINGS SHOWN ARE TRUE BEARINGS AND ARE ORIENTED TO THE BASIS OF BEARING AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
5. WHEN RECORD COURSES DIFFER FROM MEASURED COURSES, RECORD COURSES ARE SHOWN IN PARENTHESES () FOLLOWED BY THE SOURCE OF THE RECORD INFORMATION.
6. THE FOLLOWING PLATS AND RECORDS WERE USED TO EXECUTE THIS SURVEY:
 - (1) ISLAND REFRIGERATION SUBDIVISION PLAT NO. 2023-14
 - (2) CITY OF PETERSBURG COAST GUARD FLOT LEASE PLAT NO. 88-4
 - (3) FOREST SERVICE LEASE PLAT NO. 84-24
 - (4) U.S. ALASKA OIL CORP. TIDELANDS LEASE PLAT NO. 87-58
 - (5) McFADDEN TIDELANDS LEASE PLAT NO. 92-7
 - (6) A.D.O.T. SEAPLANE FACILITY EASEMENT (DCE NO. 119-1384-030888-3)
 - (7) A.D.O.T. R.O.M. WAF TIDELANDS LEASE, RECONSTRUCTION 2848-37P-0001(156)/88048
7. THE LEASE PARCEL CREATED BY THIS TIDELANDS LEASE PLAT IS LOCATED ENTIRELY WITHIN THE TIDE ZONE. NO NEW MONUMENTS WERE ESTABLISHED BY THIS SURVEY.
8. THE ACL LEASE PARCEL SHOWN IS SUBJECT TO ALL CONDITIONS & EXCEPTIONS SET FORTH IN LEASE AGREEMENTS BETWEEN THE PETERSBURG BOROUGH AND THE ACL LEASE PARCEL LESSEES(S).

CERTIFICATE OF PAYMENT OF TAXES

STATE OF ALASKA
FIRST JUDICIAL DISTRICT } ss.

I THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND ACTING ASSESSOR FOR THE PETERSBURG BOROUGH, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE PETERSBURG BOROUGH, THE FOLLOWING DESCRIBED PROPERTY IS BARRED ON THE TAX RECORDS IN THE NAME OF Petersburg Borough AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE PETERSBURG BOROUGH ARE PAID IN FULL THAT CURRENT TAXES FOR THE YEAR 2022 WILL BE DUE ON OR BEFORE October 15, 2022 DATED THIS 13th DAY OF April, 2022 AT PETERSBURG, ALASKA.

OFFICIAL DIRECTOR, PETERSBURG BOROUGH

LEGEND

- 1. HIGHWAY CENTERLINE MONUMENT IN CAST IRON MONUMENT CASING RECOVERED THIS SURVEY
- 2. 2" ALUMINUM CAP MONUMENT ON 5/8" REBAR BRAIN IS 5485 RECOVERED THIS SURVEY
- ACL LEASE PARCEL BOUNDARY LINE
- BOUNDARY OTHER
- SURVEY TIE FROM MONUMENT OR REFERENCE LINE
- STREET/R.O.M. CENTERLINE
- SEAWALL CONSTRUCTION LIMIT LINE
- U.S.C.G. OPERATIONS BUFFER LINE

2022-6
Plat # Petersburg
4/13/2022
TNS
Time 2:10 pm

CLIENT: PETERSBURG BOROUGH
PETERSBURG, AK 99833
SCALE 1" = 40'

ACL LEASE PARCEL SURVEY
A PLAT OF THE ACL LEASE PARCEL LOCATED WITHIN A PORTION OF LOT T-37 OF THE TIDELANDS ADDITION SUBDIVISION & WITHIN AN UNSUBDIVIDED PORTION OF A.T.S. No. 9 PETERSBURG RECORDING DISTRICT

SURVEYOR:
CENTRAL SOUTHEAST SURVEYORS
P.O. BOX 251, PETERSBURG, AK 99833
PH (907) 518-0075
EMAIL: hansen@centralse.com
NPLS #16390

DRAWN & CHECKED BY D.C.T. SURVEY DATE INITIATED: 12/21/2022 COMPLETED: 12/17/2022
DATE: 01/21/2023
SCALE: 1" = 40' S.S. DRAWING NO.: ACL LEASE PARCEL 2022

EXHIBIT B

For Recording in the Petersburg Recording District

TIDELANDS LEASE

THIS LEASE AGREEMENT is effective on the date of the last signature below between the Petersburg Borough, a municipal corporation organized and existing under the laws of the State of Alaska, whose mailing address is P. O. Box 329, Petersburg, Alaska 99833, herein referred to as the "Lessor" or "Borough", and American Cruise Lines, Inc., a Delaware corporation, whose mailing address is 741 Boston Post Road, Guilford, Connecticut 06437, herein referred to as the "Lessee." Lessor and Lessee are collectively referred to herein as "the parties."

RECITALS

WHEREAS, the tidelands subject to this lease lies within the boundaries of the Petersburg Borough, Alaska, First Judicial District, Petersburg Recording District; and

WHEREAS, Lessor holds title to such tidelands; and

WHEREAS, the particular tract subject to this lease has been nominated for lease by an application of Lessee demonstrating: (1) the proposed use of the nominated parcel is a beneficial use in terms of highest and best use; and (2) it is in the Borough's interests to lease the nominated parcel; and

WHEREAS, Lessee has submitted an application showing: (1) the purpose of the proposed lease; and (2) whether the intended use complies with the zoning ordinance and the comprehensive plan of the Borough; and

WHEREAS, this lease contains restrictions and reservations as are necessary to protect the public interest; and

WHEREAS, Lessee desires to lease the parcel described herein for the purpose of constructing a dock, consisting of a gangway and moorage float, to allow Lessee's vessels to dock, offloading and onloading passengers.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

EXHIBIT B

ARTICLE 1 – Demise and Description of Premises

Section 1.1: Demise and Description. Lessor hereby leases to Lessee a tidelands parcel 22,500± square feet in size, located within Alaska Tidelands Survey (ATS) 9 in the Petersburg Recording District and described as follows:

Commencing at corner 4 of the U.S. Coast Guard Float Lease, said corner shown on City of Petersburg Coast Guard Float Lease Plat #89-4 by Rick Braun L.S. #5485, which shall also be designated as corner 1 and the Point of Beginning of the ACL Lease Parcel, thence S 57°40'00" W a distance of 300.00' to corner 2, of the ACL Lease Parcel, thence N 32°20'00" W a distance of 75.00' to corner 3 of the ACL Lease Parcel, thence N 57°40'00" E a distance of 300.00' to corner 4 of the ACL Lease Parcel, thence S 32°20'00" E a distance of 75.00' to corner 1 of the ACL Lease Parcel and the Point of Beginning.

("the demised premises"). The lease plat for the demised premises was recorded in the Petersburg Recording District on April 13, 2026 as Plat No. 2026-6, and is attached hereto as Exhibit 1.

ARTICLE 2 – Term of Lease

Section 2.1: Term. The term of this lease shall be for a period of fifty (50) years, commencing on May 1, 2026 and ending at midnight on April 30, 2076.

ARTICLE 3 – Rent

Section 3.1: Rent. Lessee shall pay to Lessor rent for the demised premises at the annual rate of Nine Thousand Five Hundred Fifty Dollars and No Cents (\$9,550.00) during the first five years of this lease. Rent owed for the first year of this lease shall be paid in a single payment upon execution of this agreement. Rental payments thereafter shall be due and owing, in advance, annually on the first (1st) day of the month of commencement of this agreement. The Borough will send a reminder invoice.

Section 3.2: Rent Adjustment. The annual rental rate payable pursuant to this lease shall be subject to adjustment by the Borough Assembly on every fifth anniversary of the lease. In the event an adjusted rental rate is not established prior to a fifth-year anniversary date, the subsequently established rental rate shall be effective retroactively to the anniversary date.

3.2.1 For each rental adjustment, Lessor shall, at Lessee's expense, cause the demised premises and any improvements located thereon owned by the

EXHIBIT B

Lessor to be appraised at their fair market value by an appraiser selected by Lessor. The annual rental rate shall be determined by the then current appraised fair market value of the demised premises and Lessor-owned improvements, adjusted by the rental rate percentage of ten percent (10%). Said appraisal is to occur no sooner than six (6) months prior to the adjustment date, Lessee is responsible for all costs of the appraisal, and shall make payment to Lessor of those costs within thirty (30) days of invoice.

ARTICLE 4 – Use of Premises

Section 4.1: Use of Premises. The demised premises are to be used by Lessee for construction and operation of a dock and gangway for the purpose of docking marine passenger vessels with a marine passenger capacity under 300, and onloading and offloading of passengers and supplies.

4.1.1 The designs for the dock and gangway must be stamped by an engineer licensed in the State of Alaska and submitted to the Borough Harbormaster for review to ensure that the design, including the location of the dock and gangway, and location, size, and marking of dolphins, will not interfere with or otherwise disrupt operations at the Borough Port Facility Dock. If the Harbormaster reasonably determines that the design would create such interference or disruption, the engineer must revise the design as necessary to eliminate the identified issue.

4.1.2 Lessee's gangway to its floating dock shall be affixed to the Borough Port Facility Dock at or near the Facility Dock's terminus, provided however no portion of Lessee's improvements, including the gangway, dock and dolphins, may extend beyond a line running parallel to the end of the dock, to ensure that fueling operations conducted on the opposite side of the Facility Dock are not impeded.

4.1.3 Only vessels no longer than 140' may be docked on the inside face of the dock. Lessee understands and acknowledges that a 22-foot buffer zone must be maintained between the Lessee's operations and the shared boundary line with the adjacent leaseholder (U.S. Coast Guard Lease Plat No. 89-4). This buffer zone is identified on attached Exhibit 1 as the "U.S.C.G. Operations Line". Vessels moored on the inside face of the dock must not extend beyond or encroach over this Line.

4.1.4 The gangway must be constructed of aluminum or steel, with a walkway of non-skid material suitable for local conditions. The gangway must be ADA compliant, and wide enough to accommodate emergency response equipment. Lessee shall coordinate these requirements with the Petersburg Fire Department.

EXHIBIT B

4.1.5 If dolphins are included in the design, they must be coated with high-visibility material down to the mean low water line. This material must be maintained over time to ensure continued visibility of the dolphins to other vessels operating in the area.

4.1.6 Except with the written approval of Lessor, Lessee will not use the dock, or allow use of the dock by other marine passenger vessels, unless the vessel to be docked has a marine passenger capacity of under 300.

4.1.7 Use of the demised premises by vessels other than Lessee-owned or operated vessels or vessels directly supporting Lessee's operations, for longer than eight (8) hours in any twenty-four hour (24) period requires the approval of the Borough Harbormaster.

Section 4.2: Compliance with Law. Lessee shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations affecting the demised premises, the improvements thereon or any activity or condition on such premises. This includes payment of the marine passenger fees imposed under Petersburg Municipal Code (PMC) Chapter 4.80.

Section 4.3: Uses Prohibited. This lease grants to Lessee only the surface use of the demised premises. Lessee shall not use, or permit the demised premises or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which may be considered hazardous on account of fire or otherwise. Any use not authorized by this lease shall constitute a trespass against Lessor. No fuel storage shall be allowed on the demised premises.

Section 4.4: Waste and Nuisance Prohibited. Lessee shall not commit or suffer to be committed any waste on the demised premises, or any nuisance. Lessee shall not use or occupy the premises for any unlawful purpose.

Section 4.5: Avoidance of Pollution. Lessee shall not pollute the waters that are the subject of this lease, or other waters or lands of the Borough. Any pollution by Lessee, or by anyone who Lessee permits to utilize the demised premises, shall be considered a material breach of this lease.

EXHIBIT B**Section 4.6: Environmental and Water Quality Protection.**

(a) If the Borough has cause to believe, based upon reasonable evidence and knowledge, that environmental or water quality damage has occurred or is threatened, the Borough may give twenty-four (24) hours notice to Lessee of such damage or threatened damage, after which time, unless the Borough and Lessee mutually agree otherwise, the Borough shall have the right to require the Lessee to cease operations immediately and take immediate action to correct or eliminate said damage or threat thereof. Failure of Lessee to comply with such requests will be treated as a material breach of this agreement, entitling the Borough to terminate this agreement as provided. The Borough's rights under this provision shall not be construed as creating an obligation on the Borough's part to provide for any inspection as to environmental practices, it being agreed that compliance is the sole responsibility of Lessee.

(b) In accordance with Article 15, Lessee shall be solely responsible for any environmental or water quality damage caused by Lessee, or by its employees, officers, agents, representatives, contractors, guests, invitees, or any other person or entity using the demised premises with Lessee's permission. All costs associated with such damage will be borne entirely by Lessee. If Lessee fails or refuses to adequately and properly correct or repair said damage within a reasonable time in accordance with applicable federal, state and municipal statutes, laws, ordinances, rules and regulations, then the Borough shall have the right, but not the obligation, to contract with any party to correct or repair said condition, at Lessee's sole expense. Lessee shall reimburse the Borough upon demand for all actual costs of said correction or repair.

(c) In addition to the Borough's right to indemnification as stated in Articles 15 and 16 of this agreement, Lessee shall indemnify, defend and hold the Borough harmless from any and all civil or criminal liabilities or penalties, including actual attorney fees and other costs of defense, resulting from Lessee's acts or omissions, and the acts or omissions of Lessee's employees, officers, agents, representatives, contractors, guests, invitees, or any other person or entity using the demised premises with Lessee's permission, which cause, threaten or are alleged to cause or threaten, environmental or water quality damage, or sanctions to be incurred because of environmental or water quality damage.

Section 4.7: Utilities. Lessee shall fully and promptly pay all costs associated with public services used by Lessee, including without limitation electric power and water utility service, and any other utilities of any kind furnished to the demised premises throughout the term hereof. Any utility extensions required by Lessee to utilize the demised premises shall be made at the sole expense of the Lessee.

EXHIBIT B

Lessor shall invoice Lessee for its usage of utilities at the demised premises at the established rate.

Section 4.8: Discharge Prohibition. Lessee shall not discharge or release, or permit the discharge or release of, 1) graywater or 2) sewage, whether in solid or liquid form and whether treated or untreated, into the waters of the Borough within eight hundred (800) yards of the demised premises. In this Section, graywater and sewage shall have the meanings ascribed to them in Alaska Statute 46.03.490.

ARTICLE 5 – Improvements; Personal Property

Section 5.1: Required Improvements. The improvements described in Section 4.1 are required as a condition of this lease, and construction/installation of the improvements shall be completed within two (2) years of the effective date or Lessee shall be making substantial progress towards its completion within the two (2) year timeframe in the event construction/installation of the improvements is not completed. Further improvements require the written consent of Lessor, and shall comply with all federal, state, and municipal statutes, laws, ordinances, rules and regulations. Once installed, constructed or placed on the demised premises, Lessee shall hold title to the improvements, however improvements may not be removed without the prior written consent of Lessor. Upon expiration or earlier termination of this lease, title to the improvements shall be as addressed in Section 5.5 hereof.

Section 5.2: Proper Placement of Improvements. Lessee shall bear all responsibility for the proper placement of improvements on the demised premises, so as to avoid any encroachment on other property of Lessor or on property owned or leased by others.

Section 5.3: Maintenance of Improvements and Personal Property. Lessee shall, throughout the term of this lease, at Lessee's own cost and without any expense to Lessor, keep and maintain the premises, including all improvements or personal property of any kind which may be or become a part thereof, in good, neat, clean and sanitary order, condition and repair. Lessor shall not be obligated to make any repairs or replacements of any kind, nature or description, or conduct any maintenance whatsoever, to the demised premises or to any improvements or personal property thereon.

Section 5.4: Damage to and Destruction of Improvements. Damage, destruction, or partial destruction of any improvement on the demised premises shall not release Lessee from any obligation hereunder, except as hereinafter expressly provided.

EXHIBIT B

(a) In the event the improvements on the demised premises are destroyed by fire, storm, earthquake, or other casualty to such an extent as to be rendered unstable, Lessee may elect to terminate this lease by providing Lessor with written notice within thirty (30) days of the destruction of the improvements. Should Lessee elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice.

(b) Following a termination under paragraph (a) above, Section 5.5 shall apply to removal or reversion of the damaged or destroyed improvements.

Section 5.5: Removal or Reversion of Improvements Upon Expiration or Earlier Termination. Upon expiration or earlier termination of the lease, improvements located on the demised premises shall be addressed as follows:

(a) At the sole discretion of Lessor, ownership of some or all of the improvements may, at no cost to Lessor, revert to, and absolute title shall vest in, Lessor from Lessee. Improvements that Lessor has elected not to take ownership of, or which are not being sold to a succeeding lessee under paragraph (b), shall be removed from the demised premises under the provisions of paragraph (c).

(b) Lessee may, with the consent of, and upon terms approved by, Lessor, sell some or all of the improvements to a succeeding lessee, or to a third party who shall remove the improvements from the demised premises.

(c) Within thirty (30) calendar days after expiration or earlier termination of this lease, improvements that Lessor has elected not to take ownership of or which are not being sold to a succeeding lessee, shall be removed by Lessee, at Lessee's sole cost and expense, provided that the Borough Assembly may extend the time for removing improvements in cases where hardship is proven. All extensions of time granted Lessee to remove improvements are subject to Lessee's payment to Lessor of pro rata rental payments for said periods.

(d) If any improvements are not removed by Lessee within the time allowed under paragraph (c), Lessor may remove such improvements at the sole cost and expense of Lessee. Lessee shall promptly reimburse Lessor for Lessor's actual costs and expenses incurred in such removal. Lessee shall also be obligated to Lessor for pro rata rental payments for the period of time from expiration or termination to the date the improvements are removed.

Section 5.6: Repair of Premises. If Lessee removes any improvements or personal property from the demised premises upon expiration or earlier termination of this lease, Lessee shall, at Lessee's sole expense, repair any injury or damage to the premises resulting from such removal.

EXHIBIT B

Section 5.7: Personal Property. Upon expiration or earlier termination of this lease, personal property of Lessee that has not been removed from the premises, may be removed by Lessor in the manner provided for removal of improvements under Sections 5.5(d). In the alternative, at the sole discretion of Lessor, ownership of some or all of the remaining personal property may, at no cost to Lessor, revert to, and absolute title shall vest in, Lessor.

ARTICLE 6 – Encumbrances

Section 6.1: Lessee to Keep Premises Free of Liens. Lessee shall keep the demised premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics, materialmen's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee on or about the premises, or any obligations of any kind incurred by Lessee. Lessee agrees, at all times promptly and fully, to pay and discharge any and all claims on which any such lien may or could be based. By this provision, the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

Section 6.2: Contesting Liens. If Lessee desires to contest any such lien, Lessee shall notify Lessor of intention to do so within fifteen (15) days after the filing of such lien. In such case, and provided that Lessee shall on demand protect Lessor by a good and sufficient surety bond against any such liens and any cost, liability or damage arising out of such contest. Lessee shall not be in default hereunder until thirty (30) days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee hereunder.

Section 6.3: Encumbrance of Lessee's Leasehold Interest. Lessee may not encumber Lessee leasehold interest in the demised premises without the written consent of the Lessor, to be given at Lessor's sole discretion. Any encumbrance, or a foreclosure or other conveyance arising from an encumbrance, shall not relieve Lessee from its liability hereunder.

EXHIBIT B**ARTICLE 7 - Reservation of Rights**

Section 7.1: Mineral Reservations. In accordance with Section 4.3 of this agreement, this lease grants to Lessee only the surface use of the demised premises. Accordingly, Lessee may make no use of, or explore for, any oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, fossils, stone, earth, gravel or sand, of every name, kind or description, which may be located under the surface, the same being saved and reserved exclusively to Lessor.

ARTICLE 8 – Eminent Domain

Section 8.1: Effect of Condemnation. If the whole or any part of the demised premises is taken by any authorized body vested with the power of eminent domain, the following provisions control:

Section 8.1.1: Taking of the Entire Premises. If the entire premises are taken by condemnation, the terms of this lease and all rights of Lessee will terminate at the time of the taking; i.e., at the time title finally vests in the governmental agency exercising the power of eminent domain. Lessor is entitled to all condemnation proceeds, except that Lessee shall be paid the portion of the proceeds attributable to the fair market value of the improvements placed on the condemned premises and owned by Lessee.

Section 8.1.2: Taking of Substantial Part of Premises. If the taking is of a substantial part of the premises, the following shall apply:

- (a) If the taking by condemnation reduces the ground area of the demised premises by at least 30% or materially affects the use being made by Lessee of the parcel, which shall be determined in Lessee's reasonable discretion, Lessee may elect to terminate the lease by written notice to Lessor not later than ninety (90) days after the date of taking.
- (b) If Lessee elects to terminate, the provisions in Section 8.1.1 shall govern the condemned portion of the demised premises and the terms of the lease govern disposal of the remainder of any improvements made by Lessee.
- (c) If Lessee elects not to terminate, this lease continues and Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the improvements placed on the condemned portion of the premises and owned by Lessee. Rent for the balance of the lease will be adjusted by Lessor to reflect the taking.

EXHIBIT B

Section 8.1.3: Taking of Insubstantial Part of Premises. If the taking by condemnation reduces the ground area of the demised premises by less than 30% and Lessee reasonably determines that the taking is of such an insubstantial portion that Lessee's use of the demised premises is not materially affected, an election to terminate by Lessee is not allowed and the provisions of Section 8.1.2(c) will govern.

Section 8.2: Authority. By this Article, the parties do not in any way recognize or acknowledge the authority or right of any governmental entity to exercise a power of eminent domain over the demised premises or any interest created by this lease.

ARTICLE 9 – Assignment and Subletting

Section 9.1: Assignment. Lessee may not assign this lease, in whole or in part, or any interest therein, without the prior written approval of the Borough Assembly, said approval to be at the sole discretion of the Assembly.

(a) An approved assignee shall be subject to all the provisions of the lease and Lessee-assignor shall remain responsible for all Lessee responsibilities and obligations hereunder; however, the Assembly may, in its discretion, approve an assignment made solely as security for a loan, whereby the lender/assignee shall not be liable for the obligations of the Lessee unless and until the lender/assignee is or becomes in possession of the leased property.

(b) Lessor may accept rent from an assignee, but such collection of rent shall not be deemed a waiver of any term or condition of this lease, nor an acceptance of the assignee as Lessee.

(c) Assignment hereunder refers to any assignment, transfer, conveyance or disposal, in whole or in part, of a lease or leasehold interest. A sale or transfer of a controlling ownership interest in Lessee shall be deemed an assignment under this agreement.

Section 9.2: Subletting. Lessee may not sublease the demised premises, in whole or in part, without the prior written approval of the Borough Assembly, said approval to be at the sole discretion of the Assembly. A sublease shall be in writing and shall include all the terms and conditions of this original lease. Lessee shall continue to be liable hereunder in accordance with the terms and conditions of this lease. Lessor may collect rent from a sublessee, but such collection shall not be deemed a waiver of any term or condition of this lease nor an acceptance of the sublessee as Lessee.

ARTICLE 10 – Warranties

EXHIBIT B

Section 10.1: Title. Lessor covenants that Lessor is the owner of the demised premises.

Section 10.2: Authority of Agents. Each party to this agreement warrants that the individual signing this lease has written authority to enter into this agreement on behalf of the party to be bound.

ARTICLE 11 – Taxes

Section 11.1: Taxes. Lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, charges, and fees of every kind which may be levied, assessed or charged, or which may become a lien or charge on or against the demised premises, any improvement on the property, or the leasehold interest of Lessee.

Section 11.2: Contesting Taxes. If Lessee shall in good faith desire to contest the validity or amount of any tax, levy, assessment or other governmental charge or fee to be paid by Lessee under Section 11.1 hereof, Lessee shall be permitted to do so and to defer payment of such charge or fee, the validity or amount of which Lessee is so contesting, until final determination of the contest, after giving to Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency and on protection of Lessor on demand by a good and sufficient surety bond against any such charge or fee and from any costs, liabilities, or damages arising out of any such contest.

ARTICLE 12 – Insurance

Section 12.1: Insurance. Lessee shall, for any claims that may occur or be made during the term of this lease, at its own expense, keep in force by payment of premiums, the following-described insurance for protection against the claims of employees or other persons, insuring both Lessee and Lessor against any liability that may accrue against them or either of them arising from or in any way connected with the demised premises or the acts or omissions of Lessee, and its employees, officers, agents, and other representatives, under this lease:

- (a) Employer's liability insurance and workers' compensation insurance as required by state law, and any other federal or state insurance requirements regarding Lessee's operations;
- (b) Commercial general liability insurance, written on an occurrence form and not a claims-made form, insuring against injury, death and property damage, with a combined single claim limit of not less than \$2,000,000.00;

EXHIBIT B

(c) Commercial Automobile Liability Insurance, written on an occurrence form and not a claims-made form, with a limit of not less than \$2,000,000.00, if Lessee owns or leases any motorized vehicles in connection with its use of the demised premises;

(d) Vessel Hull and Machinery and Protection and Indemnity, including Pollution Liability in an amount satisfactory to Lessor; and

(e) Property insurance, insuring Lessee's property and improvements, in adequate amounts to insure the property's and improvement's full value.

Section 12.2: Insurance Certificate. The insurance shall be placed with an insurance carrier or carriers satisfactory to Lessor and shall not be subject to cancellation or any material change except after thirty (30) days written actual notice to Lessor. Lessor, and its officials, agents, representatives and employees, shall be an additional insured party on all policies held by the Lessee that provide coverage for liabilities connected with the use and occupancy of or operations by the Lessee on the demised premises, or otherwise related to this lease, and all insurers shall agree to waive all rights of subrogation against Lessor, and its officials, agents, representatives and employees, for any such liabilities. Certificates of insurance demonstrating proof of compliance with the provisions of this Article shall be provided to Lessor at the time of original issuance and upon renewal thereof.

Section 12.3: Primary policies; Maintenance of Coverage. All general liability and other casualty policies shall be written as primary policies; they shall not be contributing with, or in excess of, any insurance coverage that Lessor may otherwise carry. In order to maintain the same level of coverage that will exist at the commencement of this lease, the amounts and types of coverage called for herein shall be subject to review at the end of each calendar year, and, if appropriate, the insurance requirements shall be increased or extended at the request of Lessor to provide the amounts and types of coverage that are at least equal to the amounts and types of coverage then carried by prudent owners of similar property. The insurance required by this lease shall cover all claims arising from or in any way connected with the acts or omissions of Lessee under this lease, whether or not such claim is asserted during the term of this lease or the applicable insurance policy and even though judicial proceedings may not be commenced until after the expiration of this lease or the applicable insurance policy.

Section 12.4: Failure to Maintain. If Lessee fails to comply with these insurance requirements, Lessor may suspend Lessee's activities on the demised premises unless and until Lessee fully complies with these requirements, or may terminate

EXHIBIT B

this lease in accordance with Section 13 hereof, or may, but shall not have any obligation to, obtain and pay for such insurance and keep the same in force and effect, and Lessee shall pay Lessor on demand for the premium costs thereof.

Section 12.5: Notification of Claim or Potential Claim. In the event Lessee becomes aware of a claim or potential claim against Lessee relative to this lease, the Lessee shall immediately provide Lessor with written notification of such claim or potential claim, including all relevant documentation.

ARTICLE 13 – Default and Remedies; Termination by Mutual Agreement

Section 13.1: Default/Breach. Each of the following shall be deemed a default by Lessee and a breach of this lease:

- (a) Lessee shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money on the date the same is due.
- (b) Lessee shall fail to comply with any term, provision, covenant or stipulation of this lease, or shall use the premises for an unlawful purpose or a purpose not permitted under Article 4 hereof.
- (c) Lessee shall desert or vacate or shall commence to desert or vacate the demised premises or any substantial portion thereof or shall remove or attempt to remove, without the prior written consent of Lessor, all or a substantial portion of Lessee's improvements on the demised premises.

Section 13.2: Default Remedies. If Lessee defaults in performance or observance of any of the lease terms, provisions, covenants or stipulations, or the terms of any ordinances of the Borough Code or other legal requirements, and the default continues for sixty (60) calendar days after service of written notice by Lessor without remedy of the default, Lessor shall take such action as is necessary to protect its rights and best interests, including the exercise of any and all rights after default permitted by this lease. No improvements may be removed by Lessee or any other person during any time Lessee is in default under this lease. If the default consists of a failure to obtain required insurance, or creates a health or safety concern, Lessor may immediately suspend Lessee's activities and operations on the demised premises.

Section 13.3: Rights upon Default after Notice. After notice has been given and the default remains uncorrected for a period of sixty (60) days or more, Lessor, in addition to any rights and remedies that Lessor may otherwise be given by statute,

EXHIBIT B

common law or otherwise, may, without limitation, take one or more of the following actions:

- (a) Reenter the demised premises and take possession of and remove any or all persons and property from the same, without liability for any damage or injury therefore, either by summary proceedings, suitable action at law, or other legal means, provided that any entry or reentry, possession, repossession or dispossession by Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release, or discharge Lessee, either in whole or in part, for monetary liability under this lease.
- (b) Declare the lease terminated and the term ended. The receipt by Lessor of any rent or other sum of money after lease termination shall not reinstate, continue or extend the lease.
- (c) Re-let the demised premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this lease, for any sum which may be reasonable.
- (d) Collect any and all rents due or to become due from sublessees or other occupants of the demised premises.
- (e) Recover from Lessee any or all of the following items of damage or forms of relief:
 - (1) Actual attorney fees and other expenses reasonably incurred by reason of the breach or default by Lessee.
 - (2) The cost of performing any term, provision, covenant, or stipulation on the Lessee's part to be performed.
 - (3) Interest at the maximum allowable rate on all amounts owing to Lessor from the date due until payment in full.
 - (4) An amount equal to all rents due for the next five (5) years, or the remainder of the term, whichever is less, without reduction for anything other than the amount in fact received on re-leasing of the demised premises.

Section 13.4: Remedies Cumulative. The remedies of Lessor hereunder shall be deemed cumulative and not exclusive of each other. All obligations of the Lessee set forth in this lease survive termination of this lease due to default of Lessee.

EXHIBIT B

Section 13.5: Termination by Mutual Agreement. A lease in good standing may be terminated in whole or in part, at any time, upon mutual written agreement by the parties.

ARTICLE 14 – Redelivery of Premises, Reentry, and Holding Over

Section 14.1: Redelivery of Premises. Lessee shall, at the expiration or earlier termination of this lease, peaceably and quietly quit and surrender to Lessor the demised premises in as good a state and condition as the premises were at the commencement of the term, excepting normal wear and tear and approved improvements.

Section 14.2: Reentry by Lessor. Upon expiration or earlier termination, or in the event that the demised premises, or any part thereof, are abandoned by Lessee for a period of one (1) year or longer, Lessor may re-enter and resume possession of said premises or such part thereof, and remove all persons and property therefrom, either by summary proceedings, a suitable action or proceeding at law or other legal means, without being liable for any damages or injury therefore. No reentry by Lessor shall be deemed an acceptance of a surrender of lease.

Section 14.3: Holding Over. Upon failure of Lessee to surrender possession of the demised premises at the expiration or earlier termination of this lease, and during any period of holding over, Lessee shall be responsible for payment for the annual rental payment calculated on a monthly pro rata basis. Lessee shall acquire no rights to, or interest in, the demised premises by holding-over after expiration or earlier termination of this lease and shall be subject to legal action by Lessor to require the surrender of the demised premises; all terms of this Agreement shall otherwise apply during the hold-over period. The receipt by Lessor of any rent or any other sum of money after the expiration or earlier termination of the lease, including after the giving by Lessor of any notice hereunder to effect surrender of the premises, shall not reinstate, continue or extend the lease, or in any manner impair the efficacy of, any such notice or termination as may have been given hereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing by Lessor.

EXHIBIT B**ARTICLE 15 - Environmental Compliance**

Section 15.1: Environmental Laws. Lessee shall, at Lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws") and make all submissions to, provide all information to, and comply with all requirements of, the appropriate governmental authority (the "Authority") under the Environmental Laws. At no expense to Lessor, the Lessee shall promptly provide all information, and sign any documents, requested and required by Lessor to determine the applicability of the Environmental Laws to the demised premises.

Section 15.2: Remedial Plans and Action. Should the Authority require that a remedial action plan be prepared and that remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge or threatened disposal, release, spill, or discharge of or contamination by, hazardous materials at the demised premises that occurs or is discovered during the term of this lease or arises out of or in connection with Lessee's use or occupancy of the demised premises, then Lessee shall, at the sole expense of Lessee, prepare and submit the required plans, to be completed by Lessee upon approval.

Section 15.3: Indemnification. Lessee shall indemnify, defend, and hold harmless Lessor from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of, or contamination by, hazardous materials at the demised premises that occurs or is discovered during the term of the lease and that arises out of or in connection with Lessee's use or occupancy of the demised premises; and from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any disposal, release, spill, discharge, or contamination that occurs or is discovered during the term of this lease and that arises out of or in connection with Lessee's use or occupancy of the demised premises.

Section 15.4: No Discharge or Disposal. Lessee agrees to not discharge or dispose of, or suffer the discharge or disposal of, any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

Section 15.5: Intentionally Omitted.

EXHIBIT B

Section 15.6: Definition. As used in this lease, the term “hazardous materials” means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

Section 15.7: Survival of Obligations. The obligations and provisions of this section shall survive the expiration or earlier termination of this lease.

ARTICLE 16 – General Provisions

Section 16.1: Disclaimer. Lessor's consent to Lessee's use of the demised premises shall not be construed as approving or endorsing the use of the demised premises for the purposes proposed by Lessee and Lessor disclaims any such express or implied approval or endorsement.

Section 16.2: Notices. Any notice or demand, which under the terms of this lease or under any statute or Borough Code provision must be given or made by the parties hereto, shall be in writing and shall be given or made by certified mail, return receipt requested, addressed to the other party at the address of record, designated as follows:

(a) Lessor:

Petersburg Borough
Attention: Manager
P. O. Box 329
Petersburg, Alaska 99833

(b) Lessee:

American Cruise Lines, Inc.
Attention: Eric Dussault, Director of Port Development &
Construction
741 Boston Post Road
Guilford, Connecticut 06437
Eric.dussault@americancruiselines.com

Either party may designate, by giving written notice hereunder, an alternative address to which such notice or demand shall thereafter be given. Any notice given under this provision shall be deemed delivered ten (10) days after same is deposited into an appropriate receptacle of the United States Postal Service.

Section 16.3: Inspection and Condition of Premises. Lessor makes no representations or express or implied warranties regarding the demised premises.

EXHIBIT B

Lessee acknowledges that it has been given unlimited opportunity to inspect the demised premises and accepts said premises "as is, where is", in its present condition. Lessor assumes no liability whatsoever regarding the condition, quality, profitability, or fitness for a particular use of the demised premises, including without limitation the environmental and physical aspects of the demised premises (including the seabed conditions or natural or artificial hazards that may exist), and any applicable statutory or other warranty is expressly disclaimed by Lessor and waived by Lessee. Lessee represents that Lessee has inspected the demised premises and any improvements located thereon, or has voluntarily declined to do so, and has adequately determined that same is suitable for the use intended, and accepts all risks, obvious or hidden, arising from possession, occupation and use.

Section 16.4: Non-Waiver. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Lessor, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt of rent by Lessor with knowledge of any breach of the lease by Lessee or any default on the part of Lessee in observance or performance of any of the conditions or covenants of this lease shall not be deemed to be a waiver of any provision of this lease.

Section 16.5: Responsibility/Indemnification. Lessee agrees to assume full control and responsibility for all activities and operations on the demised premises or otherwise connected with this lease. Lessee shall indemnify, defend, and hold harmless Lessor, and its officials, agents, representatives, and employees, from and against the following:

- (a) any and all losses, damages, liabilities, expenses, claims and demands of whatsoever kind or character, direct or indirect, including attorney fees and costs, arising out of or connected with this lease or Lessee's use or occupancy of the demised premises, or Lessee's operations, activities and improvements thereon;
- (b) any fire or accident on the demised premises;
- (c) any nuisance made or suffered on the demised premises; and
- (d) any failure of the Lessee to keep the demised premises in a safe and lawful condition, consistent with all applicable laws, regulations, ordinances, statutes, and orders.

Section 16.6: Integration. This lease sets forth all the covenants, terms, conditions and understandings between the parties hereto, and there shall be no covenants,

EXHIBIT B

terms, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 16.7: Amendments or Modifications. This lease may not be amended or modified orally or in any manner other than by an agreement in writing signed by both parties or their successors in interest.

Section 16.8: Recording of Lease. Lessor shall record this lease at Lessee's expense as soon as possible after its execution by the parties.

Section 16.9: Attorney Fees. If Lessor institutes any action to recover any payment due under this lease, or on account of any default under this lease, or to recover possession of the demised premises, Lessor shall be entitled to recover its actual attorney fees and all costs and expenses reasonably incurred by it in connection with such action and on any appeal therefrom.

Section 16.10: Severability of Terms. The invalidity or unenforceability of any provision(s) of this lease shall not affect or impair any other provisions.

Section 16.11: Binding Effect. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and bind the parties and their respective successors, except as otherwise herein expressly provided.

Section 16.12: Effect of Headings. The captions, section headings and numbers, and article headings and numbers in this lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the sections or articles of this lease.

Section 16.13: Governing Law/Jurisdiction. This lease shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska. The parties consent to the jurisdiction of the courts of the State of Alaska located in Petersburg, Alaska.

Section 16.14: Interpretation. Both parties have had the full and complete opportunity to seek the advice and assistance of counsel in connection with the execution of this lease. No rule favoring the interpretation of a written document urged by the non-drafting party shall apply in the event a dispute arises hereunder.

Section 16.15: Counterparts. This lease may be executed in counterparts and such counterparts exchanged by facsimile or email transmission. Each such counterpart shall be deemed an original but all counterparts shall constitute one and the same agreement.

EXHIBIT B

LESSOR: PETERSBURG BOROUGH

By: _____
Stephen Giesbrecht

Its: Borough Manager

Dated: _____, 2026

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____ 2026, before the undersigned Notary Public, duly commissioned and sworn, personally appeared Stephen Giesbrecht, to me known to be the Borough Manager of the Petersburg Borough, who executed the above and foregoing instrument, and acknowledged to me said instrument to be the free and voluntary act and deed of said Borough for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

Notary Public for the State of Alaska
My commission expires: _____

Planning Commission Report & Finding of Fact

Meeting Date: June 10, 2025

APPLICANT/AGENT:
American Cruise Lines

OWNER(S), IF DIFFERENT:
Petersburg Borough

LEGAL DESCRIPTION:
PTN of ATS 9

LOT AREA:
22,000 sf

LOCATION:
End of Port Dock

SURROUNDING ZONING:

North: Unzoned
South: Industrial, MIO
East: Industrial, MIO
West: Industrial, MIO

ZONING:
UNZONED

PID:
01-008-099

APPLICATION SUBMISSION DATE:

I. APPLICANT REQUEST

The applicant requests to lease borough-owned tidelands/submerged lands.

II. APPLICABLE CODE

16.16 TIDELANDS

III. FINDINGS OF FACT

1. Application Request: The applicant has submitted a request to lease borough-owned submerged lands. The purpose of this lease is for the construction of a mooring float.
2. Location and Proposed Use: The subject parcel is located on submerged lands at the end of Dock Street, within the Petersburg Harbor system. The proposed use for this parcel is a surface-only mooring facility.
3. Site and Surrounding Uses: The parcel is identified as suitable for use as a mooring site. Adjacent submerged lands are currently utilized for mooring purposes. There are limited alternative uses for this specific site and it would be inappropriate to convert the site to a non-marine use, such as residential.
4. Harbor Capacity: The applicant currently moors vessels at the Port Dock, adjacent to the subject property. The applicant anticipates an increase in the number of port calls in the coming years. Options for mooring additional vessels within the existing harbor system are limited.
5. Harbor Operational Considerations: The current Port Dock configuration presents challenges for simultaneously accommodating small cruise ships and allowing Petro Marine to bring in fuel barges and provide fuel to larger vessels. The proposed mooring facility is designed to address these operational considerations.
6. Public Input: On February 10, 2025, the Borough Assembly held a town hall meeting to discuss the applicant’s proposal. Nearly all public comments were supportive of the proposed project.
7. Harbor Board Review: On April 3, 2025, the Harbors and Ports Advisory Board recommended “the Assembly move forward with Concept 7 for development of the proposed multi-purpose

Planning Commission Report & Finding of Fact

Meeting Date: June 10, 2025

- small cruise ship dock partnership with American Cruise Lines and recommends following the Visitor Industry Management Plan's outlined Quality of Life goals. Motion carried 7-0.”
8. Assembly Review: On May 5, 2025, the Borough Assembly reviewed ACL's application and approved referring to the Planning Commission and Harbor Board.
 9. Zoning: Although the subject parcel is not zoned, the proposed use is consistent with waterfront uses allowed within the Marine Industrial Overlay (MIO) zone, which is designed to preserve waterfront areas for water-dependent uses, including passenger moorage facilities. The proposed mooring float aligns with the intent of the MIO.
 10. Comprehensive Plan: The proposal is consistent with the goals of the Land Use section of the borough's Comprehensive Plan to “Manage the use of the waterfront Borough-wide to maximize the value of this scarce resource for business, residents and visitors, and specifically to integrate and balance the need to support a range of waterfront uses.”
 11. Visitor Industry Management Plan: The recently approved Visitor Industry Management Plan states “Petersburg has limited infrastructure to accommodate the visitor industry, particularly larger groups of visitors arriving via cruise ships. The existing infrastructure is designed to accommodate a small resident population, and existing marine infrastructure is used at capacity during the summer season and must be shared with a dynamic commercial fishing fleet. Focus on maximizing the benefits and minimizing user conflict of our existing marine infrastructure, finding cost effective alternatives to existing infrastructure, and providing infrastructure that benefits both the local populace and visitor population were deemed the priorities.” Goal E.2. recommends installing a mooring dolphin at the Port Dock to address congestion at that location.
 12. Environmental Review: Applicant identifies necessary environmental reviews and permits necessary prior to construction of the project.
 13. Economic Considerations: Facilitating increased port calls by cruise ships has a direct economic impact through passenger spending on retail, meals, and local services. Improved harbor efficiency for fuel barges and other larger vessels supports the broader marine industrial sector, which is a foundational element of Petersburg's economy. The project contributes to the overall viability and competitiveness of Petersburg as a port of call and a marine service hub.

IV. PUBLIC NOTICE

The borough provided public notice of the hearing. Notice was mailed by first class mail to the owner of record of the property within six hundred feet of the exterior boundary of the property that is the subject of the application.

V. APPLICATION REVIEW

Criteria –

Per 16.16.050 (B), Tidelands and submerged lands owned by the borough may be leased for surface use only.

Per 16.16.050 C, an application to lease tidelands must demonstrate: 1. The proposed use of the nominated tideland or submerged land is a beneficial use in terms of highest and best use; and 2. That it is in the borough's interest to lease the nominated tideland or submerged land.

Planning Commission Report & Finding of Fact

Meeting Date: June 10, 2025

VI. ACTION

Proposed motion:

Based on the preceding findings of fact, the Petersburg Planning Commission makes the following report to the Borough Assembly:

1. The Planning Commission finds the proposed use is consistent with the borough's Comprehensive Plan and Visitor Industry Management Plan. The proposed use of the submerged lands is a beneficial use and the highest and best use for the subject property.
2. The Planning Commission finds that the proposed use's economic benefits to the community and operational benefits to the harbor are in the borough's best interest.
3. The Planning Commission recommends that once there is a legal parcel the property be rezoned to industrial and included in the Marine Industrial Overlay.
4. The Planning Commission recommends the Borough Assembly approve the subject parcel for lease for construction of a mooring float.

EXHIBITS

- A. Applicant materials
- B. Vicinity & Detail Maps
- C. Public Hearing Mailout
- D. Harbor Board Minutes
- E. Excerpts from Comprehensive Plan and Visitor Plan
- F. Concept 7 Drawing
- G. Written Public Comments
- H. Planning Commission Meeting Minutes from June 10, 2025



Petersburg Borough, Alaska

Land Disposal Application

(\$500.00 non-refundable filing fee required)

Form must be completed in its entirety to be considered

| |
|------------------------------|
| Office Use: |
| Rec'd. by: <u>DKT</u> |
| Fee: \$ <u>500.00</u> |
| Date Rec'd: <u>2.10.2025</u> |

Date: 4/18/2025

This is a request for land disposal via:

- Lease
- Exchange
- Purchase
- Other _____
(Describe)

Parcel ID #(s) of Subject Property:
Southwest of 01-008-220
 Per City Planner no Parcel Number

Proposed term of lease: 50 years
 (total years)

Legal Description(s) of Property:
Water - Wrangell Narrows

Current Zoning of Property:
Commercial

Is the Applicant applying to purchase under Petersburg Municipal Code Section 16.12.030 as one of the following? If yes, check approximate box below:

- State of Federal Agency
- Federally Recognized Tribe
- Nonprofit Entity
- Applying to Purchase for a Public Benefit Purpose per PMC 16.12.030

Applicant Name: Charles B. Robertson

Applicant Mailing Address: 741 Boston Post Road Guilford, CT 06437

Applicant Contact Info: 203-453-6800

(telephone and email) cbrobertson@americancruiselines.com

- 1. Size of Area requested (identify the minimum area necessary in square feet): 22,000 sq ft.
- 2. Attach a map showing the location of the parcel(s) requested. Map must show surrounding area with the land requested clearly marked with bolded borders or highlighted color.

If applicant is applying to purchase property under PMC 16.12.030 for a public benefit purpose, the application must include, at a minimum, the following:

- a) a conceptual plan;
- b) a financial plan; and
- c) a development timeline

3. Narrative on use of property: Explain proposed use of land and when use is expected to begin and end. Include any planned new construction or renovation, including time-frame when construction or renovation will be completed and type of materials to be used. Provide the estimated dollar value of proposed improvements. Explain the value of the proposal to the economy of the borough and any other information you feel should be considered. (attached additional sheet if necessary)

See Attached

4. Name and address of all adjacent land owners or lessees, including upland owner(s) if applicable: (attach additional sheet if necessary)

Petro 49 INC 119 Dock Street LOTS 01-008-220, 221, 222,230
US Coast Guard 117 Dock Street LOTS 01-008-20
US Forest Service 115 Dock Street LOTS 01-008-260

Rocky's Marine Inc. 113 Dock Street LOTS 001-008-250
US Coast Guard 107 Dock Street LOTS 01-008-240,241

5. Are there any existing permits or leases covering any part of the land applied for?

Yes No If yes, please check one: Lease Permit

Describe the type of permit or lease, if applicable, and the name and last known address of the permittee or lessee: _____

N/A

6. What local, state or federal permits are required for the proposed use? (list all)

See Attached

7. If applicant is a corporation, provide the following information:

A. Name, address and place of incorporation:
741 Boston Post Road Guilford, CT 06437
Place of Incorporation - Delaware

B. Is the corporation qualified to do business in Alaska?: Yes No

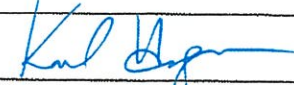
Name and address of registered agent:
Eagle Raven Global - Tonya Tisher
1900 Crest Street Juneau, AK 99801

8. Why should the Planning Commission recommend Assembly approval of this request?
See Attached

9. How is this request consistent with the Borough's comprehensive plan?
See Attached

10. Prior to submitting this application, please verify with pertinent Borough Departments that the land requested for lease, purchase, exchange or other disposal is not needed for a public purpose by speaking with the appropriate personnel in the Electric, Water, Wastewater, Community Development, Harbor or Public Works Departments and obtain their comments and signatures below. (attach additional sheet if necessary):

Department Comments: PMPL has no need for this area.


Signature of Department Commenter

Department Comments: Subject property is not needed for a public purpose.

Liz Cabrera, Community Development
Signature of Department Commenter

Department Comments: Harbor Department - see attached

Glo Wollen - see attached
Signature of Department Commenter

Department Comments: Public Works - see attached

Chris Cotta - see attached
Signature of Department Commenter

NOTICE TO APPLICANT(s):

Application must be submitted to the Borough with a non-refundable filing fee of \$500. If the application moves forward, the applicant will be required to deposit with the Borough payment for other costs. See, PMC 16.12.030C(2)(a), 16.12.090, and 16.16.070A, as applicable.

I hereby certify that I have received and reviewed a copy of Petersburg Municipal Code Chapters 16.12 and 16.16 (as they may pertain to my particular application) and understand the Code requirements. I further certify I am authorized to sign this application on behalf of the applicant.

Please sign application in the presence of a Notary Public.

[Signature]
Applicant/Applicant's Representative Signature

Charles B. Robertson
Printed Name

Subscribed and sworn to by Charles B. Robertson, who personally appeared
before me this 18th day of April, 2025.

[Signature]
Notary Public in and for the State of ~~Alaska~~ Connecticut
My Commission Expires: 05/31/2025

MELISSA J. BOCZAR
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2025

Harbor Department Comments

Wednesday, April 30, 2025 12:36 PM

The Harbor Department remains supportive of the Borough working with American Cruise Lines to develop this piece of waterfront. Their proposed project fits well within the layout of the Petersburg waterfront for highest and best uses of Borough owned tidelands. The Harbor does not have immediate plans for these tidelands.

The Harbor appreciates that the ACL application mentions a partnership with the Borough that includes possible off season use by the Harbor Department. The application letter indicates that ACL will construct a 24' x 120' moorage float facility with an 8' x 100' aluminum gangway that is consistent with the joint uses identified in the Concept 7 design. The Concept 7 was jointly funded by ACL and the Borough with a design that includes plans for electrical and potable water/fire chase ways and an area for a sewer lift station that will render the facility usable in the future by the public. If ACL builds the facility with a future utility component design include, then the Harbor Department would see benefit from off season use. If the design does not allow for future utility placement then the Harbor Department may not benefit from using the facility in the off-season.

Moving forward with ACL application for building and maintaining their own facility will result in an estimated annual loss of \$30,000 in revenue (\$600 x 50 estimated stops) but would benefit harbor operations by reducing ACL needs for moorage on C-Float and at the Drive Down during peak fishing and transient visitor season.

Glo Wollen
Harbormaster

Public Works Comments

Public Works has no need for the subject parcel as outlined in red in the attachment.

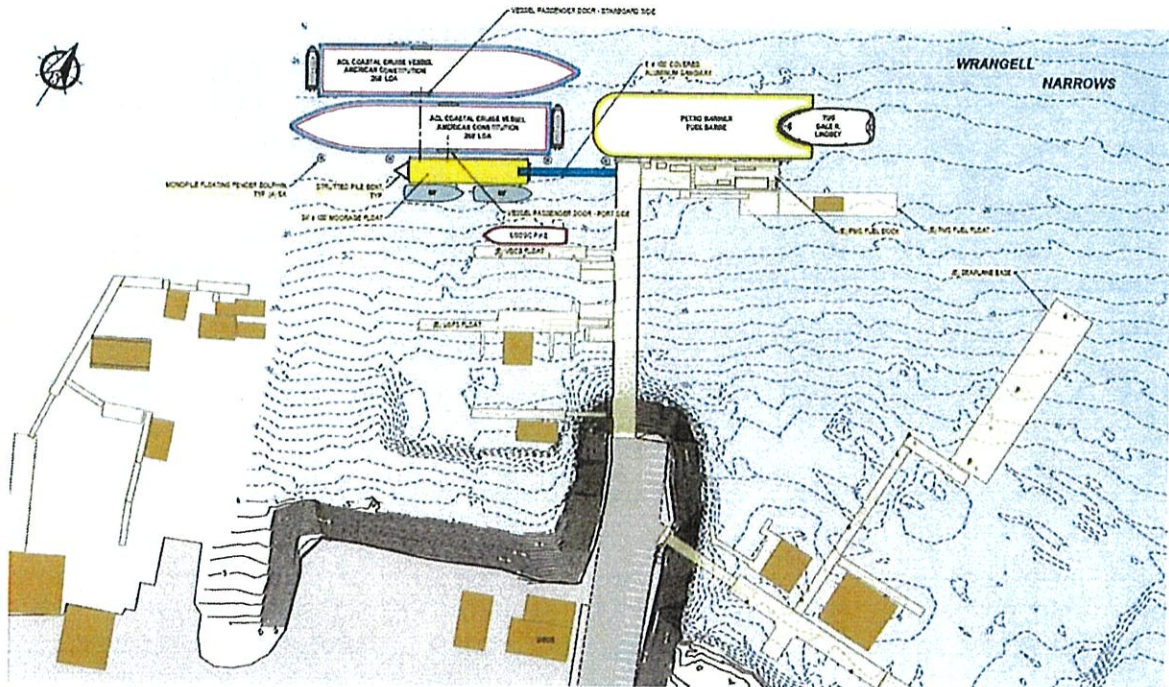
Water and wastewater connections are potentially available if ACL moves forward with this project. Water goes all the way to the end of the existing dock and the wastewater line stops near the Coast Guard float, but could potentially be extended to serve the proposed cruise ship dock.

Chris Cotta
Public Works Director

3. Narrative on Use of Property:

The property would be utilized to construct a new dock, roughly as shown below. The project would consist of a gangway and moorage float extending to the SW of parcel 01-008-220 * 119 DOCK STREET * PETRO 49 INC, LESSEE and PETERSBURG BOROUGH LESSOR. This project would include an approximately 8' x 100' aluminum gangway extending to a 24' x 120' moorage float. This design would allow American Cruise Lines vessels to dock either port or starboard side to the dock enhancing vessels safety depending on current and weather factors. Included in the scope of this project are monopiles equipped with floating fenders which will be used by vessels for mooring lines. It is estimated that this project will cost approximately \$3 million dollars.

Construction of this project will allow small overnight cruise vessels to operate with a consistent schedule which in turn will contribute to the local economy as guests aboard are able to explore the Borough of Petersburg.



6. What local, state or federal permits are required for the proposal use?

- USACE DA Individual Permit including Practicable Alternatives Analysis and Biological Assessment
- Incidental Harassment Authorization with formal NMFS consultation and Marine Mammal Monitoring and Mitigation Plan (4MP).
- Compensatory Mitigation for unavoidable impacts due to intertidal fill discharges associated with the proposed parking area, if it is to be constructed.
- ADEC 401 Water Quality Certification.
- ADEC Plan Review and Approval to Operate for water and sewer systems
- ADEC Stormwater Plan Review and Letter of Concurrence for runoff in the proposed parking lot, if constructed.
- Sunflower Sea Star Harassment Authorization with formal NMFS consultation.
- Local Building Permits possibly.

8. Why should the Planning Commission recommend Assembly approval of this request?

The overarching goal of the Borough's February 2016 Comprehensive Plan Update identified in Chapter 5 is to improve the diverse transportation system that links Petersburg to the outside world. As a part of this goal, promoting a growing economy in the commercial fish processing and tourism are identified as key components. Planning Commission approval of this request would allow for consistent, sustainable tourism and economic benefit during scheduled dockings of American Cruise Lines vessels each summer.

9. How is this request consistent with the Borough's comprehensive plan?

The Borough's February 2016 Comprehensive Plan Update identifies objectives for the waterfront lands in Petersburg. One of those objectives is to utilize good planning to support a diverse use of the waterfront. The concept plan proposed by American Cruise Lines allows for dock development in a location which would not impede other area users including federal agencies, marine business and a commercial fueling operation serving the vital fishing community.



741 Boston Post Road, Suite 200, Guilford, CT 06437 • (203) 453-6800

April 18th, 2025

Ms. Glorianne Wollen
Harbor Master
Borough of Petersburg
223 Harbor Way
Petersburg, AK 99833

Dear Ms. Wollen:

We appreciate the collaboration over the last nine months as we work to structure a long-term partnership with the Borough. Thank you for organizing the April 15th meeting with the leadership team of the Borough.

We understand the funding concerns through the previously proposed public-private partnership. In light of this, American Cruise Lines believes the most efficient path forward is to modify our Land Disposal Application to lease the property from the borough and fund the new dock through its own efforts.

In the spirit of partnership, we would be happy to incorporate the following into a lease agreement with the Borough:

- ACL will design, permit, fund and build the new dock extension
- ACL will have a (50) fifty-year lease as stated on the Land Use Application
- ACL to pay annual standard lease fee and property tax as any other lease holder within the Borough
- In the spirit of partnership and sustainable tourism, ACL agrees to only allow small overnight passenger vessels with a passenger capacity under 250 to dock for the entire duration of the Lease. ACL will not accept reservations from other overnight passenger vessels unless referred from the Petersburg Harbor Department.
- ACL will maintain the dock, will manage the schedule, and will retain all revenue associated with other uses its schedules at the dock.
- If it chooses, the Borough may take over management and scheduling of the dock from September 30 to May 1 in each year. If the Borough chooses this, it will make no payment to ACL, but will take the full maintenance cost of the dock (except for damage caused by ACL) and will split the revenue it derives from the dock 50/50 with ACL.

We look forward to the continued partnership with the Borough of Petersburg and are happy to discuss this updated proposal at any time.

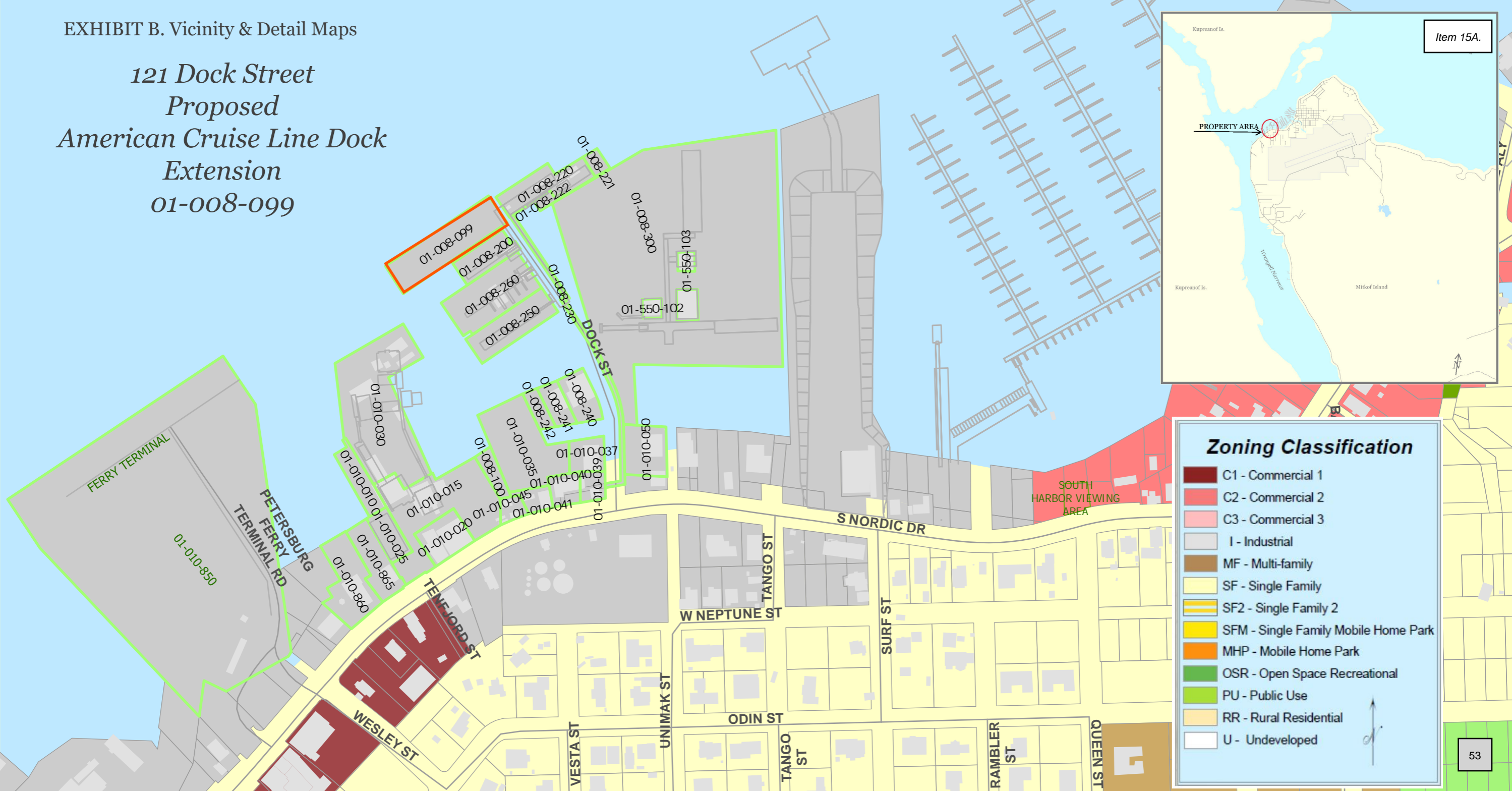
Sincerely,

Charles B. Robertson
President & CEO

Kristin Meira
Director of Government
Affairs

Eric Dussault
Director of Port Development
and Construction

*121 Dock Street
Proposed
American Cruise Line Dock
Extension
01-008-099*



Zoning Classification

- C1 - Commercial 1
- C2 - Commercial 2
- C3 - Commercial 3
- I - Industrial
- MF - Multi-family
- SF - Single Family
- SF2 - Single Family 2
- SFM - Single Family Mobile Home Park
- MHP - Mobile Home Park
- OSR - Open Space Recreational
- PU - Public Use
- RR - Rural Residential
- U - Undeveloped



May 23, 2025

RUTHERFORD ANDREW
PO BOX 190498
ANCHORAGE, AK 99519-0498

NOTICE OF SCHEDULED PUBLIC HEARINGS

The Petersburg Borough Planning Commission has scheduled a public hearing to consider:

Recommendation to the Borough Assembly regarding an application from American Cruise Lines to lease approximately 22,000 sf of borough tidelands for the purpose of constructing a mooring float at the end of Dock St (temp PID: 01-008-099).

| | |
|---|--|
| The public hearing and consideration of the application will be held: | Tuesday, June 10th, 2025, at 12:00 PM Assembly Chambers, Municipal Building 12 South Nordic Drive, Petersburg, Alaska. |
| The meeting is open to the public. To attend via ZOOM , please contact Anna Caulum at 907-772-5409. | |

Interested persons desiring to present their views on the applications, either in writing or verbally, will be given the opportunity to be heard during the above-mentioned hearing. Said hearing may be continued from time to time as necessary. If the Planning Commission is unable to meet at the date and time stated above, this application will be considered at a future meeting with no further notice provided except for the general notice provided to the public.

| TO SUBMIT WRITTEN COMMENTS TO THE PLANNING COMMISSION | |
|--|--|
| By Mail: | PO Box 329, Petersburg, Alaska 99833 |
| By Email: | acaulum@petersburgak.gov |
| Hand-Deliver: | Petersburg Municipal Building, 12 S. Nordic Dr. |

The Petersburg Municipal Code (PMC) provides for an appeal of a Planning Commission decision to the Borough Assembly by the property owner or a governmental agency, or any property owner within 600' of the applicant property and requires that such an appeal be filed within 10 consecutive calendar days of the date the decision is made. For more information regarding appeal requirements, please see PMC Chapter 19.92.

Sincerely,

Liz Cabrera
 Community & Economic Development Department

| Name1 | Name2 | Address1 | City | State | Zip |
|-----------------------------------|-----------------------|-------------------------|------------|-------|------------|
| CHRIS FRY | | PO BOX 1440 | PETERSBURG | AK | 99833-1440 |
| HEATHER O'NEIL | | PO BOX 1083 | PETERSBURG | AK | 99833-1083 |
| JIM FLOYD | | PO BOX 281 | PETERSBURG | AK | 99833-0281 |
| JOHN JENSEN | | PO BOX 681 | PETERSBURG | AK | 99833-0681 |
| PHIL MEEKS | | PO BOX 1514 | PETERSBURG | AK | 99833-1514 |
| MARIETTA DAVIS | | PO BOX 673 | PETERSBURG | AK | 99833-0673 |
| DONALD SPERL | | PO BOX 1407 | PETERSBURG | AK | 99833-1407 |
| AMERICAN CRUISE LINES | CHARLES B ROBERTSON | 741 BOSTON POST ROAD | GUILFORD | CT | 06437 |
| ALASKA COMMERCIAL ELECTRONICS LLC | | PO BOX 1144 | PETERSBURG | AK | 99833-1144 |
| ALASKA STATE OF | | 550 W 7TH AVE STE 1050A | ANCHORAGE | AK | 99501-3579 |
| BIRCHELL PROPERTIES LLC | | PO BOX 12 | PETERSBURG | AK | 99833-0012 |
| ISLAND REFRIGERATION LLC | | PO BOX 2185 | PETERSBURG | AK | 99833-2185 |
| PARKER SAMUELLA MAE | | PO BOX 1364 | PETERSBURG | AK | 99833-1364 |
| PETERSBURG FLYING SERVICES LLC | | PO BOX 1348 | PETERSBURG | AK | 99833-1348 |
| PETRO 49 INC | | PO BOX 389 | SEWARD | AK | 99664 |
| PISTON AND RUDDER SERVICE INC. | | PO BOX 1308 | PETERSBURG | AK | 99833-1308 |
| ROCKY'S MARINE INC. | | PO BOX 690 | PETERSBURG | AK | 99833-0690 |
| ROSVOLD ERIC | | PO BOX 1144 | PETERSBURG | AK | 99833-1144 |
| RUTHERFORD ANDREW | | PO BOX 190498 | ANCHORAGE | AK | 99519-0498 |
| STROMDAHL KIMBERLY | | PO BOX 523 | PETERSBURG | AK | 99833-0523 |
| US COAST GUARD | | PO BOX 1290 | PETERSBURG | AK | 99833-1290 |
| WIKAN JOHN B WIKAN SHERI L | WIKAN ENTERPRISES INC | PO BOX 929 | PETERSBURG | AK | 99833-0929 |
| ALASKA DOT & PF | | PO BOX 112505 | JUNEAU | AK | 99811-2505 |



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Harbors and Ports Advisory Board

Thursday, April 03, 2025

6:30 PM

Assembly Chambers

1. Call to Order / Roll Call

PRESENT

- Board Chair Bob Martin
- Board Member Daniel Cardenas
- Board Member Casey Knight
- Board Member John Murgas
- Board Member Joel Randrup
- Board Member Scott Roberge
- Board Member Don Spigelmyre

Assembly Liaison Scott Newman was present.

American Cruise Lines Representative, Mark Freeman present online.

2. Approval of Minutes

October 16, 2024 Regular Meeting Minutes

The minutes of October 16, 2024, regular meeting were unanimously approved as written.

Motion made by Board Member Randrup, Seconded by Board Member Knight.

Voting Yea: Board Chair Martin, Board Member Cardenas, Board Member Knight, Board Member Murgas, Board Member Randrup, Board Member Roberge, Board Member Spigelmyre

3. Amendment and Approval of Meeting Agenda

The agenda was unanimously approved as written.

Motion made by Board Member Knight, Seconded by Board Member Randrup.

Voting Yea: Board Chair Martin, Board Member Cardenas, Board Member Knight, Board Member Murgas, Board Member Randrup, Board Member Roberge, Board Member Spigelmyre

4. **Persons to be Heard Related to the Agenda**

No views were shared.

5. **Persons to be Heard Unrelated to the Agenda**

No views were shared.

6. **Harbormaster Report**

A. 2025 Spring Harbormaster Report

Harbormaster Wollen read the report into the record.

B. Port Calls List

Harbormaster Wollen presented the Port Calls List from 2003 to March 2025.

7. **Unfinished Business**

A. FY2026 Budget

A motion was made to recommend the assembly adopt the proposed FY2026 Harbor Enterprise Budget. The board unanimously approved 7 - 0.

Motion made by Board Member Spigelmyre, Seconded by Board Member Randrup. Voting Yea: Board Chair Martin, Board Member Cardenas, Board Member Knight, Board Member Murgas, Board Member Randrup, Board Member Roberge, Board Member Spigelmyre

B. American Cruise Lines Multi-Purpose Small Cruise Ship Dock

The Harbor Board recommends the Assembly move forward with Concept 7 for development of the proposed multi-purpose small cruise ship dock partnership with American Cruise Lines and recommends following the Visitor Industry Management Plan's outlined Quality of Life goals. Motion carried 7-0

Motion made by Board Member Spigelmyre, Seconded by Board Member Knight. Voting Yea: Board Chair Martin, Board Member Cardenas, Board Member Knight, Board Member Murgas, Board Member Randrup, Board Member Roberge, Board Member Spigelmyre

8. **New Business**

There was no new business.

9. **Communication**

There were no communications.

10. Discussion Items

Update on PEDC Scow Bay Boat Yard Project funding and timeline.

Harbormaster Wollen gave a brief outline on the state of the recent Federal spending freeze on the funding package for the Scow Bay Project. She also updated the Board on the desire of PEDC to encourage future growth by expanding the design to include a wider ramp to allow for an amphibious 150 ton travel lift.

Chairman Martin invited members to participate in the upcoming Assembly meeting to address the need for Marine Industrial Overlay (MIO) of Borough owned and formally owned Port and Scow Bay properties.

11. Adjourn

The board unanimously adjourned at 8:13 pm.

CHAPTER 3: LAND USE + ENVIRONMENT

Overarching Goal: Encourage and guide growth to make Petersburg town and Borough an increasingly dynamic, successful and attractive place to live, work, invest and visit.

This chapter outlines land use and environmental policies, beginning with an overview of relevant goals and strategies, followed by a more detailed explanation of strategies and potential actions. The chapter concludes with an overview of the background and context that have informed land use policy recommendations.

GOALS + STRATEGIES

1. **Goal: Support Development.** Actively work to reduce barriers to private development.
 - a. Take steps to reduce the delay, cost and uncertainty associated with compliance with the Army Corps of Engineers 404 wetlands fill permit, required of all development projects in the Borough. Reserve Borough lands as a wetlands mitigation pool; consider taking over local management of discharge of fill into wetlands within the Petersburg Borough boundaries
 - b. Investigate options for the Borough to facilitate the extension of power to homes in rural subdivisions.
 - c. The Borough administration should include a development advocate function. This position would work with projects that could bring significant public benefits, but which need assistance to move quickly through the review and approval process.

2. **Goal: Encourage and Guide Growth.** Create an improved, Borough-wide system of land use tools to help carry out goals and strategies in this chapter and the Plan as a whole.
 - a. Extend subdivision authority to the entire Borough; apply different subdivision standards outside of Service Area One to reflect the unique characteristics and needs of these areas.
 - b. Develop a new Borough-wide, generalized land use map. Within Service Area One this will be a translation and update of current zoning; outside of Service Area One this will be based on the very different scale and style of development in these areas. See proposed land use map legend tables on pages 40 and 41 and accompanying draft generalized land use maps in Appendix B.
 - c. Develop appropriate land use codes to be used to implement the generalized land use map, recognizing the different characteristics and needs of different locations.
 - d. Establish an improved system for selecting, inventorying and managing Borough-owned land.



3. **Goal: Quality.** Adopt policies that encourage high quality buildings and site development practices that reflect Petersburg’s history and setting. *(Note: this goal focuses on Service Area One).*
- Identify priorities and set objectives for improving the current Service Area One zoning code.
 - Identify priorities and set objectives for improving the current subdivision code and how it is applied in Service Area One.
 - Establish guidelines that allow for and encourage higher density housing while ensuring quality of neighborhoods and individual structures.
4. **Goal: Downtown.** Help make Petersburg’s downtown is a good place to start or run a business, by taking actions so downtown is lively, attractive, walkable and inviting for residents and visitors.
- Develop and adopt policies that encourage more downtown private development and redevelopment.
 - Evaluate options and develop strategies to respond to fire hazards.
 - Develop a comprehensive strategy to balance the need to provide adequate downtown and waterfront parking, with the need to maintain a compact, walkable downtown.
 - Increase the amount of residential, office and other uses within walking distance of downtown.
 - Improve circulation for vehicles, bikes and pedestrians. *See Chapter 5: Transportation for more information on roads and sidewalks.*
5. **Goal: Waterfront.** Manage the use of the waterfront Borough-wide to maximize the value of this scarce resource for business, residents and visitors.
- Integrate and balance the need to support a range of waterfront uses.

6. **Goal: Environment.** Maintain the overall quality of the Petersburg Borough natural environment; protect “environmental services” like watersheds and drainage ways as well as preserving the aesthetic beauty of the community.
- Inventory and identify important and potentially vulnerable environmental assets, including streams, watersheds, flood plains, fish and wildlife habitat.
 - Work with public and private landowners to identify strategies to protect important natural resource values.



View from the Petersburg waterfront

A. QUALITY OF LIFE

GOAL: SUSTAIN A REASONABLE BALANCE BETWEEN VISITOR INDUSTRY AND THE QUALITY OF LIFE IN OUR COMMUNITY.

Protecting the residential quality of life is a prerequisite for the continued vibrancy of the visitor industry and sustaining the many economic benefits it brings. This goal, of maintaining livability in the face of ever-growing visitor industry seen throughout the region, is present in one way or another in every recommendation in this plan. Community residents have witnessed the impacts of increased visitor traffic on the quality of life in nearby communities. The sheer number of visitors has changed the character of neighborhoods, the make-up of downtown business districts, exacerbated traffic, and congestion and generated noise, trash, and pollution. Managing the visitor industry requires ongoing monitoring of the benefits and impacts as well as resident sentiment.

1. CREATE OPPORTUNITIES TO ASSESS COMMUNITY SENTIMENT FOR VISITOR INDUSTRY.

- Include visitor industry-related questions in future community surveys.

2. DEVELOP BASELINE INFORMATION AND MONITOR YEAR-TO-YEAR CHANGES, PARTICULARLY FOR CRUISE SHIPS.

- For example, numbers of port calls per year, visitors per season or visitors per day.

- Number of calls to the Chamber of Commerce's suggestion line per season.

3. CONSIDER ESTABLISHING A BOROUGH POLICY TO “TRIGGER” PUBLIC MEETING OR THE ESTABLISHMENT OF A WORK GROUP OR PUBLIC PROCESS TO EVALUATE IMPACT OF VISITOR LEVELS AND DETERMINE IF CONTINUED GROWTH IS DESIRED. POSSIBLE TRIGGERS:

- Over 246 port calls in a season (15% growth from highest year - 2002).
- 18,000 passengers (20% growth from 2006) or \$90,000 in marine passenger fee revenue in one season.
- Significant increase in demand for EMS services.

4. CONSIDER ESTABLISHING A PLANNING PROCESS FOR INFRASTRUCTURE IMPROVEMENTS ALLOWING FOR LARGER SHIPS TO DOCK (280’-400’) OR IMPROVEMENTS TO LITERING FACILITIES.

5. CONSIDER INVITING TOUR OPERATORS TO BECOME PART OF THE COMMUNITY.

- Send letter suggesting donations to the Community Foundation, purchasing memberships to visit Museum, etc.

6. CONSIDER PROVIDING A COPY OF THIS DOCUMENT TO THE VISITOR INDUSTRY/TOUR OPERATORS.

7. EXPLORE WAYS TO MITIGATE PEDESTRIAN CONGESTION IN DOWNTOWN, AS NEEDED.

- Stagger walking tours; allowing free time for exploring downtown

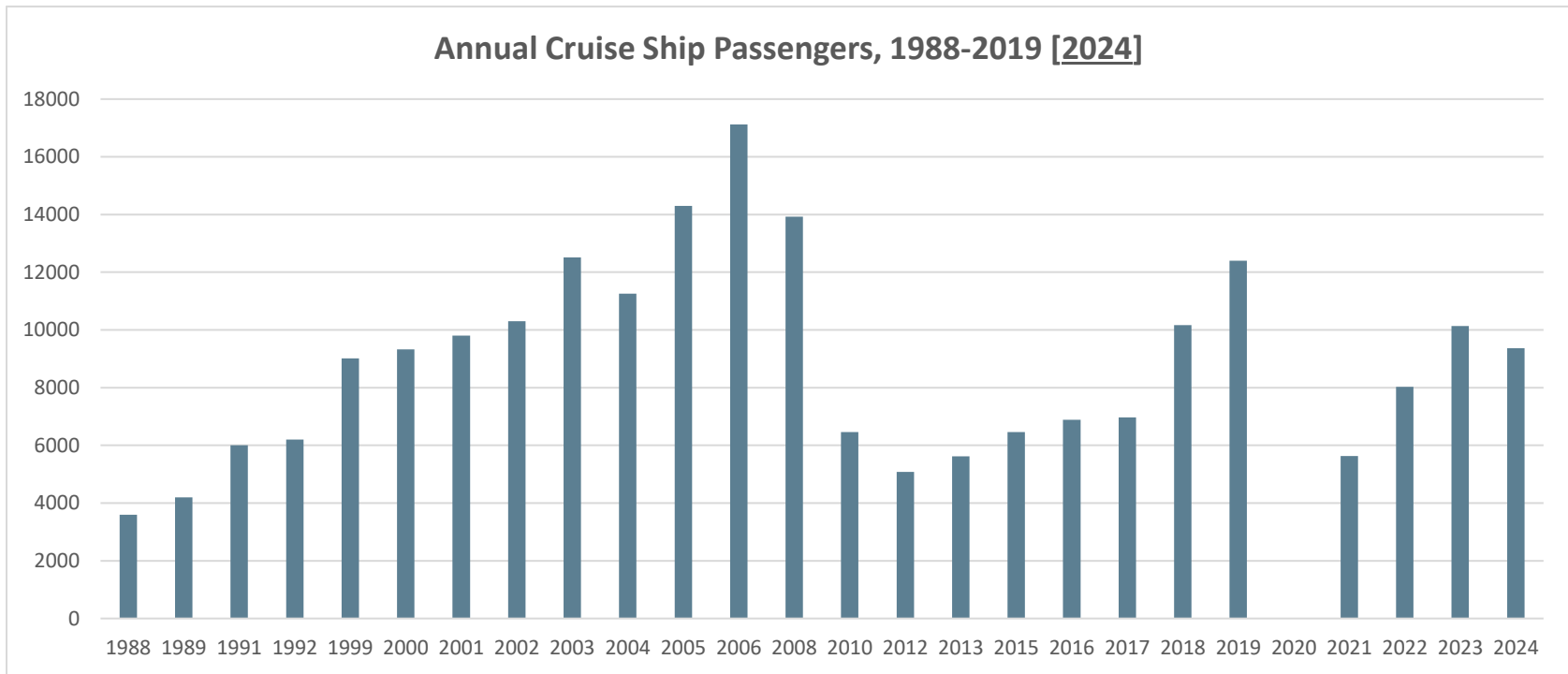
- Develop alternatives to being downtown; consider out the road options.

8. ENSURE RECREATION FACILITIES/TRAILS ARE AVAILABLE FOR LOCAL USE

- Identify which trails are better suited for visitors. Consider establishing local permitting system if visitor use is creating an impact.

9. PUBLIC SAFETY ISSUES RELATED TO LARGE-GROUP TOURISM SHOULD BE REFERRED TO APPROPRIATE ORGANIZATIONS OR COMMITTEES.

- Planned response to health issues (norovirus, flu, novel viruses) related to large group travel should be prepared and implemented as needed.
- RVs parking on downtown streets.



E. INFRASTRUCTURE & PLANNING

GOAL: IDENTIFY AND PRIORITIZE INFRASTRUCTURE NEEDS.

Petersburg has limited infrastructure to accommodate the visitor industry, particularly larger groups of visitors arriving via cruise ships. The existing infrastructure is designed to accommodate a small resident population and existing marine infrastructure is used at capacity during the summer season and must be shared with a dynamic commercial fishing fleet. Focus on maximizing the benefits and minimizing user conflict of our existing marine infrastructure, finding cost-effective alternatives to existing infrastructure, and providing infrastructure that benefits both the local populace and visitor population were deemed the priorities. Cost estimates have been added where available.

1. IMPROVE ACCESS/PROVIDE ADDITIONAL PUBLIC RESTROOMS*

- Install "Public Rest Room" signs outside all buildings with public restrooms. Identify ADA restrooms, where appropriate.
- Add location of restrooms to all walking and event maps.
- Allow access to municipal building and police station restrooms during Little Norway Festival and Fourth of July.
- Purchase additional mobile seasonal restrooms that can be used anywhere and anytime there is a community event. (Cost estimate: \$40-50,000) [Completed in 2021]

2. IDENTIFY CURRENT INFRASTRUCTURE NEEDS BENEFITING BOTH LOCAL AND VISITOR POPULATIONS

- Supply shore-side power at Drive Down Dock.

- Install Marine Pump-out station* (Could be used as marketing tool) (Cost estimate: \$50-85,000, depending on location).
- Install ADA-compliant ramp at northern end of South Harbor (Cost estimate: \$1.7m with reconfigured approach).
- Install mooring dolphin at Port Dock (Cost estimate: \$371,000).
- Create multi-use covered area at Drive-down dock for activities include visitor staging, vendor stalls, and farmer's market. Area can be used to overhaul fishing gear during off-season.
- Improve general accessibility (ADA) throughout town.

3. MAXIMIZE OUR EXISTING INFRASTRUCTURE AND MINIMIZE CONFLICTS

- Parking areas around harbors are congested. Create staging area for shuttles.
- Consider repurposing shuttles for multiple uses and minimize the number of vehicles entering harbor area.
- Harbormaster's office continues to coordinate port call schedules with local fleet needs. (i.e. End of July/August are good times for cruise visits as harbor activity slowed down. Saturdays/Sundays also better).
- Establish "change fee" for tour ships changing scheduled port location.

4. CONSIDER OPTIONS FOR NEW INFRASTRUCTURE TO REDUCE CONGESTION IN HARBOR AND TO MAINTAIN CURRENT LEVEL

OF VISITOR TRAFFIC FROM CRUISE SHIPS (current trend in small cruise ships is slightly larger than we can accommodate within our harbor with LOA of 250' – 450' and passenger capacities ranging from 100 to 560.)

- Install a “Day Float” to facilitate liter operations. Possible locations: Outlook Park, Commercial Property at Frederick Pt, Banana Pt.
- Request use of existing ferry terminals for MV Columbia-size (400') tour ships, both Downtown and South Mitkof locations.
- See #3 under Quality of Life.

5. IMPROVE RECREATIONAL INFRASTRUCTURE

- Consider installing kayak floats and paddle board racks, and bike racks.
- Establish private-public partnership (similar to canned salmon label trash cans) for new benches.



***Port Dock:** Vessel up to 280 ft.

Drive Down Float: Vessel up to 220 ft.

End of C Float: Vessel up to 280 ft.

***South Harbor Loading Zone:** vessels up to 165 ft. & 2 (50 ft.) liters at a time If SOLAS; if not SOLAS, 4 liters at one time. (*Areas authorized by US Department of Homeland Security for moorage of SOLAS vessels (vessels that come and go from foreign ports) and their liters.)

How many port calls does Petersburg receive per year?

Port calls to Petersburg have ranged from a high of 214 (2002) to a low of 65 (2011). In 2019, Petersburg received 146 port calls from tour ships, including ships using liters.¹⁷ Due to the global pandemic in 2020, there were no port calls from commercial passenger ships in 2020. Port calls for 2021 are uncertain at this time. [2024 saw 105 port calls.]

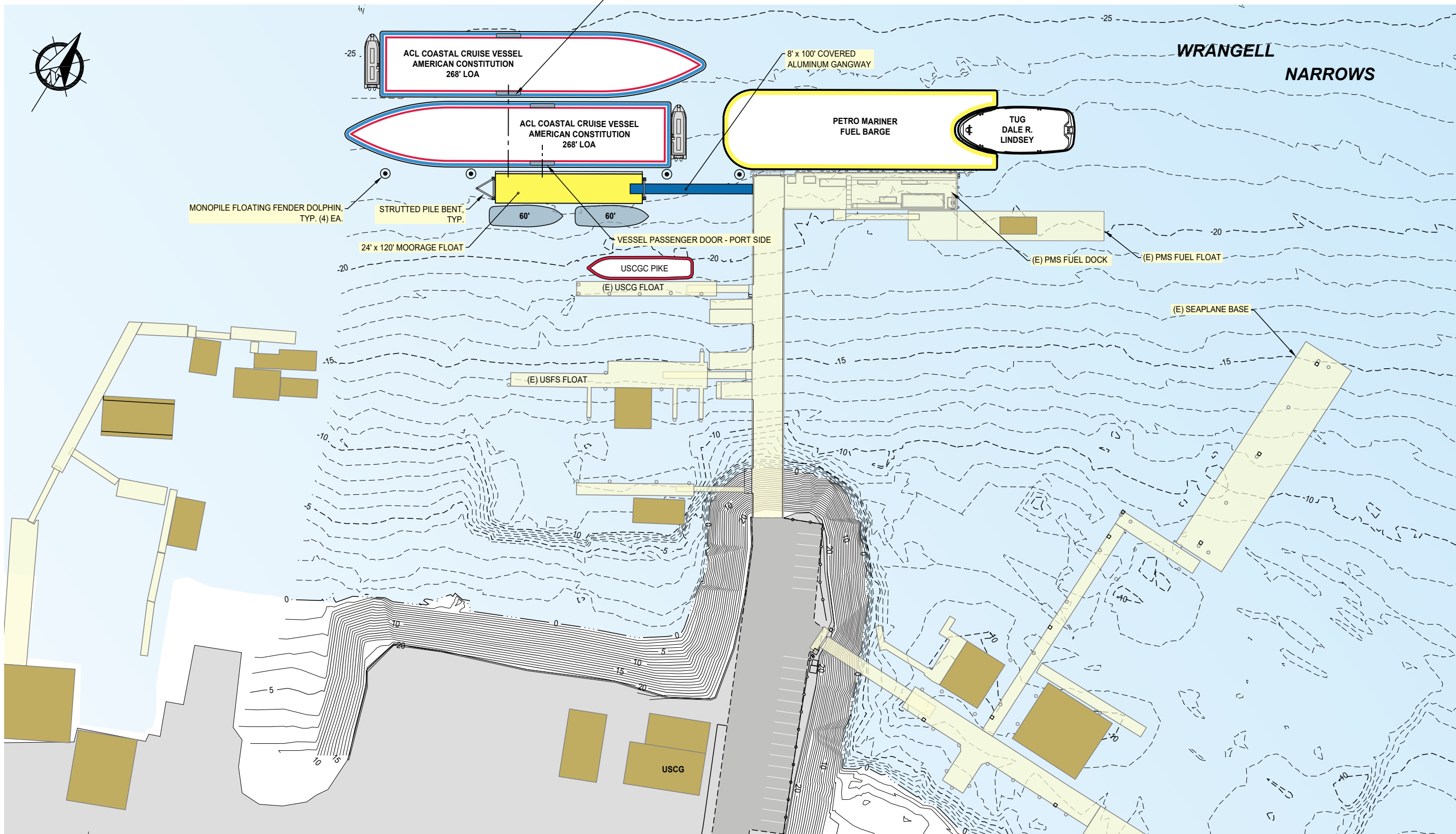
Frequently Asked Question

What size ships can navigate the Wrangell Narrows?

The MV Le Soleal (466' LOA; 59' wide; 16.4' draft) and the AMHS Ferry MV Columbia, (418' LOA; 85' wide; loaded draft 17'-6 1/8") are the largest vessels to navigate the Wrangell Narrows.

What size ships can tie up at each berthing location within the harbor?

There are four locations within the Petersburg harbors where tour ships are moored and where ships may disembark passengers during litering operations:



REVISIONS

| REV. | DATE | DESCRIPTION | DWN. | CKD. | APP. |
|------|------|-------------|------|------|------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
www.pndengineers.com

DESIGN: CRS CHECKED: JLD
DRAWN: PJD APPROVED: CRS

SCALE: SCALE IN FEET
0 40 80 FT.

CONCEPT

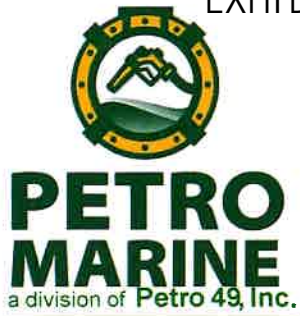
DATE: 3/24/25

PETERSBURG BOROUGH
AMERICAN CRUISE LINES
SMALL CRUISE SHIP DOCK

SHEET TITLE: DOCK PLAN
CONCEPT NO.7

PND PROJECT NO.: 242093 C.A.N. NO.: AECC250





1813 E 1st Avenue
Anchorage, AK 99501
907-562-5000
www.petromarineservices.com

March 5, 2025

Glorianne Wollen
Harbor Master
Petersburg Borough Port and Harbor Dept.
PO Box 329
Petersburg, AK 99833

Re: Fuel Dock Conflicts

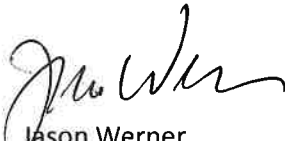
Dear Ms. Wollen:

Both Petro 49 and the Petersburg Borough are parties to a 1987 Tideland/Submerged Lands Lease agreement that allows Petro 49 to operate a fuel dock in Petersburg.

As the number of cruise ship visits to Petersburg has increased, so have instances where a cruise ship tied up to the dock, for extended periods of time, blocks access to our fuel facility and interferes with our lease and ability to sell fuel to local customers.

Petro's terminal staff communicates and coordinates with the Harbor staff to minimize the impacts of cruise ship visits. But Petro believes the best long-term solution to address these issues is to expand the dock face. This expansion provides the cruise vessels with dedicated space for their needs while allowing Petro to provide uninterrupted service to our marine customers.

Regards,



Jason Werner
C.F.O.



June 2, 2025

RE: American Cruise Lines Lease Application

To: Planning Commission

We are writing to express our strong support for the proposed construction of a small cruise ship dock at the end of Dock Street. This project presents a valuable opportunity to enhance our community and retain control of our marine infrastructure.

Establishing a dedicated dock would foster a long-term relationship with a cruise operator, making Petersburg a preferred port of call. This stability in annual visits would create a more predictable environment for local businesses. While it may result in modest increases in tourist traffic, the primary benefit lies in the increased certainty for shops, restaurants, tour operators, and other service providers, encouraging investment and job creation.

A dedicated dock would significantly improve the safety and efficiency of our marine infrastructure. Currently, the Port Dock's availability is restricted to accommodate fuel barges and commercial vessel fueling. Expanding the dock would allow simultaneous mooring for both a small cruise ship and the fuel barge. Further, the dock would be available for use by third parties during the off-season, maximizing its utility.

Lastly, this project provides a timely opportunity to incorporate a marine pump-out station, a long-discussed and prudent investment to protect our surrounding waters from wastewater discharge.

We acknowledge the need for careful planning and consideration of potential impacts for any development project. However, we are confident that with appropriate mitigation measures and a commitment to responsible development, the borough can minimize any adverse effects and maximize the benefits for our community. A well-designed small cruise ship dock can integrate harmoniously with our existing waterfront infrastructure, contributing positively to our local environment.

We strongly urge you to approve this project and commit to a collaborative approach with American Cruise Lines and the community to ensure its successful implementation.

Thank you for your time and consideration.

Sincerely,

Casey Flint
President, PEDC Board of Directors



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Planning Commission Regular Meeting

Tuesday, June 10, 2025

12:00 PM

Assembly Chambers

1. Call to Order

The meeting was called to order at 12:00 pm.

2. Roll Call

PRESENT

Commission Chair Chris Fry
Commission Vice-Chair Heather O'Neil
Commissioner Jim Floyd
Commissioner Marietta Davis
Commissioner Phillip Meeks
Commissioner Donald Sperl

ABSENT

Commissioner John Jensen

3. Acceptance of Agenda

The agenda was accepted as presented.

Motion made by Commission Vice-Chair O'Neil, Seconded by Commissioner Davis.

Voting Yea: Commission Chair Fry, Commission Vice-Chair O'Neil, Commissioner Floyd, Commissioner Davis, Commissioner Meeks, Commissioner Sperl

4. Approval of Minutes

A. May 13, 2025, Meeting Minutes.

The May 13, 2025, meeting minutes were unanimously approved.

Motion made by Commissioner Davis, Seconded by Commission Vice-Chair O'Neil.

Voting Yea: Commission Chair Fry, Commission Vice-Chair O'Neil, Commissioner Floyd, Commissioner Davis, Commissioner Meeks, Commissioner Sperl

5. Public Comments

EXHIBIT H: Planning Commission Meeting Minutes

James Valentine spoke on behalf of himself to bring awareness to a scam email that was sent to his friend regarding fees for a sandwich board. The email looked as if it was sent by the planning commission and asked for funds to be paid through wire transfer. James wanted the Commission to be aware of this had printed the scam email for the Commissioner's to review.

6. Consent Calendar

None

7. Public Hearing Items

- A. Recommendation to the Borough Assembly regarding an application from American Cruise Lines to lease approximately 22,000 sf of borough tidelands for the purpose of constructing a mooring float at the end of Dock St (temp PID: 01-008-099).

Harbor Master Glo Wollen, spoke in support of American Cruise Lines application and made herself available for any questions.

Vice-Chair O'Neil asked Harbor Master Wollen for clarification on page 17 of the packet showing a letter submitted by ACL with lease agreement options.

Harbor Master Wollen spoke to say this is a proposal letter on page 17 and ACL listed some options. The details would be flushed out at some point, moving forward with the application process would not set in stone the details listed in the letter.

Commissioner Meeks asked if the Borough provides septic services to the dock currently. Harbor Master Wollen said currently we have sewer line to the top of the Petro dock, which is Dock Street, but we do not have a pump out. If we do build this together, a marine pump out would be a number one consideration.

Bob Martin spoke as Harbor Board Chair. In the packet the Harbor Board minutes from the April 3rd meeting were referenced. At that meeting, the Board talked more of a public/private agreement and liked the engineering plan known as concept 7 with a 120 ft float. The Board discussed where the money would come from, but not the lease application.

Bob Martin spoke on behalf of himself in support of the American Cruise Lines application.

Eric Dussault spoke on behalf of American Cruise Lines and appreciates the time and support. He mentioned that ACL received the same email that Mr. Valentine referenced. This is an application we are continuing to move through the process. The letter referenced with the question about management and schedule, are all pieces we can work through in an actual lease agreement. We are open and want to work with the community and make sure the needs of the community are heard and met.

Motion made by Commissioner Floyd, Seconded by Commissioner Davis.

Commissioner Floyd spoke to say he was at the town hall meeting where it was pretty unanimous that people in town are for this. He spoke with the XO of the Elderberry

EXHIBIT H: Planning Commission Meeting Minutes

who says he can navigate it no problem. American Cruise Lines and their patrons are very good to our community. There is an economic benefit for our community.

Commissioner Sperl spoke in support for American Cruise Line application and thinks this will be a good thing for the community as long as the Borough stays involved. What people don't want to see is a chain across the top of the ramp and off limits for 7 months of the year.

Commission Chair Fry spoke to say this seems straightforward and it would be up to the Assembly and Harbor Master to negotiate something for off-season use.

Vice-Chair O'Neil agreed and said she would like to see the off-season use and something more equitable to the Borough for maintenance and repair costs.

Voting Yea: Commission Chair Fry, Commission Vice-Chair O'Neil, Commissioner Floyd, Commissioner Davis, Commissioner Meeks, Commissioner Sperl

- B. Consideration of an application from Zach Peeler, dba Peeler's Alaskan Experience, to place a remote sidewalk sign at 104 N Nordic Dr. (PID: 01-007-352).

Zach Peeler, owner of Peeler's Alaskan Experience spoke to say he wants his sign out there to promote going up the Stikine River etc. It will be homemade; it will look good and not be in the way.

Motion made by Commissioner Floyd, Seconded by Commission Vice-Chair O'Neil.

Voting Yea: Commission Chair Fry, Commission Vice-Chair O'Neil, Commissioner Floyd, Commissioner Davis, Commissioner Meeks, Commissioner Sperl

8. Non-Agenda Items

- A. Commissioner Comments

None

- B. Staff Comments

Director Cabrera asked the Commission members to please let her know if they get one of the scam emails. There will be agenda items for the July meeting.

- C. Next Meeting is July 8, 2025, at 12:00pm.

9. Adjournment

The meeting adjourned at 12:21pm.

Motion made by Commissioner Floyd, Seconded by Commissioner Davis.

Voting Yea: Commission Chair Fry, Commission Vice-Chair O'Neil, Commissioner Floyd, Commissioner Davis, Commissioner Meeks, Commissioner Sperl



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Harbor & Ports Advisory Board

Wednesday, November 26, 2025

6:30 PM

Assembly Chambers

1. Call to Order / Roll Call

The meeting was called to order by former Chairman Martin at 6:30 pm.

PRESENT

Board Member Daniel Cardenas
Board Member Casey Knight
Board Member Joel Randrup
Board Member Don Spigelmyre
Board Member Wally McDonald
Board Member Andy Kittams

Assembly Member Liaison Schwartz

EXCUSED

Board Member Scott Roberge

2. Approval of Minutes

A. Meeting Minutes, April 3, 2025

The minutes of April 3rd, 2025, regular meeting were approved as submitted.

3. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

4. Persons to be Heard Related to the Agenda

No views were shared.

5. Persons to be Heard Unrelated to the Agenda

No views were shared.

6. Harbormaster Report

A. Harbormaster Report, November 2025

Harbormaster Wollen provided a report.

7. Unfinished Business

There was no unfinished business.

8. New Business

A. Appointment of Chair and Vice Chair

Member McDonald nominated Casey Knight to Board Chair and Don Spigelmyre as Vice Chair.

Motion made by Board Member McDonald, Seconded
 Voting Yea: Board Member Cardenas, Board Member Knight, Board Member Randrup, Board Member Spigelmyre, Board Member McDonald, Board Member Kittams

B. American Cruise Lines Lease Application

Harbormaster Wollen updated the Board on the status of ACL proposed partnership with the Borough to build a multipurpose small cruise ship dock and review what led to the change of course to pursue the tidelands lease to build a private facility.

The Harbor Board recommended the approval of the American Cruise Lines Lease Application to the Borough Assembly to include recommendations for appropriate controls as part of the lease agreement as well as a request to allow the lease agreement to come back before the Harbor Board prior to Assembly approval.

Motion made by Board Member McDonald, Seconded by Board Member Spigelmyre.
 Voting Yea: Board Member Cardenas, Board Member Knight, Board Member Spigelmyre, Board Member McDonald, Board Member Kittams
 Voting Nay: Board Member Randrup

C. Proposed 2026 Rate Increase

Review and make recommendations to the Assembly regarding the proposed 2026 rate increase. Due to rising costs, staff have recommended a 10 % rate increase roughly across the board to keep up with inflation. The last rate increase was April of 2022.

The Harbor Board recommended the approval of the proposed 2026 Harbor rates increases to the Borough Assembly.

Motion made by Board Member McDonald, Seconded by Board Member Spigelmyre.
 Voting Yea: Board Member Knight, Board Member Spigelmyre, Board Member McDonald, Board Member Kittams
 Voting Nay: Board Member Cardenas, Board Member Randrup

D. South Harbor Parking Lot/Drive Down Dock Paving Project

Review and make recommendations to the Assembly regarding the quote for the South Harbor Parking lot/Drive Down Paving project. In an effort to weigh repair vs replacement of the failing South Harbor Parking lots staff requested a quote from SECON for costs related to replacement of failed driving surfaces. SECON also was asked to combine it with new asphalt paving of a 30 ft. wide swath from South Nordic to the head of the Drive Down ramp due to consistent requests from customers and operators.

The Harbor Board recommended the approval of the proposed South Harbor Parking Lot/Drive Down Paving Project to the Borough Assembly.

Motion made by Board Member Spigelmyre, Seconded by Board Member Kittams.
Voting Yea: Board Member Cardenas, Board Member Knight, Board Member Spigelmyre, Board Member McDonald, Board Member Kittams
Voting Nay: Board Member Randrup

9. Communication

There were no communications.

10. Discussion Items

There were no discussion items.

11. Adjourn

The meeting was adjourned at 7.32 p.m.

JOINT RESOLUTION OF THE PETERSBURG BOROUGH AND THE CITY AND BOROUGH OF WRANGELL

PETERSBURG BOROUGH RESOLUTION NO. 2026-12 CITY AND BOROUGH OF WRANGELL RESOLUTION NO. 05-26-2046

A JOINT RESOLUTION OF THE ASSEMBLY OF THE PETERSBURG BOROUGH AND THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, SUPPORTING RESPONSIBLE ECONOMIC DEVELOPMENT, COORDINATED UTILIZATION OF HYDROELECTRIC RESOURCES FROM THE TYEE LAKE PROJECT, AND INTERCOMMUNITY COMMUNICATION REGARDING LARGE ENERGY USERS

WHEREAS, the City and Borough of Wrangell and the Petersburg Borough are neighboring Southeast Alaska communities with longstanding economic, cultural, and regional partnerships; and

WHEREAS, both communities share similar economic structures, population sizes, and infrastructure systems, and both rely heavily on affordable, reliable energy as a foundational component of local economic development and community sustainability; and

WHEREAS, Wrangell and Petersburg are member communities of the Southeast Alaska Power Agency, a joint action agency formed by the communities of Wrangell, Petersburg, and the City of Ketchikan to jointly own and operate hydroelectric generating assets in Southeast Alaska; and

WHEREAS, SEAPA owns and operates the Tyee Lake Hydroelectric Project, which provides renewable hydroelectric power to its member communities under the terms of long-term Power Sales Agreements; and

WHEREAS, under the Power Sales Agreement associated with the Tyee Lake Hydroelectric Project, the communities of Wrangell and Petersburg are collectively dedicated all firm hydroelectric capacity, which serves as the primary renewable power resource supporting both communities; and

WHEREAS, affordable and reliable hydroelectric power is one of the most important strategic assets available to both communities, enabling sustainable economic growth and improving the long-term cost stability of local energy systems; and

WHEREAS, the Assemblies of the City and Borough of Wrangell and the Petersburg Borough share a commitment to responsible economic development that supports job creation, population stability and growth, increased school enrollment, and the expansion of underlying economic activity within each community; and

WHEREAS, Southeast Alaska's renewable hydroelectric resources, combined with the cool climate and reliable power systems of Wrangell and Petersburg, create a uniquely attractive environment for energy-intensive industries, including but not limited to data centers, digital infrastructure, and other technology-driven economic activities; and

WHEREAS, both communities recognize that large new electrical loads associated with technology driven projects must be integrated responsibly to ensure the availability, stability and affordability of power for existing residential, commercial, and industrial customers; and

WHEREAS, both communities further recognize that maximizing the responsible utilization of the Tye Lake Project's firm power capacity is important to maintaining an efficient regional power system and ensuring that the benefits of the project are fully realized by SEAPA and its member communities; and

WHEREAS, Wrangell and Petersburg share a common interest in coordinating regional economic development activities that may result in significant new electrical demand.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AND THE ASSEMBLY OF THE PETERSBURG BOROUGH, that:

Section 1. Commitment to Responsible Growth: The City and Borough of Wrangell and the Petersburg Borough affirm their shared commitment to pursuing economic development opportunities that create sustainable jobs, increase local population, support families and schools, stabilize local electric rates and strengthen the long-term economic vitality of our communities and Southeast Alaska overall.

Section 2. Responsible Utilization of Hydroelectric Resources: The Assemblies of Wrangell and Petersburg recognize the importance of responsibly utilizing the firm hydroelectric capacity dedicated to their communities through the Tye Lake Hydroelectric Project and affirm their intent to maximize the beneficial use of this renewable resource in support of local economic activity and energy affordability for all local customers.

Section 3. Intercommunity Communication: The City and Borough of Wrangell and the Petersburg Borough agree to maintain open and regular communication regarding proposed or anticipated projects that may result in large new electrical loads, including but not limited to economic development projects, data centers, digital infrastructure facilities, industrial operations, or other energy-intensive uses. Such communication shall include, when appropriate:

- (A) Estimated electrical demand of proposed projects
- (B) Project timelines and anticipated load ramp-up schedules
- (C) Infrastructure improvements or local generation considerations necessary to support such projects

Section 4. Coordination of Large Electrical Loads: The communities agree that coordination is necessary when evaluating projects that may collectively approach or exceed the firm hydroelectric capacity allocated to Wrangell and Petersburg from the Tyee Lake Project. The communities therefore commit to consult with one another, and with SEAPA, when evaluating new large energy users in order to discuss benefits and potential local mitigations required to ensure the continued availability and reliability of the regional electric grid.

Section 5. Responsibility for Supplemental Generation: The City and Borough of Wrangell and the Petersburg Borough recognize that local economic development opportunities can place significant demand on available electrical capacity. Both communities pledge to honor an equal division of firm power capacity from Tyee Lake and to proactively accept responsibility and obligation for local generation if their community surpasses their share of the firm power available and the combined community capacity is exceeded, according to SEAPA’s Peak Load Limit provisions in the Annual Operations Plan. Such obligation shall remain with the community surpassing their share of Tyee Lake firm power and shall not place an operational or financial burden on the other community.

Section 6. Regional Cooperation: Wrangell and Petersburg affirm their commitment to continued collaboration through SEAPA and other regional partnerships to:

- (A) Maintain affordable and reliable electric power
- (B) Support sustainable economic growth
- (C) Encourage responsible development of new industries
- (D) Protect the long-term stability of Southeast Alaska’s energy systems

Section 7. Effective Date: This joint resolution shall take effect immediately upon adoption by the governing bodies of the City and Borough of Wrangell and the Petersburg Borough.

ADOPTED by the Assembly of the City and Borough of Wrangell the ___ day of _____, 2026.

ADOPTED by the Assembly of the Petersburg Borough the ___ day of _____, 2026.

Petersburg Borough Resolution No. 2026-12
City and Borough of Wrangell Resolution No. 05-26-2046

Petersburg Borough Signatures:

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk


City and Borough of Wrangell Signatures:

Patricia Gilbert, Mayor

ATTEST:

Kim Lane, Borough Clerk

MEMORANDUM

TO: MAYOR LYNN AND BOROUGH ASSEMBLY
FROM: KARL HAGERMAN, UTILITY DIRECTOR 
SUBJECT: WRANGELL JOINT RESOLUTION BACKGROUND
DATE: 4/14/26
CC: STEPHEN GIESBRECHT, BOROUGH MANAGER
 STEVE HARBOUR, UTILITY DIRECTOR (INCOMING)

As new projects are being planned in both Petersburg and Wrangell that will draw on the SEAPA generation and transmission system that we share, a joint resolution has been initiated by the City and Borough of Wrangell. This memo provides details on several points which will help explain this topic and answer some questions.

SEAPA Power Sales Agreement

The SEAPA Power Sales Agreement (PSA) dedicates all firm power from Tyee Lake to the member communities of Petersburg and Wrangell (aka the north end) as the priority customers. Additional dedicated power may be sold to Ketchikan if excess power exists, per the annual operations plan. However, there is no language regarding the allocation of the north end power between Petersburg and Wrangell. The resolution puts a finer point on this issue by stating that in times when the maximum output of power is reached, namely during cold weather peak shaving*, the allocation should be considered equal between the two communities. This even split of power sets the table for how peak shaving generation is shared, and further how each community will be required to supply generation to support the power use in their community as needed.

Cooperation and Coordination for Power Allocations

By approval of the resolution, the communities agree that they will consult and coordinate with each other when planning projects that will add significant loads to the north end of the SEAPA grid, including the discussion of project details that quantify power demands from SEAPA. This is an open line of communication that is important for planning on whether a specific project will require local generation support by either community. The goal would be to inform each Assembly of increasing load demands from our shared SEAPA power resource and communicate the commitment from each community to supply generation to support those loads as needed. i.e. each community will support their power needs above their share of SEAPA's capacity and not expect their neighbor to support their expansion or development with generation when Tyee's maximum output is reached.

Local Generation During Maximum SEAPA Output

The general arrangement will be that each community will provide for local generation if their power loads are over 50% of the Tyee output and Tyee is maxed out, per the annual Operations Plan. If both communities require more than 50% of the available power from Tyee, they will share the burden of local generation for the north end of the system. It is

*Peak shaving refers to a utility bringing on additional diesel generation to cover system load "peaks" when SEAPA generation is at its maximum capacity and cannot meet the full firm power needs of the communities. Normally needed when winter temperatures are in single digits and heating loads increase dramatically.

important to note that once the Tyee third turbine is built in 2027, diesel burn to support winter peak shaving will be eliminated for many years.

Conclusion

This resolution does not change the terms of the SEAPA PSA, but it does enter into an understanding of how the communities will view their portion of the Tyee Lake output; that they will work cooperatively to share that resource; and how any overages of the maximum available power from Tyee will be supported by each community.

I'll be happy to answer any questions that the Assembly may have about this resolution.

MEMORANDUM

TO: MAYOR LYNN AND BOROUGH ASSEMBLY
FROM: STEPHAN HARBOUR, UTILITY DIRECTOR *SH*
SUBJECT: REQUEST FOR APPLICATION OF A FUEL ADJUSTMENT CHARGE
DATE: 4/8/2026
CC: STEVE GIESBRECHT, BOROUGH MANAGER

Per the Municipal Code, Chapter 14.16.720, titled Rates – Fuel and Purchased Power Adjustment Charge, the Assembly has the discretion to implement a fuel adjustment to all kilowatt hours sold in the billing period that includes the annual SEAPA maintenance shutdown and the resulting 10-day diesel plant run by the utility.

With this memorandum, I am requesting that the Assembly consider implementing the codified rate adjustment for the billing period between May 27th and June 27th of 2026. The adjustment was approved for the last 4 years to recoup fuel costs above \$2.40 per gallon (the price noted in the code) for the annual SEAPA maintenance shutdown. With fuel costs continuing to be significant, the utility would appreciate the Assembly's support. The SEAPA maintenance period is tentatively scheduled for June 11 – June 20 this year, with approximately eight (8) days of diesel generation anticipated; however, this duration is an estimate and may vary depending on operational conditions.

At the time of writing this memorandum, the current cost of diesel fuel is approximately \$5.08 per gallon. Fuel pricing remains volatile, and actual costs during the shutdown period may vary from current levels.

The current ordinance establishes a base diesel fuel cost of \$2.40 per gallon for purposes of calculating the fuel cost adjustment. While this remains the adopted baseline in code, the utility requests to apply a working base of \$3.87 per gallon, which reflects the fuel price incorporated into the current fiscal year budget, lessening the burden on the rate payer.

This approach is in recognition of the recent and sustained increases in fuel prices and the resulting financial pressure on our community. By aligning the adjustment with the budgeted fuel cost rather than the lower ordinance baseline, the utility is moderating the immediate impact of fuel cost recovery on customers while maintaining financial stability. In short, this approach lessens the burden on our customers.

Moving forward, the utility intends to propose an ordinance amendment to formally align the code with this approach. The goal will be to reflect the original intent and spirit of the ordinance by tying the base fuel cost used in the adjustment calculation to the utility's annually budgeted cost per gallon.

Based on current fuel pricing and last year's generation levels, the projected fuel cost adjustment is estimated to be approximately \$0.012 per kilowatt-hour (1.2 cents/kWh). For a typical residential customer using 1,000 kWh during a billing period, this would result in an increase of approximately \$12.00 on their monthly bill.

This adjustment reflects the difference between the utility's budgeted diesel fuel cost and the actual cost incurred during the billing period, allocated across the total kilowatt-hours sold during that same period. The actual adjustment will vary depending on fuel prices, the duration of diesel generation during the shutdown, and overall system generation levels.

If approved, the utility will begin a public information campaign to make our customers aware of the power adjustment and the billing period in which it will be applied. Conservation of power at households and businesses during the subject billing period will lessen the amount of power generation and fuel usage during the shutdown, as well as the total amount of usage by the community that is factored into the adjustment formula. Concerted conservation efforts will help every customer to lessen the impact of the adjustment.

Attached is the formula used in the ordinance, adjusted to the \$3.87 per gallon fuel cost and the estimated calculation using the 2025 usage figures to explain this.

Thank you for your consideration.

Proposed Motion

I move to approve a fuel adjustment charge, pursuant to PMC 14.16.720, for all kilowatt-hours billed during the period of May 27, 2026, through June 27, 2026, associated with the annual SEAPA maintenance shutdown. The adjustment shall be calculated using a base diesel fuel cost of \$3.87 per gallon.

Example of Using the \$2.40 per gallon as allowed in the Ordinance

$$\text{Fuel Adjustment} = (F-240)/13.5 \times D/G$$

F = Cost in cent/gal of current fuel price = 508 (price as of 4/2/2026)

D= kwh generated during prior month by diesel plant =502,101 (diesels estimated kWh)

G = Total generation during prior month, in kwh = 3,953,109 (June 2025)

$$\text{Adjustment} = (508-240)/13.5 \times (502,101 / 3,953,109) = 2.52 \text{ cents/kwh}$$

In this hypothetical scenario, the utility would be seeking to recover \$99,676 in unanticipated fuel costs and a customer that used 1,000 kwh in the billing period would see an adjustment of about \$25.20 added to their bill. About double last year's adjustment.

Example of Using \$3.87 per gallon as the proposed base

$$\text{Fuel Adjustment} = (F-387)/13.5 \times D/G$$

F = Cost in cent/gal of current fuel price = 508 (price as of 4/2/2026)

D= kwh generated during prior month by diesel plant =502,101 (diesels estimated kWh)

G = Total generation during prior month, in kwh = 3,953,109 (June 2025)

$$\text{Adjustment} = (508-387)/13.5 \times (502,101 / 3,953,109) = 1.2 \text{ cents/kwh}$$

In this hypothetical scenario, the utility would be seeking to recover \$45,000 in unanticipated fuel costs and a customer that used 1,000 kwh in the billing period would see an adjustment of about \$12.00 added to their bill. Resulting in charges similar to last year's adjustment.

From: Gary Aulbach <gaulbachsculpin@gmail.com>
Sent: Tuesday, April 7, 2026 12:55 PM
To: Assembly <assembly@petersburgak.gov>
Subject: Road

Hello Assembly Members,

As the Borough finalizes details with PIA , and Tlingit Haida prepares to get their road design complete for the new airport subdivision road, I have a couple questions. First, will the road be built to the current Borough specifications? Second, are you requiring Tlingit Haida to use the Borough's local preference guidelines when they review the RFP's? I would hope the local road builders will be included in the bidding process and local preference should be a top priority.

Thank you for your time.
Gary Aulbach

From: Beau Ward <bward@pcsd.us>
Sent: Thursday, April 9, 2026 11:54 AM
To: Assembly <assembly@petersburgak.gov>
Subject: Support for HB 78

Hello Assembly Members,

Thank you for considering a resolution in support of House Bill 78. I wanted to offer a personal perspective from a teacher who has been teaching in Petersburg now for 19 years. I started teaching in Alaska in 2004, so my retirement plan is part of the Tier II teacher retirement which includes a pension and medical benefits. This retirement plan is one of the main reasons I stayed in Alaska after coming to teach for a short term "Alaska adventure." Settling into Petersburg and becoming a significant contributor to our school and ultimately community took time, but Petersburg was a good fit for my family both personally and financially, making the commitment a responsible one. I can't say the same for younger teachers in our district who are at the same point I was almost two decades ago. A choice to stay in Alaska and make a career of teaching is also a choice to have one of the least reliable professional retirement options in the US. For these teachers, the struggles of living in a high cost community while low on the salary scale don't pay off with long term retirement security.

In my own family, both my wife, who is also a teacher but under the current Tier III teacher retirement plan, and I will be dependent upon my retirement plan. Though she saves significantly more than just the employer contributions, her retirement lacks the benefits or certainty that mine does. Without my retirement plan, it would be a bad financial decision for her to be here. If I were under the same retirement plan also, neither of us would have stayed in Petersburg or Alaska. We both give a lot to our school and community, so it has been a good thing for us and Petersburg that I'm grandfathered into the Tier II teacher retirement, allowing us to be here.

Petersburg and much of Alaska have benefitted from families like mine that have moved in and stayed because it is a good choice for us to raise our families and spend our careers here. However, the situation has changed for colleagues younger than me, and being here means making a choice despite the teacher retirement plan instead of that being a reason to stay, like it was for me.

House Bill 78 addresses this problem by creating a pension that makes us competitive with other states. I would encourage you to support the bill because I want my younger colleagues to know that being here is a good financial choice, and I want our district to attract great teachers for me to continue to work with and ultimately take my place when I retire.

Thank you for your consideration,

Beau Ward

From: Heidi Cabral <hcabral@pcsd.us>
Sent: Thursday, April 9, 2026 1:44 PM
To: Assembly <assembly@petersburgak.gov>
Subject: HB 78

Dear Petersburg Borough Assembly Members,

I am writing to ask you to support the resolution backing House Bill 78.

As a teacher in Petersburg, hired under the current retirement system, I do not have access to a pension or Social Security through my employment. This has had a real impact on my family and how we think about our future. The cost of living in Alaska is already high, and in many ways we can barely afford to live here as it is. Knowing that there is no guaranteed retirement benefit makes it very difficult to see a path where I can afford to spend my entire career here and retire as a teacher in Alaska.

It is also important to understand that today's teachers are working under a very different retirement system than many of Alaska's retired educators. Teachers who began their careers before 2006 were able to earn a defined benefit pension, which provided long-term stability and a predictable retirement. Those of us hired since then do not have that same security. Because of this, the realities facing today's teachers are very different from those faced by previous generations of educators in Alaska.

Without meaningful retirement security, many of us teachers are forced to consider leaving the state or the profession entirely. I care deeply about my students and about the community I serve, but the current system makes long-term stability feel uncertain. The possibility of outliving my retirement savings is a real concern when retirement depends entirely on personal contributions and market performance.

A defined benefit option would change the way many educators think about their future here. It would provide the stability and predictability that allows teachers to commit to Alaska for the long term. It would also send a powerful message that our state and communities value the work teachers and other public employees do.

I have already seen colleagues come to Alaska for a few years and then move to other states where retirement benefits provide more security. That constant turnover affects our schools and our students, who benefit most from experienced teachers who are able to stay and build lasting relationships within their communities.

Supporting this resolution would help communicate to state leaders that Petersburg understands how important it is to recruit and retain teachers and other public employees. We want to continue serving Alaska's students, but without retirement security we may not be able to afford to make Alaska our permanent home and that makes me sad.

Thank you for your time and consideration.

Sincerely,

Heidi Cabral

"Live & Learn"

Heidi Cabral

Special Education Teacher

Rae C. Stedman Elementary

Petersburg School District

877-526-7656

From: Tim Shumway <timshumway1@gmail.com>

Sent: Thursday, April 9, 2026 10:56 AM

To: Assembly <assembly@petersburgak.gov>

Subject: Support for Resolution #2026-10

Petersburg Borough Assembly Members,

I am contacting you asking that you support Petersburg Borough Resolution #2026-10, A resolution in support of a return to a defined benefit retirement system for public employees, including House Bill 78. I will be present on Monday to share my opinion in person, but I wanted to give you a little context for this resolution.

As you may know, in 2006, the state of Alaska changed Public Employee Retirement System (PERS) and Teacher Retirement System (TRS), creating a defined contribution system instead of a defined benefit (pension) system. In addition, all Alaska teachers and most public employees are not eligible to participate in social security. Alaska is the ONLY state in the nation that provides no retirement security - either through SS or a pension - to those employees. While each of us works hard to serve our communities, we are also forced to consider whether we can do so without sacrificing a stable future or risking outliving their savings. This has created a situation that makes recruitment and retention incredibly difficult.

I started teaching in Alaska in 2006 - the year this change occurred, meaning my entire career I have been tempted to take the resources from my defined contribution account and leave the state. My wife, as a nurse at the medical center, is also subject to this system, and leaving Alaska to build a more secure retirement is a *constant* consideration for us. In fact, the current PERS/TRS system incentivises this, and I have seen it happen countless time with colleagues across the state and right here in Petersburg - early career teachers start raw, grow and learn and improve in their work, become more effective, then become vested and take all of their experience (and their employer's contributions to the defined contribution plan), and move on to other states or positions that will allow them to build a stable retirement either through a pension or access to social security. What was once a strength and competitive advantage in hiring people to work in and for communities in our state - a stable, secure retirement - has now become our most disastrous disadvantage. Teacher turnover is up dramatically across Alaska, including in Petersburg, as a result of these policies.

House Bill 78 offers a reasonable, responsible solution to this problem. It offers teachers and public employees the option of buying into a pension system, securing retirement. It rewards and incentivizes remaining in public service while remaining fiscally responsible. This is achieved through the risk-sharing between the state and employees. If the plan falls below 90% funded, the rate that employees contribute would rise to make sure that there is no unfunded liability for the state.

I would also like to address an amendment that Sen. Stedman is set to propose today (1:30pm, April 9) in the Senate Finance committee. His amendment would raise the cap that employers would be asked to contribute from 22% to 24%. In my opinion, this amendment is a *poison pill* - an attempt to undermine support for the bill from employers like the Borough and school district. The structure of the bill already provides security for the state because it increases *employee* contributions if the plan is less than 90% funded - making Sen. Stedman's amendment unnecessary. I urge you to immediately reach out to Senator Stedman's office and express your disapproval.

Thank you so much for your service to our community, and for taking the time to consider my perspective on this issue.

Respectfully,

Tim Shumway

From: Trevor Wilson <twilson@pcsd.us>
Sent: Thursday, April 9, 2026 4:02 PM
To: Assembly <assembly@petersburgak.gov>
Subject: Support for HB 78

Dear Petersburg Borough Assembly members,

I am writing today to explain why I am in full support of HB 78. I am a lifelong Alaskan who has lived in the state my entire life. I am new to the Petersburg community, but I am not new to Alaska. I grew up in Unalaska, living there from the time I was 2 years old until I graduated high school. I then returned to teach there for 2 years before making the decision to leave and come teach in Petersburg. My own father taught in the state for 25 years, 4 in Dillingham, and then 21 in Unalaska, working as a principal for the second half of his time there. When he moved to the state, there was still a defined benefit retirement plan in place which was a huge factor in him deciding to stay in the state and raise a family. As myself and other young educators are faced with this same decision on if we want to stay in the state and raise a family, the absence of a defined benefit plan makes it very difficult to stay. If I were to leave the state, this would be the only reason. Alaska is my home, and I would love to call the community of Petersburg home for a long time, but public employees also have to consider their financial future.

The defined contribution plan, while portable, does little to encourage teachers to stay in the state and truly call Alaska home, as my father did. The portable nature of it is great for teachers who plan on only being here for a few years, but for those of us who want to stay longer, a defined benefit plan would be much more effective for teacher retention and recruitment. It provides the security that those of us who do want to stay and raise families would need to motivate us to stay in the state. Right now, young teachers are leaving the state because of the absence of a secure financial future. If there is nothing put in place to give public employees a defined benefit plan, I will probably be the next to leave the community and the state. The defined contribution plan puts all of the financial risk on the teachers. Political leaders and world politics can cause stock prices to plummet quickly and without warning. Having a 401k be the only source of retirement is very scary because of the rapid fluctuations, and the possibility of a stock crash at any time.

As I find myself in the position of having to decide on if Alaska will be my forever home, a defined benefit plan would be something that would help to make this decision to stay easier. This is my third year teaching, and I would love to continue volunteering with youth sports and helping kids to learn in Petersburg. This is truly a place that I could see myself living for not only for the immediate future, but for years to come. If there is no defined benefit plan put in place however, I fear that I will have to move out of state to a state that has a defined benefit plan in place for public employees. The uncertainty of

retirement is a huge consideration for myself and other young educators, and a defined benefit plan would go a long way in helping us to stay and continue to call our great state home.

Thank you for taking the time to read my comments and opinion and for helping to consider HB 87 as a solution to the problem of teachers leaving Alaska.

Trevor Wilson
4th Grade Teacher
Powered by Caffeine and Dream
Rae C Stedman
Petersburg, AK

4/10/2026

Honorable Mayor, Assembly Members, and Borough Manager;

I'm writing to express concern regarding the 2026 mill rate and its potential effect on individual tax debt.

This year the Land portion of my property assessment went up \$93,000, an increase of over 47% from last year. This raised my total property assessment (Land + Improvements) by nearly 14%, with the Improvements value remaining unchanged.

I understand the Borough's financial needs, but am wondering how high land values will go? Will next year bring another big increase? If property values of primary homes for our full-time residents are based on how much the wealthiest shoppers in the lower-48 population are willing to pay, what happens to the purchasing power of those who call Petersburg home? And can they continue to afford living here? Can our young people afford to purchase a home in their own hometown? How can anyone – residents on a fixed income in particular – plan and budget for such dramatic shifts in property values, and potentially in tax debt?

In September I retired from a career job and so am myself in that fixed income category. Shortly afterward the senior sales tax exemption was revoked (I would've been eligible in 2026). And now I wonder if the senior property tax exemption may be offset by the effect of rapidly rising property values. I can't deny that my property could probably sell to the right buyer for the assessed value, but I don't want to sell my primary home – which has me looking at the mill rate. In 2024 my total property assessment also increased (by nearly 8%), but a lower mill rate that year moderated the effect on my tax debt.

If the 2025 mill rate (11 mills) is adopted for 2026, my tax debt will increase by almost 16% (\$1,159 more, or nearly \$97/month higher than last year). If the 2024 mill rate (10 mills) is adopted, my tax debt will increase by 5% (\$385 more; approx. \$32/month) – much more manageable. As mentioned above, this would not be an unprecedented choice; according to my records, in 2024 the rate was reduced from 11 mills to 10 mills, and the 2023 rate of 11 mills was a reduction from 12 mills the year before.

Please consider setting our mill rate no higher than 10 mills for 2026. If affordable housing is indeed important to our community, consider the cumulative effect of rising property values for primary homes of seniors and others on fixed incomes, especially on the heels of losing the senior sales tax exemption and given the general cost of living increases affecting us all at this time.

Thank you for your time, and for your service to our community.

Kind regards,



Carol Jensen
919 Sandy Beach Rd
Petersburg, AK

From: ayla stromquist <aylamichelle_1@hotmail.com>
Sent: Monday, April 13, 2026 12:42 PM
To: Assembly <assembly@petersburgak.gov>
Subject: Monday meeting

Good afternoon,

My name is Ayla Dupree.

I'm out of town and unable to make the meeting. The fact this issue seems to be getting bigger despite extensive public resistance and attempts to work together to find an alternative, is inexcusable. You are elected to represent and keep the best interests of your local population in the forefront of your decision making.

I'm once again making it clear we do not support these towers anywhere near our homes. I've personally spoken with 12 real estate agents around the state and will have a packet to present proving that proximity of towers to properties DECREASES property values.

If you refuse to look at health concerns, especially in children. Maybe focusing on the economic impact for the city as well as your residents will be more intriguing to you.

We are not in support of these happens and hope you will seek ways to work with your constituents. We elected you and we provide the income for these government workers. Represent us, not the major companies trying to bully us.

As a side note. I'm putting on record the complete disgust being seen that our local news has chosen not to report on this. There's bias and then theirs chosen negligence.

We will be at meetings going forward and as inconvenient as it is to hear our broken record testimonies, ready yourselves, because you will continue to hear it. Only it will be accompanied by more and more market research and data.

You're there to watch out for us, there's no excuse for what has been happening.

Respectfully,

Ayla